

Bank Act

application to a federal program which would have provided assistance.

At that point we have a situation where that family—and they are certainly not alone—are in danger of losing the home they had poured thousands and thousands of dollars into. That money will go down the drain because the bank refuses to provide information to its customers on ways of taking advantage of lower interest rates. That is because of the bank's incompetence or a deliberate attempt, I would say, to obscure opportunities available to these and other individuals to protect themselves in very difficult times.

We find the same situation, Mr. Speaker, with fishermen. There has been a very difficult time for fishermen on the West Coast. Rising fuel and other costs, and inflated interest rates, have put them in a position where they are in danger of losing their vessels. Everyone knows that a seizure by the banks will not in fact resolve the problems faced by those fishermen. So they confront the fishermen with an alternative. They say: "Even though we will not get 15 cents on the dollar for your vessel, we will seize it and take away your method of earning a living unless you sign over your house as well and maybe get a friend to co-sign". They tie that individual to the wall. His boat and home are mortgaged, he has personal friends and family co-signing the loan, and then the bank moves. The bank had intended to shaft the individual all along. They wanted to increase the size of the asset pool so they could get his boat, his home, and take his friends to the cleaners as well. That is the kind of thing the Inspector General of Banks should be inquiring into. He has a dual responsibility to protect not only shareholders and depositors but those who depend on an efficient banking system. Our law is inadequate and the office of the Inspector General of Banks is inadequate; and the Government's policy is also inadequate when it comes to protecting the consumer.

There is no point in repeating the problems of small business because everyone opposite knows them. The Small Business Development Bond has assisted some individuals, but the banking community has failed miserably to act in a responsible and responsive way to those businesses which need a cut in interest rates to survive. If any person were to ask what is the largest problem faced by businessmen in this country today, the answer is simply "trying to service their debt". That is because of high interest rates; there is a desperate need for assistance in bringing them down.

Another problem is the failure of the banks to contribute to the economic well-being of this country. The banks went on a binge during the hey-day of corporate mergers and foreign investment, and we are faced today with a very serious situation. The Inspector General of Banks could be playing a very effective role with more staff, more policy direction and more authority in legislation. The situation of the last couple of years where banks were bank-rolling organizations like Chrysler, Massey-Ferguson and Dome Petroleum, with the subsequent big bail-outs, was totally ill-conceived. When the bubble burst the banks were over-exposed on their foreign loans and they are in a precarious position. They are now faced with some very large bankruptcies in their domestic operations,

with the possibility of several banks being hauled down unless something is done.

When we were looking at the Dome Petroleum situation some months ago, Members on the opposite side were seriously concerned that there were no choices available. It was either bail out Dome or bail out the banks; one would drag the other down. That situation is now placing other sectors of the Canadian economy in very serious difficulty. The squeezing we see going on with many other businesses in Canada seems to be directly related to the exposure of the banks with companies like Dome. We looked at this question during the revision of the Bank Act, but unfortunately Government Members and the Official Opposition did not see this as a priority and were not overly concerned with the fact that the generators of pools of capital should be making significant investments for the long-term benefit of our economy. Who knows where we will go from there, but ultimately it was failure to revise the Bank Act and put in policy direction which led us to this situation.

I would like to close my remarks with a reference to the chartering of foreign banks in Canada, Mr. Speaker. It is my contention that this will be something we will live to regret. The proposal before us to allow the Inspector General of Banks more staff, more legal authority and more policy direction from the Government is vitally necessary. We now see advertisements telling us what a great deal Canadians now have because we are not dealing just with domestic chartered banks but with 67 new banks in Canada, many of which are foreign banks. It has been pointed out that this would be one of the worst mistakes Canadians ever made. Well, the Government preached the tremendous benefits of competition and access to capital, but I say we will eventually find foreign companies and their agents working diligently against Canadian industrial policy through the operation of Canadian banks.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have very little time left but may I say that I have never heard such a speech quite so irrelevant to the point of the Bill as the one we have just heard from the New Democratic Party representative. He is not talking about protection which should be provided by the Inspector General of Banks, he is talking about some hope he had, as I recall his stand during the hearings on the Bank Act, that the Inspector General of Banks should be some sort of conscience or, shall we say, spear-carrier on behalf of Government to force banks to do the things we wish them to do.

There should be nothing of the sort, Mr. Speaker. While I have not entirely agreed with my colleague's Bill, I do agree that an individual who is aware of something wrong in the handling of securities held by a bank should have immediate access to laying a complaint with the provincial police.

• (1600)

We have to look at Quebec and Ontario here, and at other Provinces where the RCMP carry out the duties of the provincial police, because the administration of justice in cases of this kind would be from the police to the Attorney General of the