

Government Orders

What I am saying is that the government has taken six years to take the recommendations from the blue paper and incorporate them into legislation, but it wants it passed by the end of the month.

The question is: Why did the government not come forward sooner with this legislation? Why did it take six years on a matter of such obvious importance to the Canadian financial institutions? The customers of at least one financial institution might have been better off if the government had not taken its time in introducing Bill C-48.

The financial papers today are reporting almost daily how the sale of 48 branches of Central Guaranty Trust to National Bank is being held up by creditors and possibly by shareholders and how the regulator is against the sale.

While these negotiations continue behind closed doors, the customers of Central Guaranty live in uncertainty over what is going to happen to their institution.

On a broader level, why is the government not acting on the broad recommendations of the 1985 Wyman report? The federal government commissioned the report, yet seven years later it is still on the shelf gathering dust.

A third problem with the government's approach is that the Canada Deposit Insurance Corporation has no power to seize a provincial incorporated institution that might be on the verge of bankruptcy, even though it insures the deposits of the institution.

Of course the reason for this is that the government has made practically no progress in harmonizing its financial regulations with those of the provinces.

During the sweeping financial reforms that we dealt with last fall in this House and in the finance committee, we heard trust companies, banks and insurance companies pleading with the government to talk to the provinces to come to some agreement on harmonizing financial regulations.

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At the moment, these companies often have to deal with 11 regulators and 11 sets of rules. This means incredible duplication and red tape and, of course, the cost of that. We can imagine the cost of dealing with 11 regulators and 11 sets of rules, but the cost really is passed along to the customers.

In a speech last week, the Canadian Bankers' Association president, Helen Sinclair, said the overlap of federal and provincial powers is costly and confusing. She said: "This is very important. When rules differ, confusion reigns".

Certainly we in the Liberal Party have been pressing the government time after time to speed up talks with the provinces on harmonization for financial institutions.

I just want to conclude my remarks on Bill C-48 by restating my party's initial support for the second reading of this legislation. It will help to protect the stability of the Canadian financial system and will not infringe unreasonably on the rights of shareholders and debt holders.

Some work still needs to be done. We will need to consult with the financial services industry to hear their detailed concerns and also their recommended improvements.

The government certainly needs to step up its harmonization talks with the provinces.

Mr. Jack Whittaker (Okanagan—Similkameen—Meritt): Madam Speaker, as you discuss the thrust of the bill being debated before Parliament today with people, their eyes usually glaze over and they think that it is another banking bill that really does not concern them. They have a tendency to not want to listen.

You must consider the background of the Canada Deposit Insurance Corporation, the reasons for its existence, and what has happened in the United States over deregulation, and now with the new banking regulations. We have seen some of the problems, particularly through the 1980s, in our trust companies and closely held banks. It is very clear that the banking legislation and this legislation before us affects every one of us.

What is the Canada Deposit Insurance Corporation? I think the minister touched on it briefly, but it is interesting and I think it will be worth while in my remarks to touch on it a little bit more for those who are watching and read from the corporate profile of the Canada Deposit Insurance Corporation.

It states:

The objects of the Corporation are to provide insurance against the loss of part or all deposits, to be instrumental in the promotion of standards of sound business and financial practices for member institutions, and to promote and otherwise contribute to the stability and competitiveness of the financial system in Canada. These objects are to be pursued for the benefit of persons having deposits with