

Government Orders

much more difficult to examine the operations of the institutions. They are not required by law to present before the public their methods of operation.

I question the global competition which the banks, trust companies and insurance companies say is so important for them to survive. Is it so important to our economy? Is it important to the individual on the street? Is it important to us when we insure our car or house? Is it important to the majority of Canadians?

After all, good government is possible only with the consent of the majority. The majority of people should be served by changes to these institutions. We suggest that this is not entirely what is happening.

These bills are going to committee. I hope the committees will look at them and change them so that they will protect the consumer, the client, and the small entrepreneur from the financial institutions, instead of the other way around. I hope that the committees will look at these bills and ensure that what happens in these bills—the changes made to the institutions, the allowing of the relationship between these institutions—protects the consumer, protects the small entrepreneur, and protects the individuals who use them most and does not allow these institutions to take unfair advantage.

My father used to go to the city and say: "I wonder why it is that all the big buildings in this city are owned by the banks or the insurance companies. It must be because they take more out of our pockets than anybody else does". I think he still thinks that is true. The government has a responsibility to protect the general consumer from that kind of situation.

The effect of the changes in the Bank Act the last few times has been to provide less protection than before. As a farmer I know, for instance, that there was a time when if I bought a combine the only collateral required for that combine was the combine itself. Five years later the Bank Act was changed so that the collateral could be the combine and anything I produced on my farm.

Under the present Bank Act if I fail to pay, the bank or the financial corporation can take my combine, anything I produce and my land. That is the kind of change that has happened in the last few bank acts. It gives less and less protection to the people who need it the most. It

gives protection to the people who have the power: the corporations.

• (1710)

The size of the institution is not as important as security. It is not as important as supervision. It is not as important as the government deciding to do what is best. We should not be changing these acts to protect the financial corporations or make it possible for them to make more profits. We should be changing these acts to ensure that the economy and the individuals who drive the economy are protected from large corporations which do not have, in our experience, a great many scruples when it comes to dealing with people.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I have listened to the hon. member with interest. He spoke a great deal about the safety for depositors. Certainly that is one of the main concerns of our party about this financial institution legislation. We do not want to happen in this country what has happened in the United States.

I would like to clarify one thing the hon. member said in his speech. He talked about safety. Is he suggesting that this legislation before us today does not give depositors more protection than they presently have?

Mr. Hovdebo: As I said at the beginning of my remarks, these are complex bills and I have no intention of defining what is in these bills. I am trying to suggest that in the past changes in the legislation made by this House have been brokered by the banks or the financial institutions. Their powers have been increased at the expense of the consumer, not only concerning lending, borrowing and the structure that is in place but also the ability of the institution to use those funds in ways which might endanger the deposit of the individual.

An hon. member: Standard Trust is an example.

Mr. Hovdebo: There are many examples in the last while of this happening. I am not sure if the guarantees in these bills are any better. It is our responsibility as legislators to be sure that they are and ensure the positions taken are not those dictated by the financial institutions but those that are best for the people we represent. They are not those financial institutions.