

Bank Act

An hon. Member: For a leadership candidate you are not putting on a very good show.

Mr. Deans: The Bank of Nova Scotia decided it is not making enough money so it has to solicit some additional customers. It sent out letters and, of course, they all do it. I have had them and I am sure Your Honour has them too. This one states:

If your ideas are bigger than your bank balance, we might be able to balance things out for you.

A low cost Scotia plan loan lets you keep your savings intact for emergencies and get the things you want now, without waiting any longer. That car, television, boat, snowmobile, furniture—

See how far down the list furniture is.

—or holiday idea could become reality.

Borrowing money makes good sense when you can repay a loan regularly and a Scotia Plan Loan costs less than many other loans—

That does not say what those interest rates are, of course. The letter continues:

—in fact, 50 per cent less in some cases. It's fast too, and life-insured at no extra cost.

So if it's cash you need, just drop in and see us about a low-cost Scotia plan loan.

It is signed "Sincerely, Scotia plans."

An hon. Member: I am sold! I am sold!

Mr. Deans: At a time when people are struggling, the banks dangle out, "If you need a boat or car, don't use your money, don't save money and buy it—no, no, come in and borrow from us."

Mr. Simmons: At least a bank keeps a promise.

An hon. Member: You guys should take your straitjackets off.

Mr. Deans: Then we wonder why so many families are facing personal bankruptcy. Why is it that so many families—

Mr. Simmons: On a point of order, Mr. Speaker—

The Acting Speaker (Mr. Ethier): Is the hon. parliamentary secretary seeking the floor on a point of order?

Mr. Simmons: Yes, Mr. Speaker. I am trying desperately to hear what the hon. gentleman has to say. I wonder if you would restrain his NDP colleagues so that I can hear what is going on.

The Acting Speaker (Mr. Ethier): The hon. member for Hamilton Mountain.

Mr. Deans: I am glad the hon. member is interested. I will do my best to say it all in single syllable words so that it will get through.

What I am saying, Mr. Speaker, is that with this kind of letter it is no wonder that families are being faced with personal bankruptcies; it is no wonder that their standards of living and expectations have been raised in excess of their

ability to meet their obligations; it is no wonder that you can go into a bank and get a Visa card, into another bank and get a Bank Americard, you can take your Esso and Shell credit cards, you can go and get an Eaton's card, you can go and get a Simpsons-Sears card, you can have a card from any number of the other chain stores—so is it any wonder that people are having a very difficult time trying to manage their own economics? Is it any wonder families are being faced with problems? Credit is too damned easy to get. Then, once you get it, up go the interest rates.

● (2110)

Whatever happened to the day when people used to save a few dollars and then use that as collateral to go out and to purchase? Whatever happened to the day when being in debt over the top of your head was considered to be something unusual and unacceptable? And yet the banks, the very institutions to which we give the power to manage the affairs of the country, are encouraging people day after day to go out and borrow and become part of the debt-ridden society. The end result of it all is, of course, larger and larger profit margins year after year for the same banks, without any consideration for the people and whether they have the means or the ability to meet the obligations thrust upon them.

I think credit counselling must go along with credit. Along with the extension of credit, the banks have an obligation to make sure that the people who borrow the money have the ability to repay it. We have to find ways to have some control over the amount of credit people are able to get, because the majority of people cannot manage credit.

There is no point in allowing this situation to continue as it is, and in encouraging more and more people to the point of bankruptcy. That is what the banks are doing. That is partly what is wrong with the banking system. It is about time that we took a serious look and called upon the banks to answer for their actions because they have to answer for them. They, and they alone, have the power to redirect the kind of purchasing that has taken place in the last few years.

In any event, what I am saying is that I see the banks in a little different way from the majority of people, it is not that I see them as an enemy necessarily, although some people might wonder at that. Frankly I think they could provide a great deal more. I think they could be a much more important part of the economic policy-making process in the country if only they were not so interrelated.

I heard my colleague, the hon. member for Winnipeg North (Mr. Orlikow), outlining last week the directorships and the interrelationship between directorships and the major corporate sector. When the board of directors of a bank is meeting, and the directors there represent the major corporate sector of the country and they are talking about consumer interest rates, and they are trying to encourage people to buy the very products the firms that they represent manufacture and sell, I ask hon. members would they not think that there might be a conflict of interest there as these directors set rates and policy for the consumer borrowing that takes place? Would hon.