

Government Orders

I want to finish off by saying that like the New Democratic Party I support these amendments for the co-operatives. I support the amendments for the trust and loan companies. I applaud the member for Mississauga South for putting the amendment on the consumer complaint section.

I want to finish off by saying to the major banks of this country to go easy, deal in hope for the next three to four months until we get ourselves back on track in terms of a better economic strategy.

Mr. Jesse Flis (Parkdale—High Park): Madam Speaker, as always the hon. member makes very meaningful representations in this House.

Right now many of my constituents and I am sure many of his are doing a lot of Christmas shopping and pulling out their credit cards. He talks to a lot of bankers and so on. I wonder if he could explain to this House why there is such a spread between the going interest rate and such a high interest rate on the credit cards. Credit cards in a way are a loan also and you are buying on credit.

Why is there that fantastic spread which is hurting so many Canadians?

Mr. Mills: Madam Speaker, I thank my colleague, the member for Parkdale—High Park, for his question. Being a member from Toronto, he feels right now the nervousness of the consumer and the difficulties that many of his small businesses are having. I know that along Bloor Street, which is right in the heart of his riding, there are many stores feeling very nervous about the up and coming season.

One of the reasons the consumers are not really being aggressive is because they feel these credit cards are becoming a real gouge. We had a private member's bill in this House earlier this week. I believe it was on Monday or Tuesday. It was put forward by the member for Mississauga South, the chairman of the finance committee on the government side. He put forward a private member's bill asking his government to amend the action that we have going with the credit card system in this country right now.

He and other members put forward logical arguments why those credit card rates could be reduced substantially with absolutely no danger to the financial institutions. We went through a litany of companies and their profit performances even in the midst of this deep, deep

recession. I say to the member that there was no danger of these credit card companies' balance sheets being weakened.

There is absolutely no reason at all. There is another argument and I checked with American Express on this particular issue about three weeks ago because I am hearing this argument from all my constituents too. American Express said: "We need to have these high rates because in bad times we have a lot of credit card loans in default, so we need to have the high rates to cover those defaulting cards, the cards that collapse".

• (1100)

I checked with my colleague, the hon. member from Dartmouth, Nova Scotia. He did some extensive research on this, being our critic for consumer and corporate affairs and he said that was bunk.

There is absolutely no reason why the government could not have accepted the private member's bill of the hon. member for Mississauga South that was put on the floor of this House this past Monday. The government will have to answer for that sort of haphazard, lack of caring approach in the next election.

Mr. Phillip Edmonston (Chambly): Madam Speaker, what we are dealing with here is a number of bills. We are looking at the government getting its financial house in order. The hon. member for Nickel Belt spoke extensively about the ramifications of these financial reorganization bills. My fellow colleague from the NDP who spoke earlier this morning talked about the co-operative aspect, the caisses populaires, how parts of this bill are very good.

On the other hand, the hon. member for Nickel Belt spoke on how this was actually a bill that was in some respects working against Canadian interests. As a matter of fact, the member for Nickel Belt likened it to a cauldron with a wizard who was stirring it up and would not allow us to put anything into the brew in that cauldron that would be of great benefit to consumers. By saying there could be nothing added, what we have is a bill that makes some very minor improvements as far as consumers are concerned but just opens up a tremendous advantage in many areas for the corporate sector.

It is interesting to note that the hon. member for Nickel Belt, and I agree, said that up until the introduction of these bills we were looking at financial institutions being regulated in a sort of symphonic harmony