

*Canada Deposit Insurance Corp.*

In the standing committee we would also have an opportunity for further consideration of the proposal I have made with regard to a lender of last resort available to finance and loan companies. Only by sending the bill to that committee could we enable the committee to do the job which parliament is so interested in seeing done, namely to restore firmly to the umbrella of federal control and inspection all aspects of monetary and fiscal policies.

[Translation]

**Mr. Allard:** Mr. Chairman, I wish to make a few remarks on the resolution before us this afternoon.

That resolution includes three proposals. First:

—to establish the Canada Deposit Insurance Corporation with an authorized capital of ten million dollars to be subscribed for by the Minister of Finance and paid out of the Consolidated Revenue Fund at such time as the corporation may require—

Second:

—to authorize the minister to make loans to the said corporation the aggregate outstanding amounts of which shall not at any time exceed five hundred million dollars—

Third:

—and to provide further for the employment of staff and for other matters consequential upon or incidental to any of the foregoing.

In his statement, the hon. minister was not too generous with his explanations or with his projections. On the whole, he said it was a bill to ensure the security of the small depositors' savings, to increase the powers of the lending institutions and to bring the member institutions under inspection.

It should be remembered, Mr. Chairman, that the subject matter of this resolution does not involve only financial consequences; also involved are economic and social implications. Some financial institutions located in certain provinces, such as the trust companies, for instance, accumulate sums of money, reserves and deposits and such sums are used in the economic and social development of the province, in accordance with its particular and regional character.

That is why, to date, having heard some hon. members discuss the question the hon. minister realizes that his bill is the cause of grave concern and raises tremendous questions.

I believe that the field of deposit insurance is a provincial field, according to the letter and the spirit of the Canadian constitution and the introduction of such a bill, to my mind, is another instance of interference by

the central government in the field of insurance and trust companies. It is another way of repeating what has been going on in the field of insurance since 1930.

I was listening a few moments ago to the hon. member for Red Deer (Mr. Thompson) who said that provincial companies may, if they wish, come under this federal legislation and that is precisely the point: they would have to submit to an unacceptable inspection, as the Minister of Finance mentioned, by the way, in his very brief statement.

The hon. member for Red Deer also pointed out that the provincially chartered companies could, of course, extend their powers and their field of operation by applying for federal charters.

Well, that is exactly what happened in the insurance field, and the creation of deposit insurance by the federal government under the present circumstances—as pointed out by the hon. member for Kamloops (Mr. Fulton) without consulting explicitly and directly the provincial governments about it—represents in the insurance and deposit insurance field an attraction which is harmful to the provincial governments and the trust companies which operate under a provincial charter.

From time to time, the matter of uniformity will be brought up. That argument is used here rightly and wrongly, so that it no longer means anything, or if it means all that everyone wants it to mean, Canadian federalism and the Canadian constitution no longer mean anything nor the sharing of responsibilities and powers. If, under the pretext of uniformity, the central government must interfere in all fields, set up standards and compulsory audits in a financial field such as this one, prejudices will result.

A wonderful degree of co-ordination can be achieved without bringing up, throughout Canada, that argument of uniformity. It happened in other fields and I will give you only one example: the pension plan that the federal government set up under national legislation and that the province of Quebec, in turn, adopted but by drafting its own legislation in such a way as to ensure some co-ordination and uniformity in the federative sense and not in the unilateral sense, something which this parliament has been trying so hard to apply in the last few years.

● (5:50 p.m.)

Mr. Chairman, hon. members and parliament are aware that the province of Quebec is now considering the advisability of