

financial institutions that are reasonably well regulated. It is a system that is the envy of many countries.

Now the government is in this sort of pell-mell ideological move to dismantle the four strong pillars of our system to make it easier for them to operate. We have to recognize that when we say "them", we mean the large players. Surely we will see the erosion of the small financial players that are in the system now and a welcoming of foreign players into Canada more than we have now to take over, using their financial muscle to displace Canadian firms in the financial institution market.

I think that is unfair. It is unfortunate. I know from going around and talking to some of the small insurance operations in Kamloops that they just shake their heads in disbelief that this government would be so callous in abandoning their efforts over the years to build up small, regionally or in some cases community sensitive insurance operations, to turn over in a sense now the operation to large financial multinationals, probably banks or trust companies, to get into the insurance area. I just use that as an example of where we are moving.

The minister back in September had this to say about the purpose of the bill. It was to consolidate the current trust and loan companies acts and to revise extensively the way in which federally incorporated trust and loan companies are regulated. That is laudable. The Trust Companies Act and the Loan Companies Act were enacted in 1914 and that Bill C-83 was the first attempt to modernize them. Because of the essential similarity of trust and loan companies, at least in that area of their business, their financial intermediary activities, Bill C-83 consolidates them.

We have been in favour of this updating of the legislation for years. I remember 10 years ago making a case to the Minister of Finance at that time, saying that it was time we brought this legislation up to speed. After all, the world has changed so much since 1914, particularly in the area of financial institutions, but for years and years the government dragged its feet.

One of the reasons I think it dragged its feet was because of the heavy lobbying that it received by some of the larger institutions saying: "We want to deregulate. We want to expand our operations". If I remember, the

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banks wanted to get into car leasing operations. They want to just get their tentacles out, as widely spread as possible. This was going against a lot of the ideas that the government had at that time.

Mr. Rodriguez: That is what they want.

Mr. Sobeski: The banks didn't get into car leasing yet.

Mr. Rodriguez: They got other things.

Mr. Riis: Mr. Speaker, my friend across the way said: "The banks didn't get into leasing yet". You wait; it is a bit like Sunday shopping, Mr. Speaker. They just keep grinding away until eventually they wear them down and Sunday shopping becomes a reality.

Eventually the banks will be into the leasing operation, Mr. Speaker; just wait and see. It might take a year or two. After all, we have not started the revisions to the Bank Act yet. They will be coming shortly as part of the comprehensive package. Then we will see.

Mr. Rodriguez: Twenty tonnes and over they lease.

Mr. Riis: That is right. After all, right now they are into partial leasing, 20 tonnes and over.

Mr. Rodriguez: So it is coming down.

Mr. Riis: It is coming down. It will get down to 19 tonnes, 18 tonnes, and eventually down to the Toyotas and so on.

Let me move on with some of this important information. Another purpose of the bill as articulated was: "In the role of financial institutions, trust and loan companies are virtually indistinguishable". I think we appreciate that. It is obvious that when we study these two institutions and the way they have evolved into modern times, they in fact are indistinguishable.

They both operate in the retail deposit and lending markets by raising the bulk of their funds through customer deposits or through the sale of various debt instruments to the public and investing in residential mortgages. We have had some concerns about this point. I know my hon. friend has indicated time and time again that while these two types of firms are indistinguishable now, the question is: Ought they be? What does this mean in terms of their movement into the deposit taking market as they compete with the other financial institutions?