

Adjournment Debate

I want to put this thing fully in perspective. We are in the middle of the worst recession we have had since the dirty thirties, and everybody knows that, everybody knows it. We have seen bankruptcies unlike anything we have ever seen before in our lives. The bankruptcy stats that came out for the month of January showed that bankruptcies are galloping out of control. There are over a million and a half Canadians out of work. Businesses are going belly-up a dime a dozen in this country. So there are not a lot of corporate profits around. Stats Canada reported for the fourth quarter of 1991. Listen to this. I do not know if the government was counting on getting a lot of tax revenue from profits. Do you know what the total non-financial corporate profits were in the last quarter of this year? They were a negative \$2,007,000,000. That tells you that businesses in Canada are not making any money. They are going out of business.

At the same point in time as business in this country—and mostly small businesses, the generators of employment in this country—was not making any money, the big banks were making huge profits. The Royal Bank alone last year, in the middle of the worst recession we have ever had, recorded profits of \$987 million. That is almost a billion dollars.

We have called on this government to take some action, either through the Bureau of Competitions policy, through whatever means possible, and if everything else fails to come in and force the banks to have a smaller and a lower rate of spread on interest between the prime rate and that which they charge to consumers.

We are now months later, Mr. Speaker, and we still have not heard any solutions. I look for some answers today from the parliamentary secretary.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, I must say I found it frustrating, when the hon. member said that in 1991 or 1992, the bankruptcy rate was higher than it ever had been. In fact, there were more bankruptcies in 1981-82, when the hon. member's party was in power.

That being said, I understand the hon. member's position on credit card interest rates. I can't say I particularly approve of those interest rate levels. However, I am a firm believer in market forces, and I would not want to underestimate the intelligence of my fellow Canadians. If the interest they have to pay on credit cards is too high, compared with the interest on a loan from a financial institution, I think people will have the good sense to go and borrow from a financial institution, to pay back what they owe on a credit card on which the interest is twice what they would be charged anywhere else. I think we have to let market forces prevail in this country. The hon. member said as much. He said he was not in favour of fixed rates nor of urging or obliging companies to have a fixed rate. I agree. Let the market decide, and let Canadians realize that if the interest they pay on credit cards is too high, they can refinance their debts at a better rate. I would urge all Canadians, especially the people in the riding of Trois-Rivières, to look at the options and choose the option that suits them best.

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.26 p.m.