

*Government Orders*

During this entire process, and as I said, Madam Speaker, it certainly has been a long process, the Liberal members of the finance committee studying the bills have had several objectives.

First, we wanted to be sure that we were going to better serve consumers. We wanted to be sure that once this legislation was passed that the depositors, policyholders, all the users of financial institutions would be better served by this new legislation.

Our second objective was to ensure that we would have sound and safe financial institutions. Certainly we are all aware of what has been happening south of the border, and there is no way that we want to see this ever occur in Canada.

Our third objective was to ensure that financial institutions would become more competitive internationally, which is extremely important in this day and age.

As I indicated, the process certainly was very long and detailed. But that is to be expected when you are studying four bills that contain more than 2,400 clauses and over 1,300 pages. Since we began the trust and loan legislation study which started last October, we have heard over 100 witnesses.

Witnesses came from all sectors. We had consumers who were concerned about various aspects of the legislation. We had academics who had studied in great detail various parts of the legislation. We had regulators, bankers, insurance people, representatives from co-operatives, as well as trust representatives.

They pointed out to us the pros and cons of various issues that this legislation dealt with and over all they helped to make this legislation that we have before us today stronger legislation. I want to take the opportunity, Madam Speaker, to thank all the people who took the time to come before the committee and present their views, and also the people who sent letters, briefs, and other material which helped us in studying the four pieces of legislation that we have before us this afternoon.

Let me say at the outset that I believe that the members of the committee tried their best. I honestly believe that we all made a sincere effort to come up with the best legislation under the circumstances.

I know at times that the committee chairman, the hon. member from Mississauga, certainly tried to move faster than we would have liked and that is sort of ironic

because the government has really been dragging its feet for many years in this whole area of financial institution reform.

Nevertheless, we Liberal members on the committee tried our best to co-operate with the government and to pass this much-needed legislation while at the same time meeting our objectives.

We had, as I mentioned earlier, basically three objectives.

We wanted this legislation to better serve consumers. We wanted to be sure we are providing for safe and sound financial institutions. Also, we wanted to be sure that our financial institutions are going to be able to compete better internationally.

We believe we struck a balance between these three objectives. That is why we are supporting the legislation today. These new bank, trust and loan, insurance and co-operative bills represent a major improvement over the old legislation.

In some cases we are talking about legislation that has not been updated for decades. The Trust and Loan Companies Act, for example, has really not been substantially revised since it was brought in by Mackenzie King approximately 60 years ago. A lot has happened in the field of financial legislation in that 60 years. What we have had really are outdated laws. This has imposed significant burdens on companies and on institutions trying to meet the modern marketplace.

To look at an example, the Trust Act that trust companies are operating under at the present time requires that 93 per cent of their lending activity must be in mortgages. By confining the trust companies to this whole mortgage area, the old act may have put their safety at risk because a value of a mortgage asset can change dramatically with the price swings in real estate.

That left only 7 per cent of the trust company's investment for consumer and commercial loans. Under the new legislation that we have before us today, that stipulation will be removed, giving the trust and insurance companies a wider range of options, enabling them to better meet the demands of the marketplace.

This afternoon I am going to confine my remarks to the Bank Act, the Trust and Loan Companies Act and the Insurance Act because my colleague from Moncton, who is the critic for co-operatives, will deal with Bill C-34, the co-operative legislation.