need for retroactive legislation. If it was considered important, there has been ample time to bring it foward in the normal way.

My second reason for opposing retroactive legislation in this case is that this Bill is so very much a stop-gap piece of legislation. It does two or three things. It increases the number of members on the board to allow for some private sector representation, it allows the board to draft conflict of interest guidelines, and it increases for one year the premiums which the member institutions pay to the CDIC.

This legislation does not address any of the underlying problems. The board members of the CDIC who appeared before the legislative committee were quite frank about their belief that increasing the premium structure from one-thirtieth of one per cent to one-tenth of one per cent for one year would not resolve the over-all funding requirements of the CDIC. The Bill will increase the premiums from $62 million to $186 million during 1986. However, it does not touch the underlying problems. It does not touch the issue of the need to reform the structure. For example, the suggestion has often been made that instead of all institutions dipping into one pool of capital there should be separate pools for different kinds of institutions. Suggestions have been made that premiums should be related to risk assessment. None of these issues is touched upon.

I mentioned earlier that the CDIC's last financial statement anticipated a deficit of $1.2 billion. That statement was issued before the numbers were in from the failures of the Canadian Commercial Bank, the Northland Bank and two other smaller institutions. The final number may very well be considerably larger. This issue has not been addressed. In the interest of getting a quick fix Bill which does not touch any of the essential factors, we are asked to treat it retroactively but have not been given sufficient reasons to justify this.

I should also point out that when the Canadian Banking Association appeared before the legislative committee, it made the following point:

> The proposed tripling of the premium rate provided for in Bill C-86 is supposed to be temporary, extending from February 1, 1986, until April 30, 1987.
>
> The banking industry would find this temporary surcharge easier to accept if there were positive measures in place to reform the deposit insurance system altogether.

This particular brief also raised the question of a claims-based premium assessment system. It also suggested considering replacing the uniform premium rate for all CDIC member institutions with a system of rebates to reflect the claims experience of different classes of member institutions. These are all matters of extreme importance which should have been debated in previous months. The debate was foreclosed because when this Bill was introduced we were told that it must be rushed through. We co-operated and agreed to have a one-day debate. The Bill went to a legislative committee where we were again told that there was great urgency. However, it simply sat on the Order Paper until today.

The position of the Government is not logical. There are serious problems which need to be addressed that are not being addressed. The debate on those has been foreclosed by the existence of this quick fix Bill. We are also asked to give retroactive passage to this quick fix Bill which puts a bandaid on but does not address the underlying problems.

For those reasons, Mr. Speaker, we are opposed to the retroactivity and we sincerely hope that the Government will soon bring forward serious measures to address the serious problems and that it will allow adequate time for debate in this House and in committee.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I am puzzled by this amendment. I agree with the Member that the Government has acted in a dilatory manner. I agree with the Member for Trinity (Miss Nicholson) and other Members who have criticized this Bill as being a quick fix and a short-term solution which does not really come to grips with the fundamental problem. Having agreed with the Member that the Government should have brought this Bill forward much sooner than it did, I still do not understand why we should not make the Bill effective as of the day the Government brought it forward. All the faults which existed and still exist which require higher premiums are still present. If we passed this amendment, we would only relieve financial institutions of having to pay the higher premium, if I understand it correctly.

I am not disposed to vote for this amendment. However, despite the fact that I will vote against it, and despite the fact that we are allowing this Bill to go through, we do have some very serious and major reservations. The passage of this Bill will not mean that we have dealt with the failures of banks and trust companies which will cost the people of Canada hundreds of millions of dollars.

• (1640)

Robert Wyman headed up the committee set up by the Minister to look into the problems. He said that the CDIC has no clout. It cannot cancel the insurance of federally-incorporated institutions. It cannot do anything, yet it has the responsibility for paying out what is now billions of dollars. Astra Trust was liquidated in 1980. The CDIC paid out about $21.5 million and there is still $3.5 million to be recovered. The Northguard mortgage collapse in 1984 meant that the CDIC had to pay $27.8 million to insured depositors. There is still $27.8 million to be recovered. Pioneer Trust, Western Capital Trust and London Loan Company were liquidated in 1985, and the CDIC paid depositors $305 million. That entire amount is still outstanding.

In many respects the CDIC is not the master of its own fate. It depends on both the office of the Inspector General of Banks and the Superintendent of Insurance to monitor member institutions. It depends on the present board of directors, the Governor of the Bank of Canada, the Superintendent of Insurance, the Inspector General of Banks, the Deputy Minister of Finance, and the chairman from the private sector.