

Government Orders

availability of credit at a reasonable price, in every region, every city and every town and to every citizen.

Oh boy, did we have experts come before the committee during the whole process. We were inundated with bankers, auditors, and experts of all types. We had the most exotic array of flora from the financial jungles of Canada.

Mr. de Jong: And fauna.

Mr. Rodriguez: I like to use the flora; it is not so cruel. They were there in full colours. They were there at all stages. Never before in history have members of Parliament been so inundated with lobbyists of all stripes. There we were in the committee. We were led by the grand wizard and he was churning away. He chanted incantations as he peered at us: "Return on equity, capital base, demutualization, leverage, corporate governance, technical amendments, poor loss linkages".

An hon. member: Who's the wizard?

Mr. Rodriguez: The wizard is the member for Mississauga South in full regalia. "Cross pillar synergies". He reminded me of the witches from Macbeth. How does it go: "Boil and toil, oil and troubles, witches brew, cauldron bubble". There he was. That is the image of what he was.

Then he put his hand in and he pulled out Bill C-34. Everybody agreed that it was pretty harmless. It dealt with the co-operatives and my friend who will speak later will deal with that. He put it over on his side. Then he went on and pulled out some other things: "Prudential corporate governments". I bet you do not know what that is, Madam Speaker. "Prudential corporate governments, conduct at audit committees, independence from executive management". We had no problem with these first emanations from the cauldron.

However, in the images cast by the smoke emanating from the cauldron we saw the dark side. It is characterized by its mediocrity because it relaxes the rules on ownership, the rules on relationship between commercial and financial. This is a victory of mediocrity over excellence. By relaxing the ownership rules and broadening the powers both in-house and out-house we have also dropped the traditional opposition we had to close commercial ownership of financial institutions.

We thought that the wizard wanted to ensure the wide ownership which he had often espoused before he put

his wizard's hat on, that what he had foreseen in 1987 he was prepared to do now. However, when he had done churning and chanting he put a cowl over the cauldron and said: "This is a done deal". Nobody else could put anything in the cauldron.

I wanted to put some garlic in the cauldron. I wanted to keep the evil spirits out. He would not let me put anything in the cauldron, no garlic. I could not even make a cross by the cauldron because he chanted: "This is a done deal. This is a done deal".

There is nothing on this earth in Canada that you, Madam Speaker, or I could do that could change it one iota. One jot or tittle could not be changed because it was a done deal.

• (1620)

These bills, in our view, do not address our very serious concerns, the concerns of wide ownership of financial institutions. They do not deal with the whole question of keeping commercial and financial arrangements separate. You cannot mix the two up.

I am not the only one saying this. Henry Kaufman, one of America's best known economists, testified to Congress this month that countries in which banking and commerce are close, such as Japan and western Germany, tend to end up with an elitist corporate state.

Gerald Corrigan, the influential chairman of the New York Federal Reserve voiced the central bank's objections that the deposit insurance safety net could be stretched too far, and some industries are too alien to central bankers for the proper supervision of banking subsidiaries. For the same reason monetary policy will be hard to run.

Corrigan warned of the same thing. He has been warning the American government and American regulators that when you start mixing up the commercial with the financial, it is a recipe for disaster. We have that in this cauldron. It was cooked up and it was churned up by my colleague, the member for Mississauga South.

These bills fail to address the question of harmonization. We called on the government to show some leadership. We said: "Why do you not call a meeting of regulatory authorities and provinces to deal with the number one problem in financial Canada, harmonization of financial institutions?"