

*Government Orders*

**Mr. Karygiannis:** Very quickly, Madam Speaker, the bank says: "If you have no collateral, forget it. Go to a bank. If the bank won't touch it, then we won't touch it. If the bank won't touch you, we will look at you", and when they look at you, they say: "No. Clearly, no". It is a failure.

• (1600 )

**Mr. Mac Harb (Ottawa Centre):** Madam Speaker, as my colleague stated a little earlier, we are very much interested in the fact that the government has finally come through with the proposed reform legislation. In fact, for the benefit of those who might be watching us now, this bill has been called for by the financial institutions for a number of years. In my view it could not have arrived at a better time than now, especially considering the financial situation of our country. One of the ways to begin on the road to recovery is to clean house and put things in order.

The Liberals will be supporting this legislation, so it will go to second reading because we are very much interested in what is in the bill. Also, at the same time we truly believe that going to committee will be the best forum for both industry and consumers to make their cases known.

Canadians know that billions and billions of dollars every day change hands in the banking industry, both at the Canadian level and the international level. When one looks at the objectives of the proposed legislation we see a lot of good things, at least in the reform end of things. First, we see a benefit to the consumer by increasing competition in the variety of services offered by the financial institutions, whether we are talking about the banking industry or whether we are talking about the insurance companies. We would like to see in the bill, as we believe it is part of the proposal, enhanced protection for depositors as well as policy holders. As a result of that we would not see the kind of situation we have seen with the collapse of a variety of financial institutions over the past few years.

It is interesting to note that in comparing our industry to other industries around the world we do not necessarily do too badly. In fact, we have a very clean-cut industry compared to that of other countries in the western hemisphere.

Having said that, obviously we are interested in seeing improvement and resolving many of the outstanding issues, in particular the question of jurisdiction.

We see, as part of this legislation, a way to strengthen the ability of Canadian financial institutions to compete at home and abroad. At a time when the whole area of competition is entering a new phase as a result of globalization it is extremely important for us to prepare our industry so it will be equipped to compete internationally as well as regionally. More than anything, this proposal is a way to lay the groundwork for discussion with the provinces so we can deal with the whole question of harmonization. You know, Madam Speaker, probably more than anyone else, about the difficulties we face with the mobility of goods and services, not only within the provinces themselves but from one province to the next and therefore from within the country to other countries abroad.

To deal with all of those objectives the government, as well as the House in general, has to consult. That process of consultation has begun. Obviously by going to committee we will have a chance for even more consultation.

There are quite a few interesting items in the bill. One point is particularly interesting, and that is the question of regulating the industry.

In an ideal situation living in a democracy anybody, providing he or she is making a lawful profit, should be entitled to deal in the kind of business he or she wants, providing the law allows them to do so.

When it comes to a question of jurisdiction the banks want to get involved in the sale of insurance. They want to get involved in the rental of cars and the insurance companies want to get involved in the question of deposit and opening accounts for consumers and vice versa.

I am sure legislators would love to see the industry resolve this question itself and come to us with an agreement, that they all agree on what needs to be done. That would have made our life a lot easier.

Unfortunately this question has not been resolved by the industry. That is why we are in the situation we are in.