

The petition appeals to the House of Commons to rescind this repressive element of taxation. It is presented by residents of Iroquois Falls, Timmins, and Moose Factory. It also acknowledges the intent of the residents of Powell River, British Columbia to cash in every single Canada Savings Bond and to cancel their payroll deduction as a protest to the implementation, without a mandate, of the Conservative government GST.

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[Translation]

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mr. DeBlois): Is it agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[Translation]

TRUST AND LOAN COMPANIES ACT

MEASURE TO AMEND

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)) moved that Bill C-83, an Act to revise and amend the law governing federal trust and loan companies and to provide for related and consequential matters, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, in my introductory remarks to begin today's second reading debate of Bill C-83, I intend to deal lightly with technical details and concentrate more on the broad objectives we will achieve through reform of legislation and regulations governing federal financial institutions.

As you are aware, Mr. Speaker, the trust and loan companies bill we are considering today is the first of several bills that, along with new regulations, will modernize the rules governing federal financial institutions.

Government Orders

Other bills will include the Bank Act, the Insurance Companies Act and the Cooperative Credit Associations Act and related statutes. All of the new statutes are to come into effect on the same date.

The government's reform will break down barriers among the pillars of the financial sector—banking, insurance and trust and loan companies—and allow financial institutions to compete more directly with each other.

[English]

The trust and loan companies bill and the subsequent bills and regulations contain four essential elements. First, they establish rules for an ownership policy that allows for both closely held and widely held institutions.

Second, they establish a new framework for competition in the financial sector through the removal of many of the remaining rules that presently restrict institutions from fully competing with each other.

Third, they update prudential safeguards to reflect the new world in which financial institutions will operate.

Fourth, they modernize old statutes by adopting rules and procedures modelled on the Canadian Business Corporations Act.

[Translation]

The reform, Mr. Speaker, maintains wide ownership for Schedule I banks, including the six largest Canadian banks. This ensures that no one person or group of associated persons can own more than 10 per cent of any class of bank shares. These requirements are consistent with international rules and practices about the ownership of banks.

Large trust, loan and stock insurance companies will be required to ensure that at least 35 per cent of their shares are widely held and publicly traded within five years. Significant changes in the ownership of financial institutions will be subject to approval by the Minister of Finance, who will take account of whether transfers are in the best interests of the Canadian financial system.

Although these rules may appear to be technical adjustments, or tinkering, they are significant in part because they represent adjustments to an industry that is of major importance. All Canadians will be affected by