

S.O. 31

Hon. Members may be interested in some of the issues I would like to place before a committee. There are many issues to be explored. As I have said, they relate to operational arrangements as well as to broad structural issues, and as such are meant to round out the matters dealt with by the Green Paper and the Wyman Committee.

We want to co-operate with the provinces. They carry, and will continue to carry, major responsibilities for regulation. Co-operation exists now but it must be constant and instantaneous if the public, the depositors of this country—my responsibility for whom I take very seriously—are to be protected. How can this be done? Should they be co-ordinated through data banks and computer links for regulatory and examination purposes? What other steps can we take? Parliament can help me reach those decisions.

With respect to co-operation amongst federal agencies, the Green Paper recommends that the office of the Inspector General of Banks be combined with that of the Superintendent of Insurance to improve co-ordination at the federal level. Close links are also needed with the director under the Corporations Act, and perhaps also with the director under the Combines Investigation Act. I am looking for guidance from the committee as to what is necessary here and how it can be put in place with maximum efficiency and minimum cost. These are issues, Mr. Speaker, that I would very much like to bring before committee so that Parliament will have a chance to comment on those aspects of our regulatory system. These are some of the thoughtful things to which we think Parliament should make a contribution.

There should be some early warning signals, some red flags, to identify at an early date when a financial institution may be encountering problems. Low earnings are one signal, obviously, but may not be serious from the depositor's standpoint. Above market interest rates on deposits can be more troubling. Mismatched maturities on assets and liabilities, speculative investment activities and unusually rapid growth are other signs.

What I am not interested in this evening, Mr. Speaker, is that while I am speaking, the people on the other side of the House who want to discuss this issue have taken it upon themselves not to listen.

Mr. Deans: I have listened to every word. The question I have for you is when do we get involved in the process?

Some Hon. Members: Order.

Mrs. McDougall: I am involving you right now.

In the United States there has been much work done on how these signs can be studied to determine when problems are on the horizon. I know Canadian regulators have also worked on the problem. But I will ask the committee to guide me as to whether more can be done, and should be done. I am interested in the use of technology. I mentioned two or three ways in

which technology can help regulators, improving the quality of supervision. This seems to be an area of great promise to which I hope the committee will give particular attention. Technology has reshaped financial institutions and it should now reshape the regulators.

We must always remember, Mr. Speaker, that while the current problems are serious, they effect only a small portion of financial institutions and their assets in Canada. The system is a healthy one and it is our job to ensure that it continues to serve Canadians well. This Government has demonstrated its commitment to improving the system further by removing some of the constraints, by giving the regulators the access they need to take a more pro-active role, and everything that we have done, and will continue to do on behalf of the depositors, will be in the context of effective supervision and regulations in the public interest.

Mr. Waddell: Mr. Speaker, I seek leave of the Minister and the House to put a short question to the Minister.

Some Hon. Members: No.

Some Hon. Members: Agreed.

Mr. Riis: Mr. Speaker, it is quite incredible to think of what is happening tonight.

Some Hon. Members: Agreed.

Mr. Nelson A. Riis (Kamloops-Shuswap): Let me remind you, you were forced into this debate tonight. This was not your choice. We are not here discussing this crisis because you thought it was appropriate. It is because of the responsibility of the New Democratic Party that this discussion is taking place.

I simply want to point out that the Speaker has indicated this is a crisis situation. It was called to the Speaker's attention by the Hon. Leader of the New Democratic Party (Mr. Broadbent), and subsequently by our House Leader, the Hon. Member for Hamilton Mountain (Mr. Deans). The Speaker agreed that this was in fact a crisis and today we have an opportunity, for the first time, to debate the collapse of two banks in Canada, the first in 62 years, because the Opposition Parties thought it was an appropriate thing to do, not the Government. And I want to make the point that when we discussed this in the House the last time it was the New Democratic Party which said at that time that we do not believe we have adequate information to bail out the Canadian Commercial Bank with \$60 million—

Mr. Blenkarn: Mr. Speaker, I rise on a point of order. This debate is in connection with the Northland Bank. It has nothing to do with the Canadian Commercial Bank.

Some Hon. Members: Oh, oh!