By opening new avenues of growth for Canada's financial institutions, the new regulations will strengthen the ability of these institutions to meet the new challenges that have evolved in the global marketplace.

However, we are all aware that there are competing interests within the financial institution community which cannot all be completely reconciled. In those cases we have sought a reasonable balance. For example, banks and trust and loan companies will be restricted from offering most insurance services and retailing of most insurance products in branches of deposit-taking institutions will be prohibited. This ensures that insurance will continue to be sold by qualified, licensed insurance brokers and agents working independently of any deposit-taking institution. At the same time, however, banks and trust and loan companies will be given the power to promote goods and services, including insurance, to their credit card holders.

The government has spent considerable time consulting on its proposals with financial institutions and their associations. It has integrated these views with its own continuing analysis on the needs of an evolving and dynamic market, both nationally as well as internationally. The process has led to firm, pragmatic policy decisions that are being put forward by this Parliament.

This exercise in reregulation represents a balancing of individual, national, international, and federal-provincial, as well as commercial and prudential, concerns that, as a package, will serve the public interest well and permit our financial institutions to get on with the job.

The measures set out a framework for strong national institutions to serve the national interest.

The reforms also respect provincial rights of supervision and authority in the financial sector. There is a need for a greater consistency among federal and provincial rules in order to avoid balkanization of regulatory regimes and permit our institutions to compete more effectively at home and abroad. The new legislation and proposals take into account a number of concerns that had been expressed by the provinces regarding matters such as commercial links, the in-house trust powers of banks, and provisions allowing for improved sharing of information among federal and provincial supervisors of financial institutions. This opens the door to in-depth discussions with the provinces to clarify responsibilities for the supervision of financial institutions.

Co-operation between federal and provincial authorities is the most responsible way of ensuring the stability and growth of our national and regional financial institutions. This would reduce the possibility of regulatory and supervisory duplication. The goal is to avoid, in practical terms and to the degree possible, the multiple regulation of federal and other institutions operating in several different jurisdictions. This approach could be designed to have institutions regulated as much as possible by their jurisdiction of incorporation.

I believe that the reforms of which I have spoken are important, are in the interests of consumers, and strongly support the need for increased competitiveness. Canada's financial institutions need all of those things today. But to deliver these benefits, we need time to prepare and get parliamentary approval of substantive amendments to the Bank Act that we will be bringing forward. The Bank Act extension before us today will give us that time.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I would like to speak briefly in favour of the motion for passage of Bill C-90, the Bank Act extension legislation.

I speak in favour of this bill, not because I agree with the government's financial sector policy, but because of the dire consequences if this bill is not passed. Bill C-90 extends the expiry date of the Bank Act and that, in turn, extends the licences of Canada's 10 domestic banks and the 57 foreign banks operating in Canada. Without this extension, these banks would lose their licences to operate on March 31, 1991 when the current Bank Act expires. This would cause a total collapse in our entire financial system and throw our entire economy into chaos, so that is why I am speaking in favour of the motion.

There are more than 3,000 Canadian financial institutions, operating today in Canada and throughout the world. Together, they have close to $1 trillion in assets. Through some 1,400 branches across the country, with close to 500,000 employees, Canada's financial institutions serve practically every individual and business in the country. Clearly, a collapse would not be allowed to happen, but this is the serious kind of problem that the government is tempting by waiting until the last minute to introduce an extension of the Bank Act.