

because of some changes he wanted to make in his business. It would have returned for him probably 30 per cent more than he was currently making. He needed some capital just to tide himself over. He cannot get it.

He cannot get it at the bank because he cannot get any more on his overdraft. Do you know why he cannot get it at the bank? Because the Federal Business Development Bank has attached all of his assets, all \$44,000, for the \$8,600 loan. When he went to try to borrow the additional amount that he needed, he could not get it. The government could find \$200 million to put up for loan guarantees for Chrysler, but for \$4,000 this man will lose his business.

That is a reflection of a lack of policy on the part of the government. It is a reflection of the inability of the banking institutions to recognize the problems that confront small business people and to deal with them in an adequate, sensible, and sensitive way. That speaks volumes of what is wrong with our system.

Our system turns on credit. The banks have decided that they are going to get everything they can out of the system. They do not have any sense of responsibility in terms of trying to make sure that the people who are coming to them can, in fact, meet those obligations, and that that obligation heaped upon the other obligation will not finally sink them.

The banks are so interrelated with so many of the largest corporate entities in the country that there is a definite conflict of interest on a day to day basis taking place; credit, the lack of it for small business people, and the banks do not respond to it. I said when I started that the problem with this—and this is probably the single most important piece of legislation that we will have—is it unfortunately speaks in traditional terms as to how you manage the financial affairs of the country. It speaks as if it were being written in the early thirties rather than the eighties to meet the needs of the eighties and nineties.

There has been much written about it. It is very difficult to feel any sympathy for the banking institutions because they have had it all their own way for such a long time. They have had many opportunities to correct the problems they have created and they have refused. Unless this government is prepared to put quite clearly into this legislation the kind of performance that it requires from the banking institutions, we are going to have to take another look at another way of managing the financial affairs.

We cannot trust people who up to this point in time have betrayed the trust they have been given. We cannot further entrust them with the finances of the country unless they show definitely, by example and by direction, that they now understand the role they must play. We cannot just give them *carte blanche* for another ten years.

I suggest there is more wrong with the legislation than one may believe at first glance. If you take a very hard and serious look at it, you look to see whether at least some of what I have said reflects an accurate picture of what happens within the banking structure. You take into account my colleagues' remarks about the hiring practices, and the problems of the

### *Bank Act*

relationships that were brought up by many other colleagues, and you have to come to the conclusion that it would be ill-advised to hasten this legislation through. It should be carefully thought out. The restrictions have to be in place. Banks cannot even manage the endeavour they are in in the best interests of the country. For heaven's sake, don't give them more to do. Make sure that they at least live up to the responsibilities they have been given before granting them the power to infringe on areas that other people can look after at least equally as well and perhaps even better.

Do not give them any more power. Do not give the directors who, in my judgment, exercise some rather strange power, further opportunity to infringe on their competition in other areas. It is time we took a look at this act and restructured it in an effort to re-establish the banking institutions in a way that will meet the social and economic needs of the next decade as we go towards the year 2000.

Times have changed. The old image of the banker with the banker's hours is no longer there. The banks manage the affairs of the nation. They have more power and more influence than any other structure. They have more power and more influence than we do in the House of Commons. They even have more power and more influence than the Senate. That is hard to believe, but true. Therefore I suggest that we not rush this through, that we take our time and look at it very carefully and, if need be, restructure it, because it has to be restructured if it is going to meet the needs of the next generation.

[*Translation*]

**Hon. Pierre Bussières (Minister of State, Finance):** Mr. Speaker, you will remember that on May 1 I had the honour to launch the second reading debate on the Bank Act and I will take a few minutes to conclude that debate. I have listened carefully to the speeches delivered by all members of the House and in my opinion the interventions were constructive and mostly very serious. They have enabled us to throw light—

**The Acting Speaker (Mr. Ethier):** Do hon. members agree that if I recognize the minister, he will be the last speaker at this stage of the proceedings. Is it agreed?

**Some hon. Members:** Agreed.

**Mr. Bussières:** Mr. Speaker, those discussions helped shed some light on several extremely important questions. I am convinced that basically we have the same objectives, mainly the establishment of a financial system that is strong, competitive, efficient, fair and controlled by a majority of Canadians. Following the comments heard in this debate, I am convinced the proposals contained in Bill C-6 will help a lot to achieve those objectives.

I am under the impression that we are not fully aware of the competition taking place in Canada among banks, credit unions, caisses populaires, trusts and loan companies and a number of other financial institutions. Maybe I should have