

*Canada Deposit Insurance Corporation Act*

out investigation of this matter by Mr. Justice Estey and the Estey Commission. Indeed, almost every day or every week the financial pages of the newspapers across the world report something about the investigations into the problems of Canadian financial institutions.

We have been a great exporter of financial services. In 1984 the Canadian Bankers' Association indicated to us that their international operations brought into Canada \$.5 billion in profits. We have to sell a lot of wheat to make a \$.5 billion profit. Canadian life insurance companies told us that 55 per cent of their business came from foreign sales of life insurance product. The management of foreign business represented 27 per cent of their employment in Canada. Foreign financial services are important to us. We cannot carry on without some direct new legislation and some direct new confidence. We were damaged badly last year and we cannot wait and wait for new legislation. This Bill ought to pass immediately, but that should not excuse the Government from getting down to business and producing proper new legislation to cover the entire financial system.

**Mr. Gauthier:** Mr. Speaker, I agree with what the Hon. Member said last, that it is time we got this legislation passed by the House. It was reported back to us last February and has been on the table for four months without being called by the Government.

As an informed Member, is the Hon. Member aware if the Government is planning to come forward with the further legislation soon? He and I both know that this Bill is to be in effect for only one year and we are about halfway into that year, because the Bill is retroactive to February 1, 1986.

Before the new measures are in place, I take it there will be some reflection by the Hon. Member, his caucus and Members of the House. We will all be thinking about this. Does the Hon. Member have any advance notice of pending discussions or legislation on this matter? If so, could he tell us so that we may all think about this matter over the summer and possibly come forward in the fall with a more thorough and comprehensive approach to the problem?

**Mr. Blenkarn:** Mr. Speaker, I thank the Hon. Member for the question. I have heard of rumours of Bills but I have not seen them nor have I been allowed to be privy to any discussions leading to those new Bills, nor has the finance committee received a comprehensive response from the Minister of Finance (Mr. Wilson) or the Minister of State for Finance (Mrs. McDougall) to the finance committee's comprehensive report on financial institutions of November 6.

It would seem to me that there is a need for new and comprehensive financial legislation Bills, but that does not excuse the Government from coming to grips with this matter. I appreciate that the Government would like to have the report of Mr. Justice Estey, but how long can we wait and wait and leave the financial condition of the country at risk? That bothers me.

I am surprised that the Government has not replied to the finance committee's report, to the Senate report, to the Dupré report from Ontario, to legislation now before the Quebec Legislature, or indeed to legislation before the provincial Legislature of Ontario. The Ontario legislation will give Ontario trust companies broad lending powers that will almost make them banks, yet the CDIC will still insure those institutions.

I would not fault the Hon. Member for being critical. I know that the financial community is critical, and I say publicly right now that I think it is imperative that the Government get down to business and produce some legislation.

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, my colleague, the Hon. Member for Regina East (Mr. de Jong), has indicated that members of the New Democratic Party will be opposing this Bill. We are not satisfied with the fact that the Government and its predecessor, the Liberal Government, failed to act, though they should have realized what was happening to the financial institutions. We now have before us an interim Bill, which is a paltry, insignificant, and inadequate response to the very serious problems of financial institutions.

● (1230)

I commend the Hon. Member for Mississauga South (Mr. Blenkarn) in terms of the concerns he expressed. I also commend the finance committee which has taken the issue seriously and has not been prepared to accept the positions put forward by the Minister of State for Finance (Mrs. McDougall) in the Green Paper of a year or so ago. It has also been applying a good deal of pressure on the Government in order to get some more effective action.

However, I point out to the Hon. Member for Mississauga South that sooner or later he will have to make a decision on whether to go along with a Government which refuses to take these problems seriously or to take some other action. Despite his conscientious and very significant hard work in this particular area, the Government has not awakened to the very serious problem. If he takes the latter course, we might see for almost the first time in the history of this Parliament, but certainly since the establishment of the new committee system, a Member of Parliament who concludes that on policy grounds, because of efforts to obtain policy from the Government, he has no choice but to sit as an independent in the House and continue his work there. I would welcome the Hon. Member if he chose to do that. Because of his views on other subjects, I am not sure whether I would totally and immediately welcome him into our caucus, but we would consider it, if he wished to submit his application.

The Board of Directors of the Canada Deposit Insurance Corporation consists of the Governor of the Bank of Canada, the Superintendent of Insurance, the Inspector General of Banks, and the Deputy Minister of Finance. What a chronicle of losers! These people were instrumental in getting the Government to advance \$1 billion or more to the two western