

Depositors Compensation

There is a concern over there for well-to-do depositors. There are a lot of well-to-do depositors but not a word has been said about those people who bought debentures or were shareholders in the bank. What do they get? There has been no concern for them at all. Among that group, there may be some small shareholders and there may be people who held debentures of modest size but there will be nothing at all for them.

Motions Nos. 2 and 3 would certainly improve the Bill a little bit after it is passed by this huge majority that imposed closure on this Bill at second reading even before an amendment introduced by the Leader of the Opposition (Mr. Turner) which also asked for more information was put. Before that amendment had been fully debated and before we turned to the main motion, the Government imposed closure. Motions Nos. 2 and 3 would in a very modest way improve the Bill. Certainly, after the money has been paid out, we expect to know who these people are but it would be much better to know now. Even better, knowing now the names, we could select those depositors who really deserve to get their money back. We could determine how many of them are wealthy and how much money is going to foreign banks with large deposits.

I totally object to this Bill. I am opposed to it. I am prepared to stay here and argue against it as long as possible. A great reformer once said: "Here I stand, I can do no other".

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, it is indeed a pleasure to enter this debate. It is sad that the Government has moved closure on this Bill because this is a matter of very serious concern to Canadians. It is a matter of the utmost importance in terms of economic policy and a matter like this should be debated thoroughly and comprehensively. It is shameful that the Government has imposed closure on the legislation before the House today.

Government Members need to remind themselves that they presented themselves to the people as being a group of people who were competent in the area of economic policy but if there is one thing that the bank bail-out legislation demonstrates, it is the complete incompetence of the Government when it comes to economic matters. Government Members made a decision without knowing all of the facts and without making the necessary efforts to get all of the facts upon which to base the decision. That is an elementary procedure when making a decision of this magnitude.

Why did the Government not get all the facts before it made the decision? Government Members had the opportunity to do so. They could have taken the time to do so but they chose instead to fly by the seat of their pants in a manner that affects the economy and will now affect the pocketbook of every Canadian.

This action and the actions with regard to bank bail-outs in the past demonstrate that when it comes to economic matters, the reputation of Conservative Members is in tatters. They do not have the competence they claim.

Another approach to this legislation before the House is to deal with the policy of the Government to compensate unin-

sured depositors with dollars that are worth 100 per cent of their value. If people were to know that when they deposit money in a bank, even if their deposits are uninsured, there is no risk involved, they will have less of a tendency to examine the health of the institution into which they are putting their money. I am thinking now of very large depositors like foreign banks and large Canadian banks. There will be less of a tendency to examine the health and worthiness of an institution into which they are putting their money. This in itself will encourage a repeat of the kind of experience we had with the Canadian Commercial Bank.

If there is one thing that stands out in this case, it is the fact that no one bothered to dig in and check the facts. No one bothered to check into the financial health of the Canadian Commercial Bank before it became a matter of public concern although I have spoken to financial analysts who have told me that rumours were circulating a year or two years before the bank collapsed that something was amiss with the bank. Yet no one in a responsible position and no one who is depositing large sums of money in this institution seemed to take the trouble to dig deep and examine the full facts regarding the health of this institution. That simply means that when it comes to banking institutions the type of action which the Government is proposing will encourage this kind of behaviour in the future.

● (1640)

Our amendment calls for a list of all depositors to which a payment will be made under this legislation. We ask for a list of all those people who had uninsured deposits with this bank, that is, deposits larger than \$60,000. To be exact, the amount of money we are talking about in this Bill is \$875 million. That is pretty close to \$1 billion. Of course, this is one way to spend \$1 billion of taxpayers' money. However, just to illustrate what \$1 billion means, I would like to suggest a few other ways that these public funds could be spent in order to give some meaning to the figure which is contained in the legislation. This \$1 billion could be used to build 21,667 non-profit housing units—21,667. By bailing out these uninsured depositors that is what we are giving up. The Government is simply unwilling to tell us who these people are. It is unwilling to make a list of the benefactors available to the public or to the House. We know that in terms of raw figures there was something in the order of \$108 million invested by foreign banks in this institution. From Schedule A and B banks there was some \$28 million and \$39 million respectively.

Mr. McDermid: It is \$112 million.

Mr. Keeper: My colleague across the way suggests the amount is \$112 million. These are large sums of money.

We would like details with respect to whom this money will be paid, since the type of general information which we have suggests the money will be paid to large financial institutions. This raises the question: Is it better to give these uninsured depositors who may be large financial institutions and foreign banks this sum of money instead of building 21,667 non-profit