

This act affects one of those components of the co-operative movement and that is the credit unions. Up until now the credit unions basically served the interests of their members. Because it is a membership-based institution, it had some difficulty because by law they were not permitted to go forward and raise capital through equity. They were only permitted to raise money through debt and through memberships.

The regulations that existed prior to this bill literally hamstrung the potential effectiveness of the co-operative movement through the credit unions or through the *caisse populaires*. This bill goes in the right direction in trying to correct that and allow the credit unions, if they so choose, to have another avenue to raise money so they can be competitive in some of the smaller and even in some of the larger areas. They can be competitive with those large banks that have had way too much protection for much, much too long.

Those movements are positive ones that I certainly support. There are some problems though. I am disturbed about an article that appeared today in *The Ottawa Citizen*. Everybody here wants to ensure that when we put through legislation, particularly legislation that is as long overdue as these three pieces of legislation, we do it right. Time and time again we have seen that there are special interests involved in such areas as the banking communities or the insurance industry or consumers or labour. When you change a complex piece of infrastructure in our economy, it is going to have a negative effect on somebody. Not everyone will like the changes that go forward.

When we do have the stamina to go through this gruelling process of trying to put better legislation through the House, we had better make sure we do it right.

As I said previously the article appearing in the *The Ottawa Citizen* today concerns me greatly. Helen Sinclair, President of the Canadian Banker's Association, is quoted as expressing some concerns that this new Bank Act that we are debating today may already be outdated. She says that we should seriously look at firming up some of the regulatory requirement such as the reporting and accounting practices of banks so that we do not get into a

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situation such as we have had with the Bank of Credit and Commerce.

It is good that we have a spirit of co-operation here. Normally when bills come forward, governments do not want to change one comma or change a sentence. But the co-operative approach on this bill, which is the right approach—

An hon. member: We should do it more often.

Mr. MacDonald (Dartmouth): We should do it a lot more often. This place would be a lot more relevant to Canadians if we did that.

I hope the approach on this bill will continue into committee stage and the government and all members will look at some of these things that are coming forward, most recently the one by Helen Sinclair, and put amendments forward to close those particular loopholes.

There are some other problems and I do not know that they are fully addressed. I am certainly not an expert when it comes to the banking institutions in this country. All I know is that I owe them a heck of a lot of money and I pay too high an interest rate on it. That is about it.

I am not a high financier but I will tell you something, Madam Speaker. I get a little concerned. Look back and see what happened with American Express. When governments, political parties or whatever start interfering in our financial institutions and start to manipulate and interpret regulations that are meant to be there to provide some stability and certainty in our financial institutions and to perhaps benefit some of their friends, I think that that is very, very dangerous.

We have the situation, Madam Speaker,—you are very well aware of it—of American Express. American Express in the United States does not qualify in its own country as a bank. It should not qualify in Canada. Canadian banking institutions and any other institutions that may wish to become a bank have to live by certain criteria. Their criteria are very rigorous. They are meant to be there to protect the depositors. They are there to be sure that the stability that we seek to put into our financial institutions is maintained.

American Express made a call in the dead of night and on election day in 1988, knowing full well that to grant American Express the distinction of being a Canadian bank was completely contrary, 100 per cent contrary, to the intent of all of the regulations and contrary to the