

RATIONALE FOR GOVERNMENT DECISION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, given that the banks in Canada have shown over the last number of years, notwithstanding the recession, a capacity to make money far greater in amounts than any other banking system in the world, is the Minister now saying that, as a result of discussions with Alberta and the chartered banks, which had \$150 million invested in that particular banking operation, it was easier to go to the public of Canada for the money to save them, rather than to ask them to save themselves?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the taxpayers of this country, and this Government, care very deeply about the borrowers in that middle market who deal with that bank, those who have small businesses in a fragile economy and are working hard to create the jobs that these people opposite keep talking about.

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[Translation]

REGIONAL ECONOMIC EXPANSION

REFUSAL OF GRANT TO DOMTAR

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, in the absence of the Prime Minister my question is directed to the Minister of State (Small Businesses).

A month ago today, I asked the first question about the Domtar case, and at the time, the Government justified its refusal to provide the grant by referring to the size of the deficit. Could the Minister inform the House why the Government has no money for Domtar, when it was able to provide, in record time, \$73 million for a bank in Western Canada?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, as the House is aware, the Domtar case is in the hands of the Prime Minister and the Premier of Quebec, and I think I can say we have two eminently responsible people working on this case. If the Prime Minister has anything to announce, I think he will decide when he is ready to do so.

REQUEST FOR EARLY ANNOUNCEMENT OF DECISION
CONCERNING DOMTAR

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, if I understand correctly, the Minister has no information on Domtar, but I wonder whether he realizes that any delay in the start-up of this project will have disastrous consequences for the construction schedule. Could the Minister inform the House how long it will take the Government to make a decision? I may remind the Minister that it did not take very long to provide \$73 million for a banking institution in Western Canada. How much time does the Government need to settle the Domtar case?

Oral Questions

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, as the House is aware, Domtar is not in financial difficulty. The matter is being examined by the Premier of Quebec and the Prime Minister of Canada, and when they have reached an agreement, they will announce that fact as soon as possible.

[English]

FINANCIAL INSTITUTIONS—FORTHCOMING WHITE PAPER

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct a question to the Minister of State for Finance. Along with the failure of the Canadian Commercial Bank this last week, we have had in the last three years the failure of 10 trust companies. After each one there was a study into what happened. Despite that, the former Liberal Government and the present Government seem to feel that the way to deal with these is to deregulate the industry. I wish to ask the Minister whether the white paper that she has promised will be tabled shortly will be more than a whitewash. Will it be accompanied by draft legislation? Specifically, will it promote uniformity of legislation with the provinces so that badly run and corrupt companies cannot hide in the gap between federal and provincial jurisdictions?

● (1430)

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, one of the first things we did when we took office was to recognize that we need to make some major revisions to our financial institutions legislation. We have been proceeding with that as rapidly as possible. I will be producing a discussion paper on that, because the system has not been looked at by the Government for years and years. We will proceed in an orderly manner, and the House will have occasion to discuss it.

NEW DEMOCRATIC PARTY PROPOSALS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the Minister did not indicate whether, along with the discussion paper, there would be legislation. Will she have the committee that is working on the matter look at some of the recommendations that were made by members of the NDP at the time we studied the bank profits question in 1982? At that time we suggested that directors of financial institutions be prohibited from steering loans to companies in which they had interests, and that foreign loans be strictly limited. Would she have the committee look at those proposals so that we can get some real action?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I would never ignore the recommendations of members of the NDP.