

Teams of four, representing each province and territory, will climb 14 unnamed peaks, ranging from 10,000 to 12,500 feet. When they reach the top they will raise a provincial or territorial flag and name the mountain. A separate team of the best climbers will tackle the most outstanding mountain, 12,300 feet high, to be called Centennial Peak.

Another major peak of 15,700 feet, on the Alaska-Yukon border, will be climbed by a joint team of Canadians and Americans to mark the long friend-

ship between Canada and the U.S.A. and the coincidental centennials of the purchase of Alaska and the Confederation of Canada. Assault on the international peak will begin on June 19 and on June 8 or 9 on the others, with the expedition ending on July 22 or 23.

A ski-equipped de Havilland Beaver, a three-seat and a ten-seat helicopter will transport the climbers and their supplies, and will be available for any emergencies.

CANADA DEPOSIT INSURANCE CORPORATION PROPOSED

The Minister of Finance, Mr. Mitchell Sharp, recently proposed to the House of Commons a resolution to authorize the introduction of a Bill to establish the Canada Deposit Insurance Corporation. Part of the Minister's statement follows:

...During the past few months, in the course of preparing legislation to establish deposit insurance, we have studied the system of deposit insurance which has operated very successfully in the United States for more than 30 years, and have given provincial authorities an opportunity to express any views they might have, in particular as to how they thought the proposal might affect institutions operating under provincial supervision.

The Government realizes that deposit insurance is not the answer to all the problems involving the supervision of financial institutions in this country. Discussions are going ahead in other fields which are closely related to the objectives of deposit insurance. In this connection, I might mention securities regulations which were recently the subject of a conference between federal and provincial representatives. Finance companies are in another category, partly in the field of securities regulations, but to some extent also posing problems of a distinctive institutional character. It seems clear that action on a number of fronts will be necessary in the public interest. As I have already mentioned in the House, I have asked my Department officials to look at the more general questions surrounding the adequacy of control that now exists in the general field of finance companies and I have indicated that we are willing to confer with the provinces in this matter if they so wish. I might add that I believe that improvements designed to protect the public interest are not only a responsibility of governments. There is a useful role for those in the business to play with a view to achieving higher standards.

In the meantime, it seems desirable to get ahead with deposit insurance, which is a major step in itself. One of the reasons for wanting to proceed now with this measure is that it is of interest in relation to the banking legislation being considered by the Standing Committee on Finance, Trade and Economic Affairs.

OBJECTIVES

It is expected that the proposed system of deposit insurance will achieve three important objectives:

- (1) The primary objective, of course, is to ensure the safety of the deposits of small investors who are usually not in a position to judge for themselves the financial soundness of the institutions to which they entrust their savings.
- (2) The Canada Deposit Insurance Corporation will also have power to function as a lender of last resort for deposit-accepting institutions, providing needed liquidity at times of crisis when such institutions may not have access to their normal sources of liquidity.
- (3) Member institutions will be subject to inspection. It will be an objective to bring about a gradual improvement in the minimum financial standards of deposit-accepting institutions across the country. There will be a genuinely sympathetic and helpful attitude towards institutions which wish to co-operate in this objective.

MEMBERSHIP

Membership in the deposit insurance plan will be obligatory for chartered banks, Quebec savings banks and those federal trust and loan companies that accept deposits from the public. Provincially-incorporated trust and loan companies that accept deposits from the public will be eligible to apply for membership if they have the consent of the province concerned.

It is not proposed that deposit insurance be available to credit unions and *caisses populaires*, which are co-operative institutions dealing with their members rather than public deposit-accepting institutions. To a considerable extent, mutual insurance schemes have already been established for the local credit unions. At the Federal level, there is the Co-operative Credit Associations Act which provides for the incorporation by special Act of the Parliament of Canada of co-operative credit societies. Amendments to the Co-operative Credit Associations Act are presently under consideration. Among the matters that will be reviewed is whether or not a lender of last resort facility is needed in connection with the operation of these societies.

Deposits of the public will be insured up to a maximum amount of \$20,000 a deposit account, an amount which seems enough to cover the type of depositor needing this kind of protection. It has been thought best to leave some room for flexibility in the definition of insurable deposits. It is quite