

*Government Orders*

report this experience to the Superintendent of Financial Institutions who upon verifying this complaint is responsible for listing it in the Superintendent of Financial Institutions' report.

I believe that is a good measure. It is a warning light to the major banks. I am concerned about how many of the 900,000 entrepreneurs in this country would know about that amendment. I urge the government and the member for Mississauga South to consider ways to make that particular amendment to the Bank Act more widely known. It would add a lot of credibility to the over-all thrust and basic intent without jeopardizing the financial stability of our financial institutions. At the same time, it would bring them into some form of public accountability.

We as members of Parliament cannot check up on every complaint that comes to us from an individual or a business that does not feel it is getting a fair shake from its local, regional or central banker. However, I think that these banks might be a little more reflective in dealing with their clients if they knew full well that their name could be listed in the financial report of the superintendent of banks.

• (1050)

I want to say to the banking community of this country that we are going through a particularly difficult time right now. A lot of people in the community do not understand the reason we have the lowest interest rates we have had in 18 years. The headline in one of the newspapers today was: "Bank rate lowest in 18 years". That sounds good and inspires a little bit of hope. However, I realize that the only reason it is so low is that our economy is dragging so much. The member for Mississauga South has so rightly indicated the two-edged sword that it symbolizes.

However, I want to advise the people operating financial institutions to be careful not to mislead the public, because other than mortgages it seems that the 8 per cent bank rate is almost like false advertising. I am hearing from many businessmen that the bank rate is at 8 per cent but lines of credit or new loans for emerging businesses are very tough to get.

The member for Mississauga South shakes his head in disagreement with me and I know he will speak a little later. If he can provide some new and different hope that

will suggest otherwise, the 900,000 entrepreneurs in this country will welcome it.

If there is one thing I would say to the lobbyists who tend to orchestrate this banking legislation and to the agents of the bankers, and the bankers themselves, it would be that this country is going through a very difficult and trying time. We realize that because of some rather large leveraged buyouts that have failed, some large real estate loans that have gone into default—some of them in the billions of dollars—and some massive refinancing packages out there, their capital has to be reviewed and examined very closely these days. As a result they tend to be a little less progressive with some of their smaller individual loans. Somehow the banking institutions have to cushion this period that we are going through. Otherwise, I am afraid that this so-called recovery, which I cannot quite see or feel yet, is going to be a lot longer than any of us in this House really want.

The attitude of all our financial institutions can go a long way in creating a kind of hope that will send confidence to the community and get consumers spending again. That will ultimately put our retailers in a more active state.

I am a little nervous that if over the next two to three weeks, which is a natural spending period, we do not somehow get more aggressive spending occurring then the first two months of the year are going to be lonely and tough for a lot of retailers in this country. Even in good times it is natural that there is a curtailment of spending in January and February. As a result of this apprehension with the general state of our economy, the natural Christmas spending patterns are off dramatically. By the way, banks are partially responsible for that.

There are a lot of businesses that continue to hold back on their own spending. Whether it is equipment or hiring practices, they are saying they will wait until spring, and that in turn causes a chain reaction which affects the entire marketplace.

The banking institutions of this country, the financial institutions of this country, can go a long way in the next two to three weeks in making sure that the first quarter of next year, which will be tough and is usually tough in the best of times, is cushioned by letting the economy heat up for the next three to four weeks.