

For the first time in many years we have a bank in trouble, the Canadian Commercial Bank, into which we have now put somewhere in the neighbourhood \$500 million to \$600 million to save it and its depositors. Not only did the officials in government who should have known not know, but as well the Inspector General and the Governor of the Bank of Canada stated, two months before we were told that the Canadian Commercial Bank needed a tremendous infusion of money or it would go bankrupt that the Canadian Commercial Bank was on a sound financial basis. What is wrong? Surely the Inspector General and the Governor of the Bank of Canada should have known the facts. If they did not know the facts, we are indeed in real trouble.

● (1250)

In the case of Pioneer Trust, it was public knowledge for some considerable time that this trust company was in trouble, but neither the Department of Insurance nor the Government seemed to be able to step in to stop the collapse. In this instance, the federal Government knew well in advance of the difficulties, but left it to the Government of Saskatchewan to effect a bail-out which, of course, never happened. I say that the federal Government should have been more insistent about this trust company. It should have known that this company, like Fidelity Trust, Greymac and Crown Trust, had involved itself in highly speculative loans.

This is a very serious matter. They had involved themselves in loans to major shareholders in the trust companies who were also involved in very highly speculative business operations such as real estate and oil and gas speculation. There was no arm's length look at this. Senior officials such as the Inspector General and the Governor of the Bank of Canada should have warned the Government and the Government should have taken action.

We are going to support this Bill, but I want to say to the Minister that if the record of the federal and provincial Governments is such that we have had a whole series of disasters such as bankruptcies of trust companies and now a bank, and the federal and provincial Governments did not have the legal power or monitoring agencies with the authority and staff to see what was happening, and we now have to put in somewhere in the neighbourhood of \$2 billion to rescue those who have been hurt, I am very suspicious of what she is proposing for financial institutions in the future. The disaster could be much greater than what has happened with these trust companies or this small bank and could have much more serious implications for this country. If we cannot manage these, I am very skeptical that we will be able to manage better the much more complicated and greater institutions which she foresees for the future financial world.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: Mrs. McDougall, seconded by Mr. Hnatyshyn, moves that Bill C-50, an Act to provide for the continuance of payments under certain guaranteed income

averaging certificates issued by the Pioneer Trust Company, be now read a second time and, by unanimous consent, referred to a Committee of the Whole. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into Committee thereon, Mr. Danis in the Chair.

Mr. de Jong: Mr. Chairman, I wonder if we could call it one o'clock? Noting that it is just about lunch-time, I would like to call it one o'clock.

Some Hon. Members: Agreed.

The Chairman: Shall I rise, report progress and request leave to sit later this day?

Some Hon. Members: Agreed.

Progress reported.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[English]

ENVIRONMENTAL AFFAIRS

CALL FOR RESTORATION OF BUDGET CUTS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the Progressive Conservative Party was clobbered soundly last Thursday in Ontario for a number of reasons, one of them being its handling of the environment. The cuts made by provincial government Ministers to environment programs upset a lot of people. Their delay in proclaiming the Spills Bill cost them a great deal of support when the PCB spill occurred in Kenora. Their ineptness in controlling the movement of toxic waste material once it enters Ontario must be added to that list. Add also their decision to privatize provincial parks, thus commercializing areas that were never meant to be commercialized. Add also their lack of a sound sense of priorities when they found money for the purchase of Suncor but not for the cleanup of Toronto's beaches, or for improving municipal sewer systems across Ontario.

We on this side of the House urge the so-called Progressive Conservative Government in Ottawa to learn a lesson from what happened to their Ontario cousins, and to stop the