

Revenue Fund was also increased from \$500 million to \$1.5 billion. Both of these substantial increases were introduced in the wake of the Crown-Greymac-Seaway trust fiasco of that year.

Let me pause for a moment to say something about that. We understand that the CDIC, having paid out the money lost, wound up with 10,000 apartment units in Toronto valued at something in the neighbourhood of \$1.5 billion. We are very concerned about that real estate. How is the CDIC going to dispose of it? If it does so quickly and at market value, and if the market is very active and they get a high price, and I suppose from the point of view of the CDIC it should get as high a price as it can in order to recoup as much as possible of the money it paid out, then the new owners will be required and entitled to ask for and maybe get very substantial rent increases on those apartments. They are entitled to make a reasonable profit. We are very concerned about how that kind of transaction will be dealt with by the CDIC.

Like the Office of the Inspector General of Banks, the CDIC, while having a vital role to play in the regulation of deposit-taking institutions, has never been considered until very recently as an essential service. Previous Governments, and to some degree the present Government, have not demonstrated an attitude which indicated those bodies were so regarded. In 1980, for example, when the recession was beginning to take hold, the CDIC had a total of five employees. In 1984, after eight trust companies had either collapsed or been taken over, the staff stood at 16. Even when allowing for the difference in size, we have to be struck by the fact that the U.S. Federal Deposit Insurance Corporation has a staff of 1,500 who deal only with the liquidation of failed institutions.

We believe very strongly that the CDIC and the Inspector General, or whatever agency is given the responsibility, should monitor and regulate these institutions so that the people who deposit their money will not lose it. Yet how can they do the necessary monitoring so that we will not have a repeat of the situation we had in the past?

Let me just say in closing that we believe we need people from the public sector on the board of the CDIC. We are, to say the least, unenthusiastic about a large number of private sector representatives on that board who may indeed have a conflict of interest, either obvious or not so obvious, but certainly there.

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I want to follow up on some of the comments made by my colleague, the senior Member for Winnipeg North. I am particularly concerned about Motion No. 1 standing in the name of the Hon. Member for Regina East (Mr. de Jong). The motion calls for adding a number of people to the board.

Just to go back for a moment, as I understand it, this Bill deals with deposit insurance for banks and trust companies. The Bill does two things. It increases the premiums that the CDIC collects from the banks and trust companies. It had to

Canada Deposit Insurance Corporation Act

do that because it has paid out so much in claims recently. The Bill also increases the board of directors from five to nine people. I have no objection to increasing premiums. However, we have some problems with the number of the board of directors and we would like to make some changes.

Our concern is with the management of the corporation. That is why we have introduced a series of amendments which we think will make the management better in the public interest. I have to go to committee soon. You will notice that around this House you are going here and there. You have committees going at the same time the House is sitting and sometimes it can be very difficult. I am glad I am able to speak now and I thank my Liberal friends who have allowed me to do so at this time.

I think the first amendment is important. What it does is add to the board of directors the Deputy Minister of Consumer and Corporate Affairs. Why is that important? Well, it is important because each of the other board members represents government Departments which are close to the corporation. There is almost a conflict of interest in the sense that all the other Departments, Finance and so on, sometimes have reasons for wanting the Deposit Corporation to act, for example, in the bankruptcy of the Canadian Commercial Bank. That was a good example of a case where they would want the moneys to be paid out quickly.

● (1530)

What we want is to have a consumer voice on that board, and that consumer voice would be someone from the Government representing the Consumer Affairs Department who would bring a different point of view to the discussions of the board of directors. We feel it is essential to have a member of the board of directors whose role it will be to monitor the workings of the corporation on behalf of consumers. That was the first amendment by the Hon. Member for Regina East (Mr. de Jong).

We want to preserve the public sector majority on the board of directors, considering the access the corporation has to the Consolidated Revenue Fund.

In a third amendment we feel it is essential to ensure to as great a degree as possible that those who are to sit on the board of directors are not in a potential conflict of interest situation. Goodness knows, over the last few months in this House we have heard enough about conflicts of interest situations. It is an issue that is alive, and certainly the former Minister of Regional Economic Expansion is concerned about conflicts of interest.

What we are trying to do in this amendment is to make sure that those who sit on the board of directors are not in a potential conflict of interest situation. We want these provisions established in the Act. They will not preclude the corporation from having its own by-laws. The Hon. Member for Kamloops—Shuswap (Mr. Riis) proposed a very creative amendment which deals with the board of directors divulging