

Canada Deposit Insurance Corp.

proportions it is provided that the rate of premiums may be reduced under certain circumstances.

3. The corporation will invest its share capital and the deposit insurance fund in securities of the government of Canada. Earnings on these investments will be available to meet operating expenses and, if there is sufficient net income, to pay dividends on its share capital.

4. To enable the corporation to act as lender of last resort to its members in case of need, either by lending on the security of members' assets or purchasing such assets when that is appropriate, the government will be authorized to make advances to the corporation up to a total of \$500 million. Any such advances would be expected to be repaid by the corporation from recoveries of the assistance provided to its members or from the deposit insurance fund.

The government realizes that it may not be possible in the present session of parliament to complete consideration of the bill, although I hope we can do so. It will be useful in any case to make known the intentions of the government and, if the bill has to be introduced again in the next session of parliament, there will have been an opportunity to benefit from public discussion of the measure.

Mr. Lambert: Mr. Chairman, this has indeed been a long awaited day, and without trying to be petty about the criticisms that might be offered by members of the committee I would just convey to the minister once more the various criticisms that have been levelled against the government both by members of the standing committee on finance, trade and economic affairs, and by witnesses who appeared before that committee, on the delay in bringing forward this legislation.

The standing committee has been studying the Bank Act since October. An integral part of revision of the Bank Act included not only the so-called extension of the competitive element for banking but also control of those engaged in banking and banking practices. These could not be separated one from the other. We got the government's proposals with regard to the Bank Act and the Quebec Savings Bank Act, and now at this late date we get its proposals with regard to the Canada Deposit Insurance Corporation.

The minister did not state whether it is the intention merely to proceed to first reading of the bill. If I remember correctly, in reply to a question which I put to him on an earlier

[Mr. Sharp.]

occasion the minister said it was the intention just to disclose the bill in this session and then leave it for study and comment upon it by the financial community, following which the bill could be dealt with in a subsequent session of parliament. Does the minister wish to confirm that?

Mr. Sharp: This is a perfectly legitimate question in the light of what I have said. The government realizes now that there is perhaps even greater urgency for the early passage of this measure than there was when it was referred to by me at the time of the introduction of the revisions to the Bank Act, and the government would be prepared to proceed with all stages of the measure during this session of parliament. Nevertheless it would be desirable for an opportunity to be given to the general public, and to those institutions who might wish to take advantage of this facility, to study the bill.

This is a new venture in Canada. It raises issues of quite a different character from anything we have seen previously. But if in fact it is clear that the facility will be used generally, and will be a useful addition to our financial mechanism, the government would be prepared to give the measure greater priority than it had originally intended, and to try to get it through during the present session. But I think we should leave it over until we see whether there is a fairly broad degree of acceptance of the idea. I might add that the government is quite prepared to consider amending this legislation if, upon examination, there appears to be need for major changes.

Mr. Lambert: Mr. Chairman, the minister has given a very careful half answer. The government has certain options it may exercise with regard to this measure. The first, and least desirable, is to proceed with all stages through the house. The second is to give the bill first reading and then let it stand for a time, proceeding at a later date with the rest of the stages. There are plenty of precedents for that course. The third option is that we should proceed with a certain amount of celerity, certainly not later than next week, to refer the bill to the finance, trade and economic affairs committee. This is absolutely the least that we in the opposition would accept.

The minister must agree with me that this measure is so inherently bound up with the consideration of the Bank Act that we must consider its provisions to see whether it will fill the lacunae which we feel exist within the Bank Act. The officials of the Canadian