

*Financial Institutions*

financial institutions, as reported (with amendments) from the Standing Committee on Finance and Economic Affairs, be concurred in.

**The Acting Speaker (Mrs. Champagne):** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to.

• (1100)

**Mr. Hockin** moved that Bill C-56, an Act to amend certain Acts relating to financial institutions, be read the third time and passed.

He said: Madam Speaker, I am pleased to take this opportunity to speak briefly on third reading of Bill C-56, an Act to amend certain Acts relating to financial institutions.

The Bill contains an important new provision to permit federal financial institutions to own securities dealers. We are all aware that financial institutions are eager to take up the challenge offered by the opportunity to become more involved in the securities industry, and I expect this development to greatly strengthen the capitalization of Canadian securities dealers. The power to own a securities dealer will also be available to foreign-owned federal financial institutions operating in Canada. Although entry is not guaranteed and, in considering applicants, we will look at the extent to which Canadian institutions have access to the home jurisdiction of the applicant, the Bill makes it possible for foreign-owned federal financial institutions to operate in Canada.

The Bill will also strengthen supervisory powers. Specifically, it will give the Superintendent of Financial Institutions the power to issue cease and desist orders to institutions engaging in unsafe or unsound business practices, as well as the power to revalue real estate assets or assets secured by real estate, for the purposes of determining compliance with solvency tests. Regulatory standards applicable to insurance companies are also being strengthened.

I would also note that the clauses which were in Bill C-56 pertaining to ministerial approval of changes in ownership of financial institutions have been withdrawn, but they have been introduced as a separate Bill this morning.

This decision was taken for two reasons which I would like to make clear at this time. First, I was aware of the fact that the industry and parliamentarians wanted more time to consider the share transfer approval provisions. Introduction of the provisions in a second Bill provides that opportunity.

The second reason is that I was acutely aware of the importance, both domestically and internationally, of moving forward with the other provisions of this Bill without delay.

I hope Hon. Members of the House share my views on the need for rapid implementation of these measures. The financial deregulation which is very much in the news today is

made possible in large measure by this Bill. I would urge the House to give Bill C-56 third reading as expeditiously as possible.

**Miss Aideen Nicholson (Trinity):** Madam Speaker, when I spoke during second reading of Bill C-56, I mentioned that my Party had agreed to a short debate at that stage so that the Bill could go quickly into committee. At that time we had been given to understand two things: First, that it was necessary to move quickly because Bill C-56 contains the measures complementing the Ontario Government's initiative to open up ownership of its securities industries set to take effect today, June 30; second, we were given to understand that there were no surprises in this Bill. Apart from the securities proposals, it contains measures carried forward from Bills and draft legislation first introduced as long ago as 19 months and amended slightly.

On that basis we agreed to a brief debate on Bill C-56 at second reading. However, I pointed out in my speech of May 29 that the Government has fallen into a disagreeable habit of dragging its heels on introducing legislation, then attempting to have it rushed through the House and through committee with assurances that everything will be all right if the Opposition just agreed to pass it.

As responsible opposition Members, we readily co-operate to expedite legislation in cases of urgency when it is clearly in the national interest to do so. But all too often, since the present Government came to power, the House has been presented with legislation requiring careful examination and considered debate, and we have been asked to deal with it quickly, without the opportunity to judge for ourselves that the Government's assurances have any validity.

The Bill to put together the bail-out package for the Canadian Commercial Bank is a prime example. We were asked to give that quick passage on the basis of government assurances which we later found to be absolutely worthless. The Government did not have the facts or did not choose to tell the House.

Given that history, it is perhaps not surprising that when Bill C-56 was examined in committee it became clear that there was more to it than met the eye. I refer to the measure which has now been lifted from the Bill, giving the Minister power to review and block transfers of share ownership of financial institutions.

This was not a new proposal. As I said in my speech at second reading, the proposal for a process of ministerial review was in two earlier Bills which were never passed, and in draft legislation before that. However, the proposal as it appeared in Bill C-56 was greatly changed and had a reach far beyond anything we could have anticipated.

Prior to Bill C-56, the proposal had been for a process of ministerial approval, or veto, of share transactions that would result in control of a financial institution or an increase of shares in a financial institution exceeding 10 per cent. The