

Government Orders

in a few months or so, and then we are going to get the Bank Act. Why? Is it not better that we see all the cards on the table so that we can see how the amendments to the Trust and Loans Act meshes with the Bank Act and meshes with the Insurance Act? Why are we going through this? What is the gain? That is the question to be asked. We should see all the cards on the table so we can see the total picture. That is my first criticism.

It is not as if 1991 came upon this government suddenly. After all, it went into the free trade agreement and that is what is motivating the changes to the way the financial institutions operate. That is the real rationale, to follow what big brother in the United States is doing. God knows the problems they have with their savings and loans and their banks. If one looks carefully at what is portending for us in Bill C-83, one will see that we are following exactly what is being done in the United States. I will deal with the specifics later.

The other question I would like to touch on is what does the future hold for us? Look at what Bill C-83 has done and that is the trend, brothers and sisters. That is the trend. If one looks at how C-83 handles power, the concentration of power in Bill C-83 is in the minister's hands. Look at what is happening. Bill C-83 gives the minister special powers. Is this the trend for the Bank Act and other acts amending financial institutions in this country? The power is going to be centred in a political minister. We have had an example of how a political minister can make and use special powers.

We had the example of Amex. Amex does not qualify by the description of what a bank is in Canada. Yet the minister used special powers to give American Express things that Canadian banks cannot do. A Canadian bank cannot do the things that Amex was given. This is the special power used by the minister. This is the kind of example of what special powers can bring about. He used the special powers and gave Amex all sorts of powers and rights that Canadian financial institutions do not have. In other words, he changed the rules to suit the players, after the fact. It seems to me that the question is a legitimate one. Is this the way in which we want financial institutions in this country to be regulated and controlled? How are the consumers of financial services treated in that kind of scenario?

Ms. Hunter: Badly.

Mr. Rodriguez: Absolutely. Very badly.

In 1985 the finance committee brought out the green paper. They gave a blueprint for the way in which financial institutions ought to be regulated. It does not talk about giving special powers to ministers who have political connections. That is not what they talk about.

I would like to put on the record what the finance committee recommended on page 30 of that 1985 report. Consequently, the committee proposes the creation of a national financial administration agency, NFAA. This would be an autonomous Crown corporation involving representatives of the provinces, the financial industries and the federal government on its board of directors.

The committee suggested there be four provincially-appointed directors from the Atlantic provinces, Quebec, Ontario and the western provinces. There would be eight industry-appointed directors, two from the chartered banks, and one each representing the trust companies, the life insurance companies, the property and casualty insurance companies, the financial co-operatives, pension funds and security firms, if provincial ownership rules were changed to allow them to be closely held by federally-incorporated financial institutions. There would be five federal government directors, one appointed by each of the Bank of Canada, the Department of Consumer and Corporate Affairs and three by the Department of Finance. In addition, the board would hire an inspector general of financial institutions as chief executive officer of NFAA and who would also sit on the board to give a total board membership of 18. The chairman of the board of directors will be appointed by the Minister of Finance. This agency would act as the regulatory and supervisory agency for all federally incorporated financial institutions and for any provincially incorporated institutions if the provinces so desire.

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It would establish conditions for memberships of institutions in the various consumer protection plans of this administration. Provincial institutions would have to comply with these conditions in order to obtain coverage under these plans. The agency would administer separate funds for each type of financial activity that would