

*Government Orders*

institutions bill we dealt with Bill C-83 first. Bill C-83 is now known as Bill C-4. Bill C-83 was its name in a previous Parliament. Bill C-4 is its name in the present Parliament.

We have no problem in this party, in this corner of the House, with banks being able to sell, to market or to retail insurance. We have a real serious problem with knocking down the pillars and allowing banks to own insurance companies. We have a real serious problem with that, but we have no problem at all with joint ventures that would allow banks to retail the product of an insurance company.

When we dealt with Bill C-83 there was a clause that went against the process or the principle of natural persons. The English version was different from the French version. The English version said that a bank would be able to do any business of insurance except what is prohibited by legislation. The French version said that they cannot do anything except what we tell them they can do.

What we did and what the committee agreed to was to harmonize the French version with the English version: they can do anything except what we prohibit them from doing. That is a natural person's approach. That is the approach that is used in the whole Bank Act except in this one issue.

It is fairly obvious that members on the government side agreed to that change, to that harmonization. There was nothing wrong with it that they saw at that time that they could object to. At least they did not object to it when I proposed the motion in committee. The amendment was supported, but I do not know what happened between that time when Bill C-83 finally finished committee stage and we got to the Bank Act.

Lo and behold, in clause 416 the government reversed what we had done in Bill C-83. I think what happened was a voice in the insurance industry, probably in Great West Life, twisted the arms of the ministry and of the government and got what was originally in Bill C-83.

It is not acceptable to us. They cannot accept the principle of natural persons all along the line and then, when it suits their purpose, just boot it out the door.

We are trying to correct the mistake that was made in our view. We are saying in this particular amendment: no, let us go back to the principle of natural persons. It seems to me that is fair.

The other motion, Motion No. 11, again fulfils the principles that we have tried to make in this debate, that banks ought to do the things related to banks and banks ought not to be allowed to own insurance companies.

In our amendment to Bill C-4 we said that trust and loan companies ought not to be allowed to own insurance companies. In this particular motion we are saying banks ought not to be allowed to own an insurance company.

If the government thinks for one moment that it is protecting the insurance industry by putting in these kinds of rules, it is living in Fantasyland. It is over in Fantasy Gardens with Faye Leung and Bill Vander Zalm. It is in Fantasy Gardens.

I want to say that the insurance companies do not stand a chance against the banks. The banks right now are positioning themselves. I could just see the debate within the banking community as to whether they should buy an insurance company or start one up or squeeze. I think they have opted for starting up insurance companies and I think, with the ability they have right across the country with their branch system, the insurance companies will not stand a chance and insurance companies will collapse.

I think the government is really fighting a rear-guard action. I have just been looking at an article which appeared in *The Toronto Star* of October 12, 1991. The story is very interesting. It pointed out that in the United States a U.S. bank won a battle to be an insurer. I refer to the story here because I think it is the trend. In part it reads:

In a big victory for banks seeking broader powers, the U.S. government has decided not to appeal a court ruling that clears the way for Citicorp to underwrite and sell insurance nation-wide. The decision could be a fatal blow to efforts to strike down a 1990 Delaware law that permits major banks to market insurance products nation-wide via subsidiaries in the States.

The powerful insurance lobby which staunchly opposes the law immediately picked up the legal battle started by the federal reserve, asking the Supreme Court on Tuesday to hear its appeal. But the chances of that tactic succeeding are considered slim.