

Canada Deposit Insurance Corporation Act

This concept of outside directors will not be effective if you simply have a few people who come from outside financial institutions. There should be some people who represent consumers, and maybe who represent labour, on the CDIC board of directors, not just a few patronage friends of the existing Government. I would like to have had a commitment, which I understand has not yet been given, from the new Government.

This is an inadequate Bill, and that is why we are opposing it. If a Government cannot learn from the errors and the problems of the past few years it will never be able to learn. The Neanderthal, the troglodytes, the people whose lack of comprehension has cost the Canadian taxpayer more than \$1 billion in the case of the collapse of two western banks, are currently in office.

We were promised a breath of fresh air, a new approach when the new Government came to power. That has not occurred. We have had delay following obfuscation following delay. One cannot help feeling that the Governor of the Bank of Canada, the Inspector General of Banks, the Superintendent of Insurance and the Deputy Minister of Finance or their successors have been trying to cover their own rear ends. They have been bedazzling the appointed political Ministers with all of the problems of taking the necessary action in order to get tough and ensure that we really have effective regulation.

It has been pointed out that the agency in the United States which is responsible for looking at deposit insurance has something like 100 times the staff of the Inspector General of the CDIC. I am not sure whether those proportions are entirely justified; some of the responsibilities are different. It seems to me that an agency which in the past has been cocooned in an office building in Ottawa, whose directors have also been cocooned here, who seemingly heard no evil, spoke no evil, saw no evil and blinded themselves to what was going on in the financial market, is not an adequate agency.

These reforms in Bill C-86 are so paltry, picayune and inconsequential that I do not know why the devil the Government even chose to take up the time of the House of Commons in this debate or of our Commons committees in putting these amendments through. These reforms could possibly and conceivably have been handled, in my opinion, at a time when the Government came along with the fundamental reform needed. As far as I am concerned, deposit insurance today is as weak as it was when the CCB and the Northland Banks went down. It is as weak as it was when Crown Trust, GreyMac and Seaway went down. It seems as though this is a Government, like its predecessors, that has learned nothing from the sorry and very expensive experience.

Speaking on behalf of ordinary taxpayers in Ottawa Centre, and on behalf of many people across the country who are ordinary taxpayers as well, I am fed up with that approach. I think it is about time that we had a Government that paid more regard to the needs of ordinary Canadians and less regard to the special pleadings of the financial institutions.

• (1250)

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I have a few comments to make on Bill C-86, and I may say the subject addressed by this Bill is of considerable importance, when we look at the total deposits held by credit unions, banks and trust companies in Canada, as indicated in the Wyman report published at the end of December 1984. These deposits totalled \$400 billion, of which \$161 billion were insured by the Canada Deposit Insurance Corporation.

Mr. Speaker, when we look at these figures, we realize the impact this Bill can have on so a great many Canadian men and women.

Bill C-86 is a temporary Bill. It is valid for only one year, and it is also a money Bill, for all practical purposes, because it is essentially aimed at raising the premium to be paid by the institutions to the Canada Deposit Insurance Corporation, in order to cover part of the deficit.

Mr. Speaker, we have had the Wyman report, which the Government has had in its possession for many months. As far as the House is concerned, we have had hearings on the Green Paper tabled by the Minister of State (Finance) (Mrs. McDougall), hearings that were held across the country, with the committee travelling from place to place. The Standing Committee on Finance, Trade and Economic Affairs submitted a report to the House last year, and today, we have before the House a Bill that is no more than a bandaid solution. The fundamental questions are not addressed, and basically, all this Bill does is raise the cost of the premiums paid by the companies, including the banks and lending institutions. The increase is quite considerable because the premiums have tripled, which means the total premium amount paid by financial institutions, which is now \$54 million, will have to be multiplied by three, and if we also consider the increase in deposits in 1985 over 1984, we are talking about an increase from \$54 million to \$174 million.

Mr. Speaker, I would have hoped that the Government, after receiving reports or comments from the financial institutions and from Members of this House through the Committee on Finance and Economic Affairs, and after receiving suggestions from the committee that tabled a report on the Canada Deposit Insurance Corporation, I would have hoped for a more definitive solution. We still do not know who in the public sector is to be responsible for inspecting financial institutions according to the following criteria: legal aspects, financial soundness and capitalization.

The Standing Committee of the House on Finance and Economic Affairs suggested an approach with which we of the Liberal Party could not agree. But at least a proposal was made.

I was listening earlier to my hon. friend from the New Democratic Party who suggested that the CDIC should have an extensive staff to carry out inspection activities.