

Agriculture—Signing of sub-agreement with Quebec—Evolution of situation; the Hon. Member for Welland (Mr. Pietz)—Environmental affairs—PCBS—Mobile waste disposal unit.

● (1600)

GOVERNMENT ORDERS

[English]

CANADA DEPOSIT INSURANCE CORPORATION ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-86, an Act to amend the Canada Deposit Insurance Corporation Act, as reported (with amendments) from a legislative committee.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I notice government Members rushing into the Chamber. I would like to set their minds at ease. They do have a moment or two. The vote is not yet about to take place.

Mr. Wise: We like to hear you speak.

Mr. Deans: The Hon. Minister of Agriculture (Mr. Wise) says that he likes to hear me speak. Why, then, does he not attend more often?

Mr. Gauthier: Way to go, Ian!

Mr. Deans: I do not want to engage in this trivial banter when a matter as important as this is before the House of Commons.

I think it could be said that this particular Bill will provide for an improvement over the current situation. The amendments we have offered and, I suspect, even the amendment offered by the Minister, which is not at all unlike one we proposed, would make the Bill even better. However, this Bill does nothing to address the major problems with which we were faced as a result of the collapse of the Canadian Commercial and Northland Banks.

Mr. Orlikow: And the trust companies.

Mr. Deans: As my colleague has said, the trust company collapses that have also occurred.

If the banking industry had been going along as it had many years ago with little if any discernible problems, this Bill would have been seen as a way to try to broaden input and perhaps bring about a somewhat different perspective to the decision-making process. However, and I know you have been concerned about this as well, Mr. Speaker, the fact is that the banking structure of Canada lacks adequate supervision of operations. There is a lack of a guarantee that the operations

Canada Deposit Insurance Corporation Act

of the many banks that now make up the banking community, some large and some small, some traditional and others quite new to the scene, are consistent with the highest level of public interest.

I do not think it is unfair to say that banks, like most other private corporations, are in the business of protecting their own interests. They do what they do not because of any commitment to the public but because of a commitment to their shareholders and to themselves. I suppose I could be critical of that, but I live in a society in which that is well understood. It might be said by me and others that it would be desirable for the banks to be more concerned with the public interest and for them to make an effort to operate in a way that would protect not only the investors but also the depositors and not only the depositors but also the customers who deal with the banks in good faith.

My colleague, the Hon. Member for Winnipeg North (Mr. Orlikow), has already made mention of those who think that the "buyer beware" concept should apply to banking as it applies to most other commercial enterprises in Canada. How does the buyer beware? How does the average individual citizen, the buyer, who is doing business with a bank become aware of the bank's solvency or insolvency? Where do the buyers go to find out if the bank's practices at the management level are appropriate and prudent? How do they determine if the asset-to-loan ratio is indeed in keeping with what the Inspector of Banks believes appropriate? How would they know whom to ask and, more important, how would they know what to ask even if they did know whom to ask?

To attempt to leave the impression that, somehow or other, the same kind of general buyer-beware practices that are promoted for commercial transactions in non-financial institutions should be equally applicable to financial institutions is ludicrous. It is for that reason that many years ago we established the office of the Inspector of Banks. The purpose of that inspector was to make sure that banking practices as necessarily established by the Government and the Parliament of Canada were indeed followed to the letter by all institutions that fell within their purview.

We have argued, with total validity, I would submit, that the practices of the banks, were they to be followed and inspected properly, should be applied to the near-banks, the trust companies. We have reached a point at which trust companies are banks in all but name. It is time for the same provisions to apply to trust companies as apply to banks. I want to make it very clear, though, that if we do that, it will make very little difference if we do not have an enforcement mechanism and an adequate inspection process. It will make very little difference if we do not have a sufficient number of people to be able to undertake the close and continuous scrutiny that is necessary to require financial institutions to live up to their obligations. That is really what we should have before us.

What we do have before us, important though it is, is almost trivial compared to what we need. The Bill before us, no doubt, provides for a marginal improvement. Unfortunately, it