

Bank Act

should get. So I think you have to go back to the bank and see the bank". Thus, there is the full circle.

• (1630)

I ask you, Mr. Speaker, is this the way to greet anybody? I have made fun of this but it is the only way I know how to put across a point. I think I have made that point. I ask my brother opposite if I have made the point. In fact, there is no independent, impartial individual who assesses, first, if a service charge is justified and, second, if it is justified, is it a reasonable one? There is no provision for that.

There are examples concerning industries in the country which are regulated by Government. I refer specifically to Bell Canada. That company has to apply for rate increases. Not so long ago it was forced to provide relief on a rate charge that was too excessive. There are no provisions in this Bill concerning banks. The Bill is faulty in that regard.

What have we New Democrats said? We agree with the rest of the members of the Finance Committee. We agree with Paul McCrossan's Bill. I tried everything possible to get Paul McCrossan to keep his Bill on the Order Paper. When he withdrew it, I entered a Bill which included all of those things that Paul McCrossan had in his Bill. Mine went beyond that and added two other things.

What do we want? We want a basic no-frills account. We believe that by law banks should provide that type of basic no-frills account where certain transactions are part of that basic no-frills account. That would allow poor people who have very few transactions, or very basic transactions to do with the bank, to be able to carry them out without being dinged and donged.

Banks that have assets of \$140 billion have made those assets off the deposits of ordinary Canadians. Those same banks turn around and ding and dong them for every single charge which allows them to continue to increase their wealth. Last year the Royal Bank had net income of \$700 million while the Scotiabank had net income of \$506 million. The CIBC had net income of \$591 million. Despite these spectacular earnings, the Royal Bank raised 15 of its service fees an average of 4 per cent to 6 per cent. The other banks have followed suit. Even when they are enjoying spectacular earnings

they continue the ever onward and upward rise in bank service charges.

We propose an immediate one-year freeze on bank service charges. This differs from McCrossan's Bill. I did not pull that figure out of a hat. The Royal Bank did it, but only for six months. After that there were even more astronomical rises. Thus we are suggesting a one-year freeze.

It seems to me that over the past five years, bank service charges have increased at an average annual rate of 19 per cent. I have a strong feeling and suspicion, although I cannot put my finger on it, that they have been overcharging Canadian consumers.

We have seen this situation before. I recall the experience we had with credit card interest rates. I saw the Tories, in particular the former Member from Scarborough West and others who sat opposite, screaming because the interest rates on credit cards skyrocketed. What happened? The Finance Committee decided to investigate the matter. Suddenly, the banks all agreed they would move voluntarily and overnight the rates came down to about 15 per cent. What has been happening lately? The rates are back up and climbing. Retail credit cards at places such as Sears and Canadian Tire are up at around 30 per cent.

I heard John Crow and the other birds from the Bank of Canada say the other day that they are allowing interest rates to rise because they want to dampen demand. I suggest that for a number of Canadians who do their retail purchasing on credit they have already been dampened with interest rates of 20 per cent and 30 per cent on their credit cards.

Look at the spread, Mr. Speaker. The cost of money is around 12.3 per cent or 12.4 per cent and these retail outlets are charging 20 per cent and 30 per cent. We recognize the need for a freeze. We believe there should be prohibition against unfair charges. We specifically point out the unfair minimum balance charge. We believe that should be outlawed.

I see the Minister for Employment and Immigration (Mrs. McDougall) is leaving the Chamber. She is blowing me a kiss. I do not know why she is leaving during my very clear and precise expurgation of this Bill. She could learn something about UI since I will be getting to that in a minute.