

Canada Deposit Insurance Corporation Act

should be an effective and useful balance. However, I am in favour of some of the amendments proposed by my NDP colleagues and I would like to address these now. In Motion No. 1 the proposal is to add the Deputy Minister of Consumer and Corporate Affairs to the board. That probably would be useful in that it emphasizes the concern for consumers. After all, the CDIC was originally intended to serve and protect the unsophisticated small depositor.

In Motion No. 2, the mover of the motion has taken some of the guidelines on conflict of interest which the CDIC has adopted voluntarily and he proposes including these in the statute. I think that is probably a good thing to do as well in that more things are in the statute rather than leaving conflict of interest guidelines up to the good will of people. This is not quite the position I took at second reading, but then a number of events have happened since that time which have led me to have more awareness of the need to put things in the statute rather than leave it up to good faith and good judgment.

The Minister's Motion No. 3, which also sets some requirements for the public sector representatives on the board, I find quite acceptable.

I am sorry that Motion No. 4 has been struck, but since it has, I expect it is not in order for me to comment on it. However, I think the emphasis on Canadian citizenship is a useful thing that probably should have been retained.

I understand we will be debating Motion No. 6 separately and I will come back to discuss that motion later. I want to go back again to the background and the urgency of Bill C-86 and to stress that we will not be delaying it unduly either now at report stage or at third reading because it is a quick fix and there is not very much in it. However, I am deeply concerned that at this stage in the history of our country, with all that has happened in recent years, we are still only dealing with a "quick fix" Bill and have not yet addressed some of the serious problems which were illustrated when some Canadian financial institutions have got into difficulties. In 1982, deposit insurance coverage was increased from \$20,000 to \$60,000 after the Ontario Government seized three trust companies in the belief that public funds were at risk. In order to protect those funds, the federal Government moved to insure all depositors of the institutions at the new higher rate. In 1985, as part of the Canadian Commercial Bank bail-out, the CDIC committed \$75 million and, according to its annual report, it did not make any provision for loss as it expected to be fully reimbursed. That expectation, unfortunately, was not met. Later the Government announced its intention to reimburse all depositors in both the Canadian Commercial Bank and the Northland Bank. As a result, CDIC paid out, as far as insured deposits were concerned, \$250 million to CCB depositors and \$170 million to Northland depositors, while uninsured deposits came to \$430 million for Canadian Commercial Bank and \$470 million for Northland. So at this point estimates have put the CDIC deficit at about \$1.2 billion.

The Bill before us is a small step towards correcting the problems. Let us hope we see some substantial measures soon.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I too would like to speak to the grouping of amendments in Bill C-86, an Act to amend the Canada Deposit Insurance Corporation.

Motion No. 1 put forward by one of my colleagues is a very crucial one. This amendment would place another individual, another position, on the board of CDIC. It would be a position which would be there for the purpose of keeping the consumer in mind when decisions about the policies and actions of the Canada Deposit Insurance Corporation are made. In theory, the CDIC is there to protect the consumer. The individual who places his or her trust in a financial institution, be it bank or credit union, whatever is applicable, should have his or her money protected. Should something happen to the financial stability of that particular institution, the individual consumer should not lose his or her life savings.

The current make-up of the board of directors includes a chairman from the private sector, the Governor of the Bank of Canada, the Deputy Minister of Finance, the Superintendent of Insurance and the Inspector General of Banks. With the exception of the chairman, the remaining four members are people who are directly involved on a day to day basis with the financial community. They tend, I would suspect, to get wrapped up in the dollars and cents aspect, in the regulations and in the paper flow and do not think about the average Canadian family, perhaps a couple reaching their retirement years, who have put money away not in a sock or under the pillow but in their bank account and then, all of a sudden, something happens to that institution and their money is no longer there. They will look to CDIC and say: "Well, I want my money back". If there is not a consumer advocate on the board of directors it is possible that the CDIC could make a decision which would prevent an average Canadian family headed into retirement from getting their money back. It is important to have someone there all the time to remind the senior bureaucrats that the reason the organization exists is for the protection of the little guy, the little girl—the average Canadian.

● (1550)

By amending this clause to add the Deputy Minister of Consumer and Corporate Affairs to the list we do two things. We provide an advocate for the consumer, while not tampering with the structure. We are not bringing in a consumer advocate *per se*; we are bringing in the most senior official next to the Minister in the Ministry of Consumer and Corporate Affairs. This is an official who is duty bound to look out for the consumers of the country. We wish to provide this linkage to ensure that there is some type of responsible review of any decisions that are made. Sometimes it is just a matter of a person saying: "But what about the consumer? How will this regulation affect a depositor in Vancouver or a person who has