

waiving of Private Members' Hour today and for continuing this matter through that time?

[*Translation*]

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I understood that according to the agreement reached by the Parties, and my Parliamentary House Leader mentioned this earlier, we would start second reading at 5 p.m. I have the impression there is a misunderstanding. However, since our critic is in the House, we could start before then. Nevertheless, I would like to point out that the plan was to start at 5 p.m.

[*English*]

Mr. Hnatyshyn: Mr. Speaker, I have had discussions. I tried to clarify the matter by discussions with the Deputy House Leader of the Official Opposition and with the House Leader of the New Democratic Party. It was certainly the impression that we would proceed with this order of business as the first item of business. The purpose was to give the maximum time for debate. We do not intend on this side of the House to do anything further as far as debating the matter is concerned except for putting up the Minister who will introduce the Bill. We can, therefore, allow the Opposition maximum time for debate.

I appreciate very much the co-operation of the Official Opposition in that if we proceed now this will allow maximum time for Members, particularly in the Opposition, to participate in this debate so we can have second reading concluded this afternoon and, if necessary, have the appropriate vote. Tomorrow there will be a full opportunity to proceed clause by clause in Committee of the Whole.

Mr. Gray (Windsor West): Mr. Speaker, even though I said that we wanted to start at five o'clock, and I heard no objection, our critic is here ready to listen to the Minister and ready to respond on behalf of our Party. We are quite ready to start at this time under the circumstances.

Mr. Speaker: I should say to both House Leaders that I sensed from the interjections at the time that some further conversation might have been necessary. At this moment I take it we have agreement to begin debate on this Bill and to waive, through unanimous consent, the holding of a Private Member's Hour today, and that this matter shall be debated until six o'clock if necessary? Is it agreed?

Some Hon. Members: Agreed.

Mr. Speaker: Agreed and so ordered.

Hon. Barbara McDougall (Minister of State (Finance)) moved that Bill C-37, an Act respecting the provision of financial assistance to the Canadian Commercial Bank, be read the second time and, by unanimous consent, referred to Committee of the Whole.

She said: Mr. Speaker, I want to thank the House for allowing the expeditious reading of this legislation.

Canadian Commercial Bank

The history of our financial sector, as we all know, is one of the most stable and secure financial industries in the world. The fact, however, does not alter the need for swift action at this time.

The federal Government shares with the provinces a deep appreciation of the important contribution to regional economic development that is made by a viable western-based financial enterprise. That is why we have taken the opportunity to participate in the plan to restructure the Canadian Commercial Bank's debt. The restructuring was proposed by the management of the Bank, and in consultation with the Government of Alberta, we examined the possibilities and the deal was negotiated with the other parties.

The Government faced a number of options. The federal Government's decision to support any financial institution cannot be taken lightly. We must consider borrowers involved and the effects a failure might have on them. In this case, for instance, an agency agreement was not the most desirable option since a private sector group, in consultation with the Alberta and federal Governments, came forward with a sound support package to restructure the Bank's balance sheet. The liquidation of the Bank would have resulted in the calling of many term loans to western Canadian businesses, which might have threatened their survival. And this, Mr. Speaker, was not in the interest of the Bank's depositors and borrowers.

Our concern as the federal Government must also extend beyond western Canada. We want to make sure that a ripple in the financial system does not spread from coast to coast and beyond, to overseas markets. The Government must also be concerned with the effect a failure might have on the stability, security and confidence of the entire financial system.

By addressing the present matter quickly, we are guarding against a potential erosion of confidence in our financial system both at home and abroad. This decisive action is evidence that our financial institutions are safe for depositors. The Government intends to ensure that the high degree of respect our financial institutions have earned in foreign capital markets is maintained. I appreciate, of course, that there is every reason for the House to be fully aware of the situation that has led to the tabling of this Bill. Indeed, the matter must be clearly explained so that Canadians understand that this is an isolated incident, due to very particular circumstances, an incident that poses no threat to the integrity of our banking system. That is why I am expanding today upon the information already contained in my remarks to the House, in the press release and in the questions I have already answered.

The Canadian Commercial Bank is a regionally based bank, specializing in loans to small and medium-size businesses in western Canada, particularly in the energy service and real estate sectors. As we all know, these sectors suffered severely during the recent recession and they have not proved as resilient as other sectors during the recovery. The importance of the Bank to the western economy is evident from the fact that 70 per cent, or \$1.1 billion, of the Bank's domestic loans are made to businesses located in that region.