

Government Orders

from owning substantial parts of banks. It will prevent them from owning trust companies. Our view is very straightforward. We believe that when this country set up the pillar structure for financial institutions, it was a wise decision. We had banks doing things that were related to banking, and we put them under a bank act. We had trust and loans under a separate pillar, insurance companies under a separate pillar, co-operatives under a separate pillar and investment brokers under one. Of course, we lost that last pillar in 1987. That pillar has come down and with predictable accuracy. Anyone standing in this Chamber in 1987 could have predicted very accurately that these investment brokers would have ended up in the stables of financial institutions. That is exactly what has happened. They have ended up in those institutions.

Of course, to give the facade of separating the investment brokerage business from the banking business they put up what are called fire walls which, as Gerald Corrigan in the United States said, often become walls of fire.

Here we are in 1991. We have learned nothing whatsoever from the experience of the United States. We are collapsing the remaining pillars. We will still have a Bank Act, we will still have an Insurance Act, but that is all for show. All the synergies that can go on across the pillars will go on and eventually melt them down. I think that is the expression I have been using. You will see one of the greatest meltdowns in financial institutions in this Canada.

If insurance companies think they can survive as a small insurance company, they are sadly mistaken. When these bills are enacted this will be a game where only the large and powerful will survive, where it will be very difficult to regulate the large and the powerful. It will be a new horizon. It will be a new day for financial institutions.

We constantly heard from witnesses appearing before the Standing Committee on Finance about globalization. They said they wanted to be able to compete globally. When 60 per cent and 70 per cent of the profits of these large, global financial institutions start coming from outside Canada what will then be the encouragement for them to pay attention to what goes on at home? When all of their efforts to accrue their profits remain beyond the borders of Canada how well will they serve the consumers of Canada?

If you recall, I described the banks as lions. I described the insurance companies as mongooses. I described the trust and loan companies as cobras. I have said in this scenario that the mongoose will eat the cobras and then the lions will end up eating the mongoose. It is not insignificant that the Royal Bank of Canada has a lion as its symbol and it is holding the globe to its chest. That is exactly what is going to happen. One morning consumers will wake up and find that they do not have the competition in this country that brings about, we are told, lower prices for their products. We will find that there will be a concentration of power and there will be a concentration of activity.

• (1740)

In fact *The Economist* recently appealed very vividly in an article to the law makers in Ottawa to return to the wide ownership concept. I call on members to support this amendment. Let us get on with making sure these animals are back in the cage and that we get back to the pillar system of regulation.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, this amendment, Motion No. 10, put forth by the New Democratic Party would not allow an insurance company to own a trust company or a bank.

If we look at the present situation in Canada today, at least 20 insurance companies now either own a trust company or they are part of a conglomerate that owns a trust company. That is the present situation: at least 20 insurance companies now own a trust company or are part of a conglomerate that owns a trust company. Also, banks and trust companies can buy insurance companies. It is only fair that insurance companies should be able to own trusts or banks.

I think that is a very logical argument. It is straightforward. We will be voting against this amendment.

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I too wish to put on record some comments and they will be short.

The amendment that we are proposing today is similar to the amendments that we had when dealing with the banks and when we were dealing with the trust companies as well.

Basically we feel uncomfortable in that we have seen the erosion of the pillars and now the total collapsing of