

the soundness of the Canadian banking system, which is something the country simply cannot afford. Because we believe the Government has failed miserably in its duty we propose to vote against this Bill.

[*Translation*]

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, earlier today the Hon. Member for Laval-des-Rapides (Mr. Garneau) expressed astonishment about our parliamentary leader's lack of seriousness. Well, I too am astonished that the Hon. Member for Laval-des-Rapides—who is aware of his reputation as a former banker and who at one time was a heavy-weight in another Government—would continue to play on the nerves of Canadians and accuse the banks of being short of cash. The Member for Laval-des-Rapides must know, because he was once in the limelight, that his attitude can only create more problems for the banking community. Has he become incompetent, or did he lie to the people when he stated that the British Columbia bank had a serious cash flow problem which could also have an impact on the Continental Bank of Canada? The ultimate result was that the various bank branch managers had to explain to their major depositors that everything was just fine. Senior management like the vice presidents of the two banks had to tell the Canadian public that it was not true, that neither bank was beset by cash flow problems.

It would seem that the Member for Laval-des-Rapides and his colleagues have one goal in mind—make it look like the Canadian banking system is on the ropes. Of course! Then they can blame the Government. That is why they want to keep the pot boiling and push the panic button so that Canadians will have no idea which way to turn. We know they may still be reeling, but this is right up their alley and they probably would not hesitate to sink right along with our banking system and ruin Canada's economy because they simply cannot get over the fact that they were turfed out of office on September 4, 1984.

I am sorry to see that one Member is not here this morning—the Hon. Member for Saint-Maurice (Mr. Chrétien) is probably in his Bay Street office—but I would have liked him to take part in this debate, considering the fact that he had a hand in creating the problem we are facing today.

The number of Canadian banks went up to 70 under the previous administration, and some of those institutions are also experiencing difficulties. The Liberals did not bother to introduce appropriate legislation to avoid the problems with which we must come to grips.

Let it be said that most of those problems can be traced back to the National Energy Program, of which one of the main architects was the Hon. Member for Saint-Maurice. That is how the Liberals created a Canada-wide paper empire, a house of cards which was bound to collapse because it was structured on the basis of negotiated oil prices which did not take the law of supply and demand into account. That is how the ensuing policy led to a climate on confrontation with the

Time Allocation

provinces. The cash-starved Liberals sought to impose daily taxes on our entire oil industry. Their eyes, Mr. Speaker, were bigger than their belly. They defied the economic rules. And today those same Liberals are telling us that we are going to spend . . . they suggest \$1 billion to compensate some depositors for the funds on deposit with the Northland and the Commercial Bank of Canada. The Liberals know that the amount involved does not come to \$875 million. They know that businesses which make deposits . . . there is an economic factor to be taken into consideration. They pay taxes on that amount and they know quite well that the net cost is going to \$470 million which is quite a difference from \$1 billion.

The Liberals have incurred such costs, that they raised the deficit to \$200 billion during the last decades and always for the sake of economic costs.

Mr. Speaker, it must be noted that if we decide to compensate depositors, it is because there are among them community, religious, and charitable organizations, savings funds, unions, school boards, small and medium-sized businesses, individuals, cities and municipalities. We do not know what could be the consequences of our not taking action with respect to those banks. The Liberals must think that they took the decisive step a few years ago but, unfortunately, we now have to face the problems.

We are also told that foreign banks will be reimbursed. An amount of \$113 million has been mentioned. We know that the two banks involved have assets which amount to one per cent of all assets in the Canadian banking system. All of the figures are not available, Mr. Speaker, but we can easily make a very conservative projection with a small "c". If \$113 million equal one per cent of the assets, then 11.3 billion will equal the entire assets. This probably means that foreign banks have deposits for at least \$11.3 billion in Canadian banks. If we do not solve the problem of our \$113 million, foreign banks could very well withdraw their \$11.3 billion due to a lack of confidence in our banking system and in our Government. We cannot accept that, because if we figure out 10 per cent revenue on \$11.3 billion, it would come up to \$1 billion.

Finally, those foreign banks are investors in our small and medium-sized businesses. Their investments represent the operating capital of thousands of Canadian businesses which, should these foreign deposits be withdrawn, would have to look elsewhere for their cash flow.

The Liberals keep repeating this \$1 billion figure. We say \$470 million. Mr. Speaker, I should like to remind Liberal members of the mistakes they made before the Canadian people figured them out. For instance, the \$125 million they invested in Consolidated Computer with no return whatsoever. Also, the \$15 million which they invested in the small CCM business without any accountability. Also, the \$32 million they wasted in the Maislin mess. Not to mention the \$125 million they wasted on Massey Ferguson.