

"two auditors, who shall be independent of each other, for its insurance business in".

He said: Mr. Speaker, these two amendments would require two auditors for these new creatures that are being created with this legislation.

One of the things we have said consistently about these bills C-4, C-19 and C-28, is that they will result in a different kind of financial institution. Since the pillars are being collapsed in effect, insurance companies are going to own trust and loan companies.

There are expanded powers for insurance companies. They will be able to take certain types of deposits. They want to grow. They want to become bigger. They want to become global competitors.

As this happens we need to build in fail safe protection for depositors, investors and the people of Canada. I could not imagine why the government and the Liberal opposition would agree to reduce the number of auditors for a bank to one when they had two. I could not understand it.

I have heard the arguments from the member for Mississauga South and from the Liberal side. Having two auditors in the case of the Northland Bank and so on did not prevent the collapse of the bank. Because somebody broke into your house does not mean that you do not keep locks on the doors. That is the same argument.

Because people can break into your house, somehow or other you should make it easy for them and unlock the door. Leave it unlocked. We have argued that two auditors are essential. This is a check on what one auditor does. This is a protection for those who invest in the company and depositors.

I was amazed that the government members and the Liberal opposition in committee would actually vote to remove the dual auditor system. Yet they are prepared to put in the actuary and an auditor. It seems to me that the two auditors to check and double check on a financial institution is absolutely essential to the integrity of the institution.

We had evidence when Michael Mackenzie came before the committee on Standard Trust. If you read the evidence he gave—I read some of it into the record the other day—in the minutes of the finance committee meeting, he consistently pointed out how much OSFI depended on the auditor's report.

### *Government Orders*

It consistently pointed out that OSFI does not have the wherewithal to do the audit of all the financial institutions that come under federal jurisdiction. He pointed out very clearly his reliance on the auditor's reports.

Now for a whole new creature that is being created in this legislation, we are going to tell him that he will have to do with one auditor's report.

Even in the world of medicine they recognize that a second opinion is also very important for a patient. You go to the doctor, he examines you and says: "Well, it is your liver. If you want a second opinion, it is your kidney."

People have availability to second opinions. I see the member for Mississauga South shaking his head. The dual audit system for the banks has served Canadians well. What we are creating here is the potential for very large and complex financial institutions. Yet we are suggesting and saying to them that you only need one auditor.

We cannot accept that. We believe that if you are giving them all of these new powers, you do not lessen the controls. You do not lessen the hurdles. You do not lessen the safeguards which are needed with respect to the regulatory system. I was accused when I argued this on C-4 and C-19 that I wanted to make work for accountants. I want to tell you that given the need to employ, given the fact that we have over 1.5 million Canadians unemployed, I would encourage young people to seek a career in accounting.

• (1630)

I know that the Accountants Association would really appreciate the pitch. If this is the way to go, it is a great opportunity.

I want to say that accounting is one of the professions and if you like it, what a wonderful opportunity. Guaranteed employment.

We do two things. We put a safeguard on the financial institutions of the country. It was interesting that when the banks came before the committee they said they wanted the two accountants and the two auditors. They want the dual audit system. They were not in favour of reducing the audit system to one. They wanted two. They argued that if all these other institutions are going to become more like banks, then the same rule ought to apply to the two audit system. This indicates to the public that there is a system in place, a safeguard system of auditing of financial institutions.