

financial sector, we have to pass Bill C-56, to swallow it, much as one would swallow a bitter pill.

Madam Speaker, Bill C-56 has a number of aspects with which I totally disagree. My colleague from Trinity pointed this out, we said so on second reading and we said so in committee. I wonder how many Conservative Members in this House are aware of the impact Bill C-56 will have on financial institutions and Canadian sovereignty in this respect.

My colleague from Trinity referred to the expression used in Great Britain when their institutions were deregulated. I am referring to the Big Bang. On day X, the whole financial sector was deregulated so that financial institutions could engage in any field of activity, ownership was practically free of controls, and so forth.

Comparing the Canadian situation with that in Great Britain is of course like comparing an elephant with a mouse. That is because the situation in this country with respect to financial institutions and especially investment and securities dealers is quite different, and our position is different as well.

However, I say to the Minister of State for Finance (Mr. Hockin) that his policy is ill-conceived and inappropriate, given the state of development of our financial institutions. He is acting hastily and he is acting in such a way as to complicate the administration of financial institutions. He is in fact selling part of the Canadian control of our financial institutions to foreign interests.

Since it came to power, this Government has preferred to ignore the issue of Canadian sovereignty and the fact that it is important for a country to control the major components of its economic, financial and social levers.

June 30 opens the door to the purchase by foreign-owned companies of any securities dealers, and it also creates chaos as far as the regulation and monitoring of securities-related activities are concerned.

Last night on the news we heard that 30 per cent of our biggest securities firm had just been sold to foreign interests. My colleague referred to the Goldman Sachs transaction. Everybody knows that the big investment and securities dealers, Nesbitt Thomson, Burns Fry, Levesque Beaubien, Geoffrion Leclerc—that all these firms or least most of them have already received offers or are negotiating either with the major banks or with foreign firms to sell an interest in their firms.

Madam Speaker, no wonder this should happen. In case the Minister is discouraged, I will not unduly hold up his Bill, but at least he will let me draw the attention of Conservative Members to what the Government is doing.

I wish we had more time to raise this issue and ask the Prime Minister (Mr. Mulroney) to hold a free vote in the House. I maintain that if all Hon. Members had a clear explanation about Bill C-56 it would be rejected, something like in the case of capital punishment.

Financial Institutions

This Government has forsaken Canadian sovereignty in all sectors, and today we are witnessing a repeat performance in the field of financial institutions.

Madam Speaker, last evening I listened to the Investment Dealers Association of Canada President explain that one of Japan's brokerage firms—Nomura, among the best in the business—has more capital than all Canadian financial institutions put together. Can you imagine, before breakfast Nomura could buy all our investment dealers before breakfast without affecting its cash flow to the extent that a phone call to the president would be warranted. That is the kind of situation Bill C-56 will create in the investment brokerage business.

Our institutions have been built over the years by successive generations, and they have made a name for themselves in North America and throughout the world, but now they might be swallowed whole by the likes of Nomura, Solomon Brothers, Merrill Lynch, Shearson Lehman, and certain German firms. Not only are we going to relinquish the ownership of a financing tool of Canadian companies which could act independently with respect to borrowers and lenders, but we are now going to have a system where the major Canadian or foreign banks, which at the same time are bondholders or buyers of preferred or ordinary shares, will float their own issues through a brokerage firm they own.

We have been told that there is a kind of wall separating the various financial institutions. I do not want to question the good faith of the players in this field, but you would have to be very naive to think that such a condition will not create problems, especially in an economy as restricted as this country's.

I have mentioned large firms such as Japan's Nomura, but there are also many other corporations in that country which have a large capital and which can provide competition. Japan has a population of over 100 million inhabitants. It has a strong economy. The same is true for the United States. There can be large accumulations of capital in some financial institutions.

However, in Canada, with a population of 25 million people distributed from sea to sea, a financial concentration creates apparent or real monopolies, which means that there is no real competition in many regions of this country. If you go to small Quebec towns, you may find the Caisse Populaire and the National Bank, and even the National Bank may be closing down some of its branches to move to the larger regional cities. In towns with a population between 3,000 and 6,000, there is virtually no competition. Does anyone believe that the merger or addition of large institutions will bring more competition to these regions? This will certainly not happen under the provisions of Bill C-56, which allows financial institutions to acquire 100 per cent of ownership in securities brokerage firms.