

Bank Act

Mr. Oberle: They are waiting with great anticipation. When I said bankers got me into politics, I said so because I started quite a number of small businesses. All of them, incidentally, were successful. None of them went bankrupt.

An hon. Member: Yet.

Mr. Oberle: No, they are still going. Because I wanted to have a clean shirt when I came to Parliament, I divested myself of most of my business interests. However, I developed a skill in talking to bankers and convincing them of the viability of small businesses which employed usually two, three, five, ten or 120 people. It requires quite a bit of skill today—and did 20 years ago or 25 years ago when I started my first business—to convince a banker that you have something going for you, that you have a better mousetrap, that you deserve a place in the marketplace and that you need some credit to get started.

Our banks do not give venture capital to small businesses. I am not making any excuse for this absolute statement. There is just no way that our banks are in any way interested in helping young people to get started in business. Whether that business is farming or in the manufacturing sector does not matter. I do not care if you are a member of the New Democratic Party or any other party; if you cannot walk into your bank manager's office and prove to him beyond all doubt that you really do not need money, you simply will not get any credit.

I always say that in our country there is no single entity, whether it is government or anything else, which has more influence in the marketplace than the banks but which at the same time has less understanding of what goes on in the marketplace, particularly with respect to the small business sector.

The reason I wanted to say a few words about that tonight is that over the last 25 years of frustration and starting businesses—which probably could have been four, five, six or ten times their size if bankers had co-operated—I always said there would be a day when I would get even with some of the bankers with whom I have had to deal.

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We do not want to be too unkind tonight, but certainly they do not deserve any credit whatever. The 13 chartered banks in this country do not deserve any credit at all for helping small business. In fact, I would say they deserve the lion's share of the blame for the economic situation in which we find ourselves today because they ignore completely the incredible role which the small business sector plays in our society. It is the small businessman who creates the permanent jobs quickly with the right incentives and in the right business climate. It is the small businessman who always comes up with new ideas. To me, sir, there is not much difference between the bureaucrats who sit around in offices in the nation's capital, public or corporate bureaucrats, and the bureaucrats employed by large corporations. They are nine to five people, they go home on weekends, they take a month's holiday annually and they

cannot care less. It is the small businessman who is out there competing in the manner in which Adam Smith intended, in the free enterprise manner. It is the small businessman who invents the mousetrap and who thinks for 24 hours a day so as to stay ahead of the next guy.

I say that the banks have no comprehension of what is going on in the marketplace and of the role which the small businessman plays. And why should they? Imagine an official of the Chrysler Corporation coming to a bank manager and telling him he needs \$100 million. Imagine how much time the bank manager would have to spend talking to small businesses to lend them \$100 million! With Chrysler he can do it in a two-hour session and a working luncheon. But here is \$100 million and, my God, the bank can lend that sum of money because it is great business. It is not necessary to ask the client for security and tangible assets in the case of a large corporation such as Chrysler because the government is the security. If something happens, the bank can go to the government because the impact on the economy would be so great that the government would have no choice but to bail out the corporation. We have seen recent examples of that.

But let us consider the person who works for that large corporation—and I will get in my dig at the NDP at this juncture. Members of that party come to the House every day and every time one of them is up during the question period he talks about economic nationalism and about all these horrendous things that the multinational corporations do to our country. Yet when one of these multinational corporations comes to us for help, as has been the case of Chrysler—they stand in their place and they scream, holler, assert themselves and demand from the minister that he act right away to save jobs. The reason they do this is the invisible handshake—we have heard of the invisible hand of Adam Smith—between large corporations and multinational unions. They all get together in the board room behind closed doors. They say “there is one multinational corporation which we will have to protect but every other corporation that is not unionized or does not contribute to the NDP coffers can go down the drain.” The small businessman is left in the dark and so is the employee of small businesses. I dare say that a person who works for Massey-Ferguson or Chrysler and then finds himself out of a job is no better off or worse off than a person who works at the corner grocery store, the baker, the shoemaker, the plumber or an employee of another small business. He is just as hard up as the other fellow, but the government never comes to the aid of the small business which goes broke. The bank moves in, calls its note and saves its skin. Usually there are enough assets to ensure that the bank does not suffer. I do not know of any bank with which I have dealt, particularly in the north and in the small communities in Canada, which has ever made a bad loan to a small businessman, the reason being that they hardly make any loans to them and when they do, they are protected well enough.

What we have been trying to do in these five years of talking about the Bank Act is, because of our belief in free enterprise and competition, to build in a little more competition. We have