

their cause in Quebec, I can assure you that given what has been happening in financial institutions as six of our Conservative colleagues . . . lower credit card interest and lower bank charges, I am more than pleased to see that at long last consumers are beginning to be treated with much more respect. I have always fought for that and I am very proud to be on this side of the House when I see that for once the consumer has been dealt a winning hand.

● (1710)

[English]

**Mrs. Barbara Sparrow (Calgary South):** Mr. Speaker, this motion presented by the Hon. Member for (Kamloops-Shuswap), (Mr. Riis) raises a concern which is felt by a good many Canadians. Indeed, I believe the record amply shows that it is a concern shared by the Government, one which it has already moved effectively to address.

There can be no question that Canadians expect and deserve the strongest possible reassurance concerning the security of their deposits in our financial institutions. As has been pointed out in this useful debate, not all our individual investment decisions can ever be fully guaranteed. Nevertheless, the Canada Deposit Insurance Corporation goes a long way in ensuring that our savings will not have disappeared when we go to collect them. It provides an essential level of consumer protection by insuring individual deposits up to \$60,000 in our federally chartered banks and most trust and loan companies.

The CDIC certainly provides the cornerstone of our consumer protection system, but it is not the whole structure. The Quebec Insurance Board, for example, offers CDIC-like coverage in that province for deposits in loan and trust companies and caisses populaires under provincial jurisdiction. Other provinces have established a number of corporations offering investment and deposit insurance.

We are not just concerned with protecting what we think of as conventional savings deposits at the bank or trust company. There is the whole business, for instance, of annuities sold by the insurance industry. As we know, the Government is currently working with the industry to determine the most effective means of providing insurance for annuities similar to the coverage the CDIC provides for bank and trust deposits. We must also bear in mind that as a result of the Government's reform of financial institutions legislation, our financial sector can look forward to offering consumers the choice and convenience of a much broader range of products and services. These will be placed on the market through networking arrangements between financial institutions. They are likely to include, to give just one example, deposit-like instruments that are in fact insured, although not necessarily by the same agency that insures the institution that sells them.

In light of all this, I have no quarrel with the general principles underlying this motion. It seeks to improve consumer protection, and none of us are against that. However, the question to be asked is, would it effectively strengthen

measures the Government already has in place and is in the process of implementing? Or does it, instead, try to do right things in a wrong way and thus unnecessarily creates new problems?

Other Members have already pointed out some of the motion's deficiencies in this respect and I will not dwell on them. Everyone agrees on the necessity for harmonization and co-operation between the federal Government and the provinces, but this is not likely to be achieved by asking federal regulators to set rules in areas of provincial jurisdiction. There are also technical problems raised by the motion including uncertainty of the precise meaning of the term "insured deposits", bearing in mind the variety of deposit insurance agencies and plans to which I have already referred.

This debate has nonetheless served the useful purpose of highlighting the range of measures the Government has undertaken to improve consumer protection even as financial sector reform allows growth of new and innovative customer services. The Government has strengthened the arm of the CDIC through the new provisions which clarify when deposits are and are not insured. It is now a statutory requirement that deposit contracts issued by CDIC-insured member institutions and their affiliates indicate in writing when deposits are not insured under the CDIC. Non-members of the CDIC and all persons acting as their agents are prohibited from representing themselves as being insured by the CDIC.

● (1720)

The Government's draft trust and loan companies legislation, as well as the new legislation covering banks and insurance companies, will empower the Government to impose strict regulations on the operations of these companies to safeguard consumers. What I believe all this adds up to is that Canadians have every reason for having confidence in the soundness of our financial institutions in the new era of reform, and in the Government's determination to give first priority to the protection of consumer interest.

As you well know, Mr. Speaker, I am from the Province of Alberta. Over the past few years we have had our problems. We have had problems with the failure of the Canadian Commercial Bank as well as the Northland Bank. After much discussion and a great many hearings the Government moved to assist the depositors. The opposition Member who is putting forward this motion, as well as members of the Official Opposition, ridiculed the Government. They opposed the Conservative Government when we moved to protect consumers in both these cases. How they have changed their minds. They have done a 180 degree turnaround. Now they are even talking about the federal Government moving on the disastrous Principal Group problem that we have in Edmonton, Alberta.

The Principal Group comes under provincial jurisdiction. It is certainly not under the federal Government's authority. I do not see any reason why the federal Government should step outside its bounds of authority.