

Bank Act

knows what problems can be caused by a lack of communication.

It seems to me that, under the Bank Act, and God knows that this Act is quite substantial and voluminous, the Inspector General is primarily accountable to us in this House. He already has quite enough to do and if he feels that the present legislation does not give him enough powers to alleviate the concerns and fears of the Hon. Member opposite, I am convinced that he will be the first to say so. However, such is not the case, Mr. Speaker. The Inspector General of Banks often appears before the Committee on Finance, Trade and Economic Affairs to complain that he is short of staff. He is right because there are now many more banks than in the past, but he has never complained of not being granted the power which the sponsor of this bill would want him to have.

To conclude, Mr. Speaker, I want to point out that I understand and respect the views of the Hon. Member opposite, namely his concern for security, but I do not believe that such security can be provided by this bill unless we create a very large bureaucracy because there are already officers who have the authority to answer all the concerns of the honourable member, except for centralization, which, unfortunately, neither the Inspector General of Banks nor ourselves seem to want. However, it would certainly be interesting to examine this issue in depth, but not through an amendment to the Bank Act.

[English]

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I would like to respond very briefly to the proposal before the House this afternoon. I would perhaps make some observations on the comments of the Hon. Member for Laprairie (Mr. Deniger) who last spoke. During the long period in which the Bank Act was reviewed in the House of Commons, it was very clear that the Inspector General of Banks did not have sufficient resources to do the job at hand. In addition to that, he lacked the will, and that lack of will was caused by a lack of direction from the Government and the former Minister of Finance. As a result, the Inspector General of Banks was simply performing a limited accounting function. He was certainly not involved and I suppose had been told not to become concerned with a number of the very crucial issues raised by the Hon. Member.

The Second point raised by the Hon. Member was that those resources already existed, so there was no need to "duplicate", as he called it, through this Bill, in order to delegate additional resources and authority to the Inspector General of Banks. I suggest that this is completely wrong and, to some degree, it shows a lack of sufficient information.

One recommendation I would give to the Hon. Member and the Finance Committee would be to call before that Committee representatives from the RCMP commercial crime group to determine their available resources. Recent publications have indicated that they are extremely short of personnel. They do not have the access which the Inspector General of Banks would have on a regular basis. Finally, they do not have

the professional expertise readily available at their fingertips to handle the kinds of complex problems which can arise in commercial crime. The Committee should determine whether or not the resources, which the Hon. Member suggested are adequate, are in fact adequate. I am certain it would be extremely clear to anyone that we do not provide the budget or personnel necessary if those individuals are to handle the kinds of problems with which they are dealing.

Just to recap the first point, the Department of the Inspector General of Banks is understaffed and lacks the policy direction from the Government which is necessary in order to deal with the kinds of concerns which seem to be expressed here.

While the last revision of the Bank Act was before the House of Commons, there were numerous serious questions raised. I would just like to mention some of those questions today. The first would be the role that we had assigned to the Inspector General of Banks of reporting on this particular area and giving us the information he had available; but certainly there was a question in our minds and in the minds of other Members of that Committee during the revision process about the operation of the foreign operations of Canadian chartered banks. At that time we were unable to obtain any co-operation from the Inspector General of Banks on the grounds that, one, the information was confidential and, two, that he did not have it.

• (1540)

Ultimately, there were some serious questions raised about the foreign operations of Canadian banks. First of all, it was suggested that in some countries the banks had in fact been involved with certain groups which had worked actively against the existing governments. That kind of information was not available from the Inspector General of Banks. So the question of supervision of our chartered banks in foreign countries is an extremely important part of his role. The question whether or not these banks are exceeding the laws of the Government of Canada or the policy directions established by the Government of Canada was an extremely important aspect of that, which both the Government and the office of the Inspector General of Banks shrugged off.

The other aspect of the foreign operations of Canadian banks was certainly brought to light when the very serious question was raised some years ago about the exorbitant bank profits, enormous profits, which in reality were gleaned from Canadian taxpayers and Canadian residents. What they tried to sell us was essentially that the banks had earned these enormous profits by their foreign operations. Again, we are getting extremely misleading information from the banks, and this is allowed to proceed through the Inspector General of Banks and the Government of Canada.

Essentially what we have today is the absolute contrary, where Canadian chartered banks through their foreign operations seem to be in very serious difficulty. Loans to Venezuela and to Colombia have turned into a situation of very unwise