

Depositors Compensation

be repaid as will other members of the support group out of the future profits of the bank”.

What a pathetic prophet the Minister of Finance turned out to be. Just six months later, having induced Parliament to dedicate \$255 million of hard earned money from the Canadian taxpayers, not one bank went belly up, the Canadian Commercial Bank, but the Northland Bank as well because of the ineptitude of the Minister of State for Finance when she linked the Northland to the Canadian Commercial Bank in her press release of September 3. These two banks were the first banks to go bankrupt in this country in 60 years.

We agreed to the original bail-out because we were impressed with the Minister's arguments that the bank would remain solvent and because we wanted to endorse confidence of Canadians in our banking system. We felt that it was important to maintain confidence in our banking system because of the indebtedness around the world, the large indebtedness in the farming community, the indebtedness in Latin America and the indebtedness in corporate North America.

We believed in the flexibility and decentralization of our regional banking system which was introduced into western Canada by the previous Government under Mr. Trudeau. It allowed citizens of British Columbia, Alberta and other western provinces to deal with their finances closer to home rather than having to go on bended knee to central Canadian bankers in Montreal or Toronto. For those reasons we agreed with the Bill. We did not know at the time that the two Ministers involved were shamefully incompetent. We did not know that under their direction no audit had been requested of the loan portfolio of the Canadian Commercial Bank and that no one had done their homework.

According to the testimony before the Finance Committee and the evidence coming from the Estey Commission, the Canadian chartered banks suggested that they should look at the loan portfolio before investing their money. They offered to have officials review the situation over the weekend to determine the facts.

Rather than \$255 million in loans being sour, it turned out that \$600 million to \$800 million of loans in the loan portfolio of the Canadian Commercial Bank were rotten. The bail-out did not have a chance of succeeding.

The Minister of Finance and the Minister of State for Finance brought a measure before the House that was absolutely incapable of succeeding. The reason for that legislation was that the Ministers went to the Prime Minister during the weekend of that national economic conference. The Prime Minister said that he did not want to know the facts because he did not want a bank to go belly up under a Conservative administration. He said: “I do not want a Conservative Government to be responsible for the first bank failure in over 60 years. I do not care what the facts are, save the bank”.

The Government was flying blind. During second reading of this Bill I said that it was amateur night on the Rideau River. Parliament was conned and we were misled. The Minister did

not know what they were talking about. Incidentally, neither the Minister of State for Finance nor the Minister of Finance who are defending this legislation have the courtesy to be in the House to see that this Bill is passed at third reading. At one time Ministers who were responsible for legislation before Your Honour were here for the debate. They were here to listen to the opinions of Members of Parliament. However, that is not the case with these Ministers and the Government. It relies on the blind majority of those silent, anonymous, invisible surfers, to use the eloquent words of some of our junior Members. They do not come and face Parliament on the last day before the House rises to defend this legislation, listen to what Members of Parliament have to say and justify the expenditure of \$875 million. They are not here.

Mr. Ouellet: There is not a single Minister in the room.

Mr. Turner (Vancouver Quadra): There is one.

Parliament was conned and the commercial banks were fooled. This is an example of shameful incompetence on the part of the Government. We are being asked to approve a cheque for \$875 million without knowing to whom the Canadian taxpayers' money is to be paid. I do not believe there has been a precedent for that.

Members of our caucus had to swallow hard before agreeing to the arrangement we have today to allow this Bill to go through. The Hon. Member for Ottawa-Vanier (Mr. Gauthier) said that we had to hold our noses. The Prime Minister need not do that because he does not have a sense of smell. However, I can tell you that we do. This Bill stinks. Here we have another example of the lust for secrecy which the Government has. We finally got the documents on de Havilland, thanks to the tremendous efforts of the Hon. Member for York Centre (Mr. Kaplan)—a tremendous victory for what an individual Member of Parliament can do in his riding if he persists hard enough. We finally got the documents. We may have got an undertaking from the Prime Minister that a parliamentary committee will be given a chance to review Crown corporations if they are on the block, up for sale, and that all Members of Parliament will be given a chance to look at them. But we have this blank cheque. It is virtually unconscionable to ask Members of Parliament to authorize this amount of money when we do not know the recipients of it.

● (1610)

Of course, the Minister of State for Finance said to know is illegal under the Bank Act. We do have a tradition judicially in force, legally in force, statutorily in force, of the confidentiality of our banking system, but that does not apply. This bank is under the Winding-Up Act. This bank had a curator appointed to it and then a receiver. There is no way under the Winding-Up Act that creditors can be kept secret. They have to declare themselves. This Parliament has been persuaded and bludgeoned to preserve the veil of secrecy over these depositors.

Mr. Gauthier: For good reasons.