

Government Orders

Mr. Speaker, you signal that my speech is coming to an end unfortunately, as there is so much more to say.

Mr. Rodriguez: Tell us about the American banks coming in.

Mr. Riis: In the last moments I have, I will mention the involvement of United States banks in Canada and the old Schedule IIs that we welcomed some time back with very strict regulations. The understanding was that as a quid pro quo for our banks operating in their country and part of the changes going on, we would allow American banks to come into Canada and play a certain role in the banking business. That is all gone now. It is in a sense holus-bolus. The landscape is open to American financial institutions, and the American banking institutions in Canada will become more of a reality than ever. That is one thing.

I could talk about the capital structure, particularly those reflected in clauses 62 to 138. I think that is important. Of course other speakers will be referring to it. The whole matter of corporate governance is something we have spent a lot of time discussing. We have to spend a lot of time establishing the roles of governing the composition and the election of the board of directors as set out in terms of its rights and responsibilities.

There is ownership; the matter of self-dealing, which I referred to rather implicitly earlier; the use of cease and desist orders; and assuming control of the institution. Basically I can just summarize by saying that the 1986 blue paper announced that a financial institutions restructuring program was to be launched. This provision allowed that where a regulated financial institution was threatened with insolvency, the government would have the authority to vest all the capital of the institution with the CDIC. In such case, CDIC would have full powers to manage the affairs of the institution and to effect a merger or sale of assets if deemed appropriate.

Naturally, in conclusion, that whole area was a major concern to us in the New Democratic Party and continues to be, I might add. It is something that we would want to pursue once the matter moves to committee.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I enjoyed listening to the speech of the hon. member for Kamloops. I know that he is one of the principal spokesmen on many issues and knows quite a

lot about the Bank Act and the structure of banking and finance in Canada. That was obvious from his remarks.

One of the things I did not hear in his speech, which I expected to hear, was an enunciation of NDP policy on the nationalization of banks. I understand this has been a cornerstone of NDP policies since the thirties. I had hoped he would illumine the House on his party's current position in respect of the banks.

I am surprised that he talks of this legislation in reasonably favourable terms when I understood—and perhaps I am mistaken—that the aim of the NDP was not to regulate. It was to take over Canada's banks and run them as instruments of the state.

I did not hear that today. Perhaps, like their policy on the Senate, they have had a change of heart. If that is so, I wonder if the hon. member could illumine the House, tell us the latest policy resolution in respect of nationalization of banks, and tell us if it has been excised from the NDP policy manual. Perhaps he was there, if it was so excised, at the convention where this happened and he could tell us a little about the reasoning for the change in position.

I would be most interested in hearing his views on this very important subject and perhaps in comment he could tell the House that.

Mr. Riis: Mr. Speaker, I thank my hon. friend from Kingston and the Islands. I was hoping that someone would ask that question, because it opens up a whole set of areas that I think need to be articulated, particularly in times of the increasing recessionary conditions in which we find ourselves. Let me begin by saying that when it comes to banking I want first of all to refer to the operation and provincial jurisdiction.

As my hon. friend knows, within provincial jurisdictions a number of provinces have already taken initiatives to structure their own financial institutions. This enables them to direct a certain amount of economic policy through these institutions. The province of Quebec, for example, probably has done this most effectively using an arm's length relationship; but also provinces such as Ontario and Alberta are examples where that has been used relatively effectively and we like to think an awful lot more as an arm of government policy.

I also want to take this opportunity to say something about the Federal Business Development Bank. This was