

Canada Deposit Insurance Corporation Act

There is no logical and automatic relationship between, say, the capacity of the people to purchase goods and the capacity of the producing system to make them available.

That, the same Major Douglas used to say, is the main result of technological progress. Yet, we must admit that financial costs keep increasing, and this in spite of technological progress. It is therefore evident that the current financial system must distort reality. But let us push this line of reasoning a little further. It is generally recognized that we can improve our economic situation during any given period, that is to say our productivity is greater than what we are spending to market it. In other words, consumption is then only a fraction of production. Now, Mr. Speaker, if we want our economic system to reflect reality and if we accept the idea that the true cost of production is consumption, this means that if we want the public to have access to our production as a whole we must share among our people the purchasing power which represents the difference between what is consumed in the production process and the amount of production.

As for us, Mr. Speaker, we think that the guaranteed annual income we are proposing could be paid to every individual on the basis of this gap existing between the available production and the purchasing power now available to them. Accordingly, we would be better advised to try first of all to secure economic independence for every citizen, really without any discrimination, and give to every one regardless of colour, sex or hair length, a guaranteed annual income as a matter of basic right. So, Mr. Speaker, nobody would have, as it is proposed in this legislation, to work for an employer who could harass him because he is prejudiced against him.

The commission and the tribunal provided under this legislation will only be able to place an individual in a dependent position towards his employer by allowing him to work for someone capable of subtly torturing him by his scorn. Mr. Speaker, what I suggest and what we have always suggested is to allow the individual to be financially independent so he may have a decent life without having, in order to make both ends meet, to work for an employer seeking to humiliate him. This is, Mr. Speaker, a sensible position. This is a reasonable position. This is a proposition which could ensure respect for human dignity without going through the bureaucracy and the red tape which we will be facing when this bill is accepted at second reading. Then perhaps everybody, even some hon. members, may live to regret having endorsed the bill.

● (1650)

[English]

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to and bill read the third time and passed.

[Mr. Caouette (Villeneuve).]

CANADA DEPOSIT INSURANCE CORPORATION ACT

AMENDMENTS RESPECTING PREMIUMS, SHARE CAPITAL, ETC.

The House proceeded to the consideration of Bill C-3, to amend the Canada Deposit Insurance Corporation Act, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs.

Hon. Donald S. Macdonald (Minister of Finance) moved:

That Bill C-3, an act to amend the Canada Deposit Insurance Corporation Act, be amended in clause 9, by striking out line 42 at page 6 and substituting the following therefor:

"a deposit.

(4) Notwithstanding subsection (1), for the purposes of deposit insurance with the corporation, where moneys are received by a member institution on or after April 1, 1977, for which the member institution has issued or is obligated to issue an instrument of indebtedness other than a draft, certified draft or cheque, travelers' cheque, prepaid letter of credit or money order,

(a) the moneys do not constitute a deposit unless the instrument and records of the member institution specify the person entitled, at the date of issue of the instrument, to the repayment of the moneys evidenced thereby;

(b) the person referred to in paragraph (a) shall be deemed to be the depositor in respect of the moneys unless particulars of a transfer of the instrument are entered in the records of the member institution in which case the most recent transferee shown in the records shall be deemed to be the depositor; and

(c) the entry of a transfer in the records of a member institution is ineffective, if the entry is made subsequent to the termination or cancellation of the deposit insurance of the member institution.

(5) Notwithstanding subsection (1), moneys received by a member institution on or after January 1, 1977, for which the institution has issued or is obligated to issue an instrument of indebtedness other than a draft, certified draft or cheque, travellers' cheque, prepaid letter of credit or money order, do not constitute a deposit where the instrument is payable outside Canada or in a currency other than Canadian currency."

He said: Mr. Speaker, I wish to give just a few words of explanation about the amendment. The present definition of "deposits", as it is in the act now, broadly speaking includes all demand deposits in Canadian dollars and all term deposits having a maturity of five years or less. Term deposits in this sense would include guaranteed investment certificates issued by trust companies and debentures issued by mortgage loan companies. One of the changes proposed in the definition would withdraw deposit insurance from debentures or deposit receipts that are issued in bearer form.

Since insurance is limited to \$20,000 per person per institution, it is essential that the deposits be in registered form in order that a determination may be made concerning the amount of deposit insurance. When the act was originally passed, this was not considered to be a problem, but in recent years there seems to have been some tendency toward the use of bearer-type instruments. A provision to this effect was included in the original terms of Bill C-3. However, as a result of scrutiny of the bill, by the financial community in particular, it became apparent that the provisions as put forward did not adequately meet the problems or the demands of the market. It was on the basis of this that a redraft was considered and the present amendment put forward.

One problem that has come to light is dealt with in subclause (5) of the amendment. Not only are we dealing here with bearer-type instruments but with the issue of instruments