

Bank Act

bill before us should be changed in committee so as to restrict the involvement of banks in the leasing field. The banks should be restricted to providing financial leases for large fleets, heavy equipment or heavy trucks—things of that nature. Competition for leasing to the individual consumer is already extensive, and no benefit would accrue to the Canadian public if we were to enable the banks to enter this field.

In closing, let me repeat that the passing of this bill will not solve the economic problems for which the policies of the government are responsible. We are not likely to deter this government from the disastrous course down which it is headed. However, we can, and we should, rely on the resourcefulness of the Canadian people to succeed in spite of the government. The passing of this bill will allow one segment of Canadian society, the financial and banking community, to get on with the job.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I appreciate this opportunity to speak on the revision of the Bank Act. Since this is my opening speech I should mention that in the beautiful riding of Cowichan-Malahat-The Islands we do, indeed, have banks. We also have credit unions, which are even more relevant to the interests of ordinary people.

Without digressing too much, I might add that Cowichan-Malahat-The Islands is one of the most beautiful parts of Canada or, indeed, of the world. I thank the people of the riding for their confidence in me; I will do my best to serve them. On their behalf let me say it is a nice place to visit, but we don't want too many of you to live there. I urge hon. members to visit their banks or credit unions before they come.

I was in the House two nights ago when the Solicitor General (Mr. Kaplan) suggested that new members should not become too involved in this discussion because all the important questions have been asked and answered to almost everyone's satisfaction. Last night the hon. member for York-Peel (Mr. Stevens) agreed with him in wanting to rush this bill through its several stages. With respect, Mr. Speaker, I must decline the invitation to remain silent on this measure. It touches on too many issues which are important to me. These issues concern me as a Canadian interested in the broad economic and social well-being of my country. They concern me as a consumer of financial services, and they concern me as a member of a political party which is working for progressive change in Canadian society.

The Minister of Justice expressed concern that this session of Parliament should not reinvent the wheel. I can assure him we are not interested in reinventing the wheel, but we do have some questions about the direction in which the wheel is travelling. In short, we oppose the proposed revision of the Bank Act as set out in Bill C-6. We oppose it for some of the things it does and also for some of the things it fails to do, or does not do in an adequate manner.

Let us examine some of the things this act does. First of all, it opens the door for foreign banks to have a larger, more official role in Canada. In a sense the Bank Act amounts to an

official baptism of the situation which already exists. The government hopes by this to place greater control over foreign banks in the hands of federal authorities. When we look at the government's track record when it comes to controlling big corporations, I must say this is a rather forlorn hope. The bill talks about means of increasing competition with the chartered banks. But we ask how much this kind of increased competition will help ordinary consumers or small businesses. As other members have pointed out, foreign banks would emphasize large-scale commercial and industrial accounts. The foreign-owned subsidiaries of the multinationals would be inclined to use foreign banks for their financial transactions rather than Canadian banks.

Last night we heard the hon. member for York-Peel yodelling about Canada becoming the Switzerland of North America. I suggest that the first step toward this was taken when we go rid of our merchant navy. The second is bringing in the foreign banks. Instead of the gnomes of Zurich we will soon, perhaps, be able to talk about the Hobbitts of Bay Street. We all agree that more competition in banking would be desirable, but this could be better achieved through more Canadian banks and through enlarging the scope of our credit unions. We should also be looking seriously at such alternatives as post office banks.

Another reason often cited for allowing foreign banks into Canada is the need for reciprocity, so that Canadian banks will have access to foreign markets. But, Mr. Speaker, when we look at the record of Canadian banks in South Africa or the Caribbean, we have serious doubts about the value of this proposal. With regard to Canadian banks in the Caribbean, one informed source pointed to the concerted attempt by multinationals to destabilize the government of Jamaica. Canadian banks have not been neutral.

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Canadian banks have not been enabling or developmental in their approach, but they have been part of the multinationals' grab for Third World resources. In South Africa Canadian banks, through their loans to companies doing business in South Africa and to South African government agencies, have given powerful support to the policy of apartheid. In this regard I am pleased to note the following statement on foreign lending that the Toronto-Dominion Bank issued on March 14 of this year:

We have reviewed our position and again state categorically that we are opposed to apartheid. The bank has made only one loan in South Africa in recent years. That was to the state electrical system, along with a group of European and other banks, for construction work at a coal-fired generating station. This would increase the over-all electricity supply to support the government's announced intention of electrifying the non-white communities. This loan will not be renewed nor will the bank make new loans to the government of South Africa or its agencies under present circumstances.

I believe it would be good if other major chartered banks followed this example.

Second, the new Bank Act allows the cabinet to issue letters patent for a new bank rather than requiring that charters be issued only by an act of Parliament. This undermines the role