

Bank Act

Mr. Lambert (Edmonton West): How about loans to the left?

Mr. Benjamin: When it is a totalitarian dictatorship, right, left, upside or downside, it is not okay. If the hon. member for Vancouver-Quadra or the hon. member for Edmonton West (Mr. Lambert) want to invest their money in shoring up a loan for the state bank in Moscow or the military regime in Chile, that is their business. However, I do not know that any board of directors of a bank has a right to do that on behalf of their hundreds of thousands of depositors, customers and, in particular, shareholders without asking them. They never consult with them.

Mr. Clarke: Every year.

Mr. Benjamin: Every year they throw a party. If a shareholder tries to protest at an annual meeting about the kind of investment that is being made, he gets absolutely nowhere. Every time church groups and shareholders attend annual meetings of banks and protest policies regarding investments or the social conscience of that institution, they get absolutely no place. It is a myth that these private enterprise outfits are very democratic and that shareholders have the final say. I have never yet seen it work with any of these outfits.

Mr. Kaplan: They can always sell their shares.

Mr. Benjamin: The \$90,000 candidate from Toronto says they can always sell their shares.

An hon. Member: He can always sell his soul.

Mr. Benjamin: Maybe, if he has one. It is easy for him to make that kind of recommendation. If he were an investment counsellor, he would abhor what the banks are doing. However, he would advise his clients to invest in banks because there are good bucks in it. Anything to make a buck.

The Royal Bank has participated in a \$55 million loan to finance a steel project in Chile. The Bank of Montreal has confirmed it is part of an international group that will provide \$125 million in economic aid to the Chilean junta. It is not bad enough that they do that, but they gave \$25,000 to both the Conservative and Liberal parties a year ago. I suspect they do that every year. I doubt whether they consulted with their shareholders on that. They sure did not consult with their shareholders about backing up a \$125 million project in Chile. They can find that kind of money, but when it is suggested that maybe there should be a few cents less in dividends for their shareholders and a few million for their profits so that this money can be used for the development and growth of our nation, they are quick to say it is not good business or good enterprise.

I know some free enterprising individuals who maximize their participation in our society and country. We might argue about politics, but they make a contribution to their community, province and country in a variety of ways. They treat their employees well, participate in good pension plans and do not invest in what can be called the "anything for a buck" type

[Mr. Benjamin.]

of operation. However, our banks and other financial institutions do. That is something that gets our so-called free enterprise system in trouble. Their social conscience, how they deal with people and treat their shareholders is what gets them into trouble.

Mr. Clarke: We are not in trouble.

Mr. Benjamin: The hon. member for Vancouver-Quadra, like Marie Antoinette, says "We are not in trouble".

Mr. Clarke: Pierre gets in trouble.

Mr. Benjamin: It does not matter whether it is Pierre Elliott Trudeau or R. B. Bennett. Not that there is that much difference between them—

Mr. Knowles (Winnipeg North Centre): One is dead.

Mr. Benjamin: One is dead and the other soon will be politically.

Those who spread propaganda about the great ethics, morality and standards of the free enterprise system have dirty hands. I know some of these people personally. They are fine upstanding citizens. However, how they can look at themselves in the mirror in the morning without throwing up, I will never be able to understand. Not that everybody is totally pure.

Mr. Stevens: You have a lot of cuts on your face.

● (2112)

Mr. Benjamin: The banks advertise on television telling us how great they are for us, but the entire history of the banking fraternity in Canada is bad, and that bad history goes back as far as confederation.

We need only two financial systems in this country, a publicly owned chartered banking system and the credit union or caisse populaire system. Let me tell the hon. member for Vancouver Quadra that about 30 years ago, when I first tried to get a loan from a bank for a \$2,700 item, with \$2,000 cash on hand, the bank manager, who was a very nice fellow to curl up with and to have a cup of coffee with, asked me if I owned any land, to which I said no. He asked did I own a house, to which I replied no, and whether I had any cash. So I said all I had was the \$2,000, a good name and my job. He said he was sorry he could not lend me the \$700. That was one of our great chartered banks. I had a wife, three kids and bills all over town like most every other Canadian in those days, but he could not trust me as a customer.

That is when I got wise, smartened up and went to my credit union. When I went to the credit union I paid my \$5 for a membership in the union and had my \$700 by noon. Let me tell you that I have never gone anywhere else but to the credit union since, Mr. Speaker.

An hon. Member: You still owe them.

Mr. Benjamin: I have owed them several times, and sometimes they carried me longer than my own mother did.