

Depositors Compensation

Mr. Speaker: The question mentioned by the Hon. President of the Privy Council has been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

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MOTIONS FOR PAPERS

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Shall all notices of motions for the production of papers be allowed to stand?

Some Hon. Members: Agreed.

[English]

Mr. Speaker: May I advise the House that because of the ministerial statement, consideration of Government Orders will be extended by 27 minutes this day.

GOVERNMENT ORDERS

[Translation]

FINANCIAL INSTITUTIONS DEPOSITORS
COMPENSATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall that Bill C-79, an Act respecting the provision of compensation to depositors of Canada Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect to uninsured deposits, be read the second time and referred to a legislative committee; and the amendment of Mr. Turner (Vancouver Quadra) (p. 7379).

Mr. Nic Leblanc (Longueuil): Mr. Speaker, today I would like to speak in support of Bill C-79, which concerns the provision of compensation to depositors of the two financial institutions, for the portion not insured by the Canada Deposit Insurance Corporation. The Bill was tabled by the Minister of State (Finance) (Mrs. McDougall) in the House on October 7 of this year.

● (1540)

Through this Bill, the Government intends to compensate all depositors who had invested their savings with the Canadian Commercial Bank and the Northland Bank, and who would not otherwise have been compensated by the Canada Deposit Insurance Corporation. Last March, when the Government

took emergency action to improve the financial situation of these institutions located in Western Canada, it made certain commitments to the depositors of these institutions, and today, it intends to meet those commitments. Last March we had created a climate of trust in these institutions, but repeated attacks by the Opposition created a climate of panic and uncertainty in the financial world, especially among small depositors and business people. Mr. Speaker, how can the Government be expected to build something solid when the Opposition, in an unprecedented way and without consideration, is constantly undermining the commitment we made to preserve those financial institutions, together with many private depositors and small businessmen, over six major chartered banks and the provincial Governments that were directly concerned. Today, we must meet the commitments we made to these people. They trusted us, and thanks to the criticism by Opposition Members, today they might have lost everything. We are going to meet our obligations to the bitter end, and the Opposition should do likewise and support the Bill, since it would not have been necessary without the Opposition's attacks on the bail-out program we proposed last March, and the consequences of those attacks. In fact, why did these financial institutions have to close their doors? I will try to define several significant developments these institutions have had to deal with in recent years.

First, the energy policy of our predecessors, who today are the Official Opposition, has had a disastrous impact on Western Canada, and it is in fact Western Canada, Mr. Speaker, which has been most severely affected by the failure of these financial institutions. The Liberal Government took a series of energy measures which resulted in a dramatic drop in oil consumption, and these measures included energy transfer policies such as programs to help people convert from oil heating to electricity and also increased taxes in this sector.

Second, rising interest rates which our predecessors merely encouraged, plus inflation which they were unable to control, both led Canadians to review their consumption habits, such as gas for motor vehicles, and so forth. This dangerous legacy we were left by the previous Government is now forcing us to take the measures before the House today. The Opposition, the Liberals, did not foresee the consequences of their actions at the time they took these economic initiatives, as a result of which today, so many people in Western Canada are facing serious economic problems.

And now, Mr. Speaker, what about the regulation of our financial institutions? As soon as it came to power last September, our Government asked for a major review of our financial institutions, since we were aware of the disastrous consequences of the regulations left to us by the previous Government. Mr. Speaker, as you know, only a few months ago we referred a green paper to the Committee on Finance, Trade and Economic Affairs, for the purpose of assessing the consequences of poor regulation of these financial institutions.