

Government Orders

the practices of the financial sector? In fact, are we going to provide the appropriate protection against excessive leveraging that will occur as a result of cross-pillar affairs?

Are there going to be the appropriate defences against self-dealing, for example, investment decisions based on what is required by a partner or an affiliate in what currently would be another pillar or segment of the investment market?

The minister, in fairness, has given us all kinds of assurances. But those assurances last not a whit longer than the failure to put into the legislation a monitoring and an enforcement mechanism that would ensure that the claims of the minister are actually going to be carried out. Prior to this legislation, regulation was sometimes seen to be difficult when the four pillars of the investment industry were regulated on an individual basis. We would have some sense of certainty about both security of investments for depositors, the type of investments that were going to be engaged in, and, as well, the question of competition in each compartment of the financial sectors. Those kinds of rather weak defences are even blurred further.

The third question one might ask is: are we putting into effect Bill C-83 because we want to enhance the viability and competitiveness of the financial organizations? Does Bill C-83, in fact, make them more competitive? Does it provide an opportunity for each of the 3,000 such financial organizations in the country to emerge as a much more viable, competitive, aggressive institution, available for the service growth of consumers and investors?

I am not sure it is there, Mr. Speaker. There has been much to do and much said in debate about enlarging the abilities of all elements of the financial sector to address the marketplace of today, on both a global and domestic scale.

But that ignores the fact that in 1981 the Royal Bank of Canada, which is the largest of Canadian banks, ranked 16th in the world in terms of its import and size. Today, a mere nine years later, it is reduced down to 57th place. With the kind of resources available to the Royal Bank a mere nine years ago, what has changed? I have not heard an answer from the minister or from debaters

in the House. What has changed to diminish the ability of the Royal Bank to compete when it already assumed a position of pre-eminence on the world market?

Mr. Sobeski: How many U.S. banks are in the top 10?

Mr. Volpe: We'll get down to that in a minute.

Are we trying to enhance the abilities of services offered by the banking institutions, by the trust companies, insurance and loan companies, and by the securities industries? Through their parliamentarians, Canadians are asking if, through this bill, we are making domestic interests subservient to international interests, those that the minister says are absolutely dominant with respect to the investment industry in Canada.

• (1150)

I caution all members to consider what happens when there is cross fertilization and when there is a merging of sectors of a particular industry. There is consolidation and rationalization and a new structure for priorities planning that immediately falls into place. The end result invariably, if we take a look at the trends over the course of the last six years, is that there is a cut in jobs. There are fewer employment opportunities for people in the sector. What does that do for us?

If we do not look at the consequences with respect to employment opportunities for Canadians, or the kinds of enhancement of the investment in financial sectors that we hope for, obviously they must give us the immediate benefit that we would require if we are going to be defending the interests of all Canadians.

As well, in looking at Bill C-83 we see the business about competition between foreign banks and lending institutions that are not governed by Canadian legislation operating in a Canadian market. The Canadian competitors are competing on a domestic basis, one with the other. They are at a legislative disadvantage because Bill C-83 does not address that.

In short, the last question is a generic question that Canadians ask themselves. Is Bill C-83 and the reorganization of financial institutions going to impact positively and seriously on Canadian economic interests? One can say that the presence of international institutions in Canada would enhance our opportunities for exposure or trade in the international marketplace. That would be