

*Committee Reports*

Mr. Speaker, we will not deal with the report put forth by the Committee on Finance, Trade and Economic Affairs as the previous Liberal Government attempted to do with the Quebec *Caisse de dépôt et de placement*. I suggest that we must really do our homework and come up with a sensible solution, rather than rush jobs that run the risk of creating serious problems for Quebec's financial institutions, as you will remember, Mr. Speaker.

In November of 1985, we tabled Bill C-86, a piece of legislation that, further to a private committee report and also a report from this House, dealt with the Canada Insurance Deposit Corporation problem. As I said, Mr. Speaker, this came about because of the work done by the Members who sat on the Committee on Finance, Trade and Economic Affairs.

Also in November 1985, Mr. Speaker, we tabled a piece of legislation dealing with regulatory authority, Bill C-103.

All this to say that there has been work done to this day, Mr. Speaker. Indeed, work done towards achieving something which in the long run will be important for our Canadian financial institutions.

Mr. Speaker, without anticipating too much the debate on Bill C-103, we might perhaps take a quick look at its contents. One of the key provisions of Bill C-103 provides the regulator with the authority to issue instructions to cease or refrain, in order to put an end to doubtful practices. This is something that does not now exist, Mr. Speaker, and it is in Bill C-103.

Secondly, the Minister of Finance will have the authority to regulate people who attempt to control financial institutions. As you know, Mr. Speaker, the Minister of Finance now has the authority to say to a loans or trust company that it cannot do business in Canada. Once it has the power to do business in Canada, the Minister of Finance has no way to check whether a transfer of shares is a good thing or not. At the present time, there is no legislation at this level. And that is the purpose of Bill C-103.

There is a third major element in Bill C-103. The superintendent of insurance will be able to carry out proper assessment of all assets held by our financial institutions. Again, Mr. Speaker, this does not exist. Therefore, the superintendent of insurance will be able to assess any real estate property thus held and submit a proper report concerning both the administration and transfer of assets or shares of a loan or trust company.

Mr. Speaker, the major consideration is definitely the public interest. Concerning public interest, I suggest it is necessary to consider the transfer of control of a loan or trust company, to examine who will acquire it. Does the company taking over the control have the necessary know how and expertise to properly administer a loan or trust company the control of which has been transferred? And especially, is this transfer of ownership made in the best interest of Canadian men and women? That is the main recommendation of the finance and economic affairs Committee. That is the main point.

Unfortunately, a moment ago, the Hon. Member for Kamloops—Shuswap (Mr. Riis) mentioned that a company had failed to pay any income tax in 1985. I suggest this is not a recommendation of the Committee on Finance and Economic Affairs. The Committee was looking into the interest of Canadians. The Committee, whose report is here before us, wanted our financial institutions in Canada to be controlled reasonably and fairly.

As far as the Imasco-Genstar dossier is concerned, the Minister of State (Finance) (Mrs. McDougall) indicated in the House on several occasions that she will definitely look into the takeover, keeping in mind the criteria set in Bill C-103, for the purpose of ensuring that the interest of the public, of Canadian men and women is properly protected, as recommended by the Committee on Finance and Economic Affairs.

Mr. Speaker, both Bill C-86 and C-103 are a first step in a thorough reform of the financial sector: power of supervision, power dealing with the industry and the transfer of interests, all things which do not exist at the present time. We are being asked to take action, something the previous Government failed to do; so, we are taking the necessary action. Mr. Speaker, we must live with this situation.

Now, Mr. Speaker, in spite of the urgency of this debate, I think that the Government, the Minister of State (Finance) (Mrs. McDougall), the Committee on Finance and Financial Affairs should also do their job. The Committee on Finance and Financial Affairs has done its job. The Minister of State (Finance) and the Government still have theirs to do. Consultations have to be held. This Government does not reach decisions without consulting anyone and I think that in an 18-month period our record is there to prove it.

In the case under consideration, various consultations have still to be made and it is important to do so. If the Opposition does not agree with Bill C-103, it is unfortunate because it has been submitted to financial institutions which are in agreement. I am sure that there are minor things, that they do not totally agree with and it is normal but they approve of it generally and this is what is meant by consultation.

We have not yet received the report from the Estey Commission and it is an important document on which decisions about Canadian financial institutions will be based. I do not think we can obtain the Estey report overnight and make decisions without referring to it. It would be inconsistent. Inquiries should not be requested if their results are not to be taken into consideration, because we have to be consistent. It has not been stated often enough that this is entirely new, that people are not used to that procedure. For the past 18 months, the Government of Canada has been consulting with the Provinces and this had not been done before. As in every other sector, there were consultations with the provinces regarding financial institutions. As you know, Mr. Speaker, in Quebec we have our own financial institutions that come strictly under provincial jurisdiction. They also have a contribution to make when we are discussing legislation in this area, which is why it