

Government Orders

We quoted yesterday in debate a commentary in *The Economist* that calls on the Government of Canada to recognize the need to maintain the wide ownership rules.

When this legislation goes into effect, there will be no small insurance companies. There will be no small financial institutions. There will not be that little insurance company that you knew in your little town on a street. These are going to be huge conglomerates. These are going to be large.

In fact these bills will force them to grow large like a cancer. There is no advantage for them to stay small. There is every encouragement, every reason for them to become bigger, bigger and bigger.

This is madness. We have said this. We said yesterday in debate that bigness is not necessarily better. Bigness is not necessarily better. We have adopted the sliding scale of ownership because we felt that the study in 1985 of the green paper was appropriate.

We believe that is the most effective way to prevent the concentration of ownership. We believe that one of the big problems with the failures that we have seen in financial institutions, particularly the trust sector, has been because of the close ownership. It is because of the mixing of financial owned by non-financial.

All the commentary that we have been reading recently says we have to make sure we separate the commercial from the financial. Why does a mining company own a trust company? It seems to me that is a recipe for disaster as was the case with Standard Trust.

Can you imagine a Campeau bank, a Campeau trust company or a Lavelin trust company? Can you imagine an Algoma bank or an Algoma loan and trust company? That is the danger. We have to keep those two operations separate. We cannot mix the commercial and the financial.

That was the rationale behind the green paper that the finance committee tabled. The whole question of close ownership is one of the greatest threats to the health of the financial institutions of this country.

We have built in Canada a banking system second to none in the world. I am prepared to say that. We are second to none in the world.

We are dealing with the Bank Act, and we have to look at the situation as it is presented to us. The banks of this country are the most secure in the world. They were built through a system of regulation, a pillar system. It is a system of wide ownership.

It seems to me that we are now saying the system that built the banking structures in this country are not good enough now for building some new huge structures. So we throw out all of the things that we have proved to be successful. We are saying now it is open season. You can have mutual companies, and this bill envisages mutual companies being demutualized. You are not going to have a nice little insurance company where all the policy holders hold it, where we are all holding hands and we are feeling each other and it feels good and you have hot milk or something and you are feeling good. All that is gone. They will demutualize, and then once they demutualize they will have to sort of merge, they will have to find partners. You will have this growth and only the mighty will survive. It is back to the jungle in this legislation. It is survival of the fittest.

I do not think that serves the best interests of Canadians.

We have argued in these Motions No. 6 and 7 for wide ownership. We believe that is the way to go. It is the best guarantee. In the long run when these institutions fail, it is the taxpayers who pick up the pieces through the CDIC. It is the taxpayers who bail out the depositors.

I say to the House, this is the last chance, you have a last chance. This can be a deathbed repentance. Accept now, brothers and sisters on the other side, accept now and you shall be saved. Accept this amendment now. Repent now before the hour is too late. I see you are standing so my hour has come.

The Acting Speaker (Mr. DeBlois): Debate, the hon. member for Malpeque.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I rise today to speak on Motion No. 1 on the Insurance Act, Bill C-28.

This is a similar amendment to the one we discussed in the last couple of days concerning the Bank Act and the Insurance Act.