

Corporation Act". Unfortunately, the Act does not impose any penalty for non-compliance with the by-laws.

• (1815)

Member institutions contribute to the insurance fund based on the amount of insured deposits they hold. This has created some tension among member institutions in recent years. The banks complain that they make the largest contributions, while the trust companies create the problems that result in a drain on the insurance fund. For example, when the Government of Ontario took over three Ontario-based trust companies—Crown, Greymac and Seaway—the CDIC decided to wind the companies down slowly instead of closing them and liquidating their assets. As a result, some deposits were insured over the \$60,000 limit. As I said earlier, the limit in fact went from \$20,000 to \$60,000 precisely in response to that situation. In the case of those three Ontario-based trust companies, the CDIC made loans of almost \$950 million, and the losses from that were somewhere around \$650 million.

On March 25 there were further demands on the CDIC because of the bail-out of the Canadian Commercial Bank. The CDIC contribution to that rescue package was \$75 million. Because of the legislation governing the CDIC, there is no threat to its ability to guarantee savings deposits, because the corporation has what amounts to a \$1.5 billion line of credit from the federal Government.

In winding up my remarks, may I say that I have pointed out two problems with the CDIC which need to be addressed rather quickly, the question of premiums and the question of membership. The Minister appointed a private sector committee in January which has been examining it, as well as the question of disclosure requiring member institutions to disclose accurately to customers what is insured. Since January we have also had the failure of Pioneer Trust with further demands on the CDIC.

The Minister has said that she received the committee's draft report and that she hopes to table it soon. I would like to express the hope that we have that report in our hands as we begin our study of the green paper on regulation of Canadian financial institutions. It seems to me that the two documents will have to be considered together.

[Translation]

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, in answer to the question raised by my colleague from Trinity (Miss Nicholson) concerning deposit insurance, I emphasize that the Minister of State for Finance (Mrs. McDougall) has appointed a private sector committee to review the Act and the operations of the Canada Deposit Insurance Corporation.

Mr. Robert Wyman of Vancouver, Chairman of the Board of Pemberton, Houston and Willoughby Inc., will head the committee. The other members are Mr. Colhoun, National Victoria and Grey Trust Company Vice Chairman, of Toronto, and Mr. André Bédard of Montreal, First Executive Vice

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President of the National Bank of Canada. Mr. Hugh Brown of Toronto's Burns Fry Ltd. will assist the members of the committee.

Mr. Wyman has many years of experience in the financial market sector. He is also Chancellor of the University of British Columbia. Mr. Colhoun is the former Chairman of the Board of the Trust Companies Association of Canada and outgoing Ontario Heart Foundation President. Mr. Bédard is quite knowledgeable in the financial market sector and sits on the boards of many companies.

The terms of reference of the committee will be to examine the current deposit insurance system with respect to the CDIC's increased workload and its relations with insured depositors, member financial institutions and provincial administrations. The committee will undoubtedly look into the matter of existing deposit insurance coverage.

As to Pioneer Trust customers who claim that they were aware their deposits were not insured, as it was mentioned in the House earlier today, the Minister of State for Finance has specifically instructed the committee to consider measures that might be taken to make sure that depositors are adequately informed.

The Hyman committee is expected to complete its final report within a month, and the Minister of State for Finance has given the assurance that it will then be tabled in the House.

In the meantime, the Minister has also asked the CDIC to give priority to the implementation of communications with member institutions and their customers so that depositors know which deposits are insured and which are not. I know that the CDIC has already taken action in that respect.

Finally, I can only repeat the remarks of the Minister, namely that every aspect of deposit insurance will be fully discussed once the Wyman committee report has been tabled.

• (1820)

TEXTILE INDUSTRY—GOVERNMENT POSITION

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I seek the floor today on a question that was raised in this House on May 1st, 1985, during the Oral Question Period, and that was addressed to the Minister of Regional Industrial Expansion (Mr. Stevens). It dealt with my concerns about the viability of the textile and clothing industry, not only in the Provinces of Ontario and Quebec, but in my own city of Drummondville. Right now, in May 1985, the primary textile and clothing industry is in a critical situation. It can even be said without exaggeration that the very survival of the industry is in jeopardy, as are the major investments made over the last ten years and the thousands of jobs in that industry.

The situation is extremely critical. Since 1974, Canada has lost nearly 35,000 jobs, of which 15,400 were in primary textiles and 19,000 in clothing. Over the same period, plant