



CANADA

House of Commons Debates

VOLUME 142 | NUMBER 078 | 2nd SESSION | 39th PARLIAMENT

OFFICIAL REPORT (HANSARD)

Monday, April 14, 2008

Speaker: The Honourable Peter Milliken

Securities



Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ):

Mr. Speaker, the Minister of Finance said the commercial paper crisis was only further proof of the need for a single securities regulator. The Parliamentary Secretary to the Minister of Finance went even further. It is sheer hypocrisy, considering that the banks, which are responsible for this crisis, are already under his responsibility and that of the Office of the Superintendent of Financial Institutions.



Instead of seeking false pretenses for his plans, which no one except Ontario wants, should the minister not admit that he and his Superintendent of Financial Institutions are the ones who abdicated their responsibilities in the commercial paper crisis?



Hon. Jim Flaherty (Minister of Finance, CPC):

Mr. Speaker, Ontario is de facto regulating securities in Canada, since over 80% of all transactions take place there.



We believe that the constitutional jurisdictions of each level of government must be respected. We are aiming to establish a common securities regulator that will work with the provinces and territories, not a federal agency.



Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ):

Mr. Speaker, instead of blaming the securities commissions in Quebec and the provinces, the Minister of Finance would be better off to clean up his own backyard. He is the one responsible for banks, yet he is doing nothing about the situation at this time.



How can the Minister of Finance explain that neither he nor the Office of the Superintendent of Financial Institutions have taken any action with the banks to prevent the commercial paper crisis and therefore protect investors? Why did he decide to leave them to fend for themselves?

[English]



Hon. Jim Flaherty (Minister of Finance, CPC):

The member opposite is mistaken, Mr. Speaker. Most of the entities who were selling the non-bank, asset-backed commercial paper were under the jurisdiction of the provincial securities regulators. This is a serious problem. It is a gap in dealing with this issue and the solution has to come from the Government of Canada and the Bank of Canada. It is we who had to create the Montreal table, create a forum to resolve this issue, and hopefully it will be resolved. The provinces were not there.



CANADA

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OFFICIAL REPORT (HANSARD)

Wednesday, May 13, 2009

Speaker: The Honourable Peter Milliken

The Economy



Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ):

Mr. Speaker, international banks promised to buy back the non-bank commercial paper they had issued, in the event of a general market disruption. Fernand Perreault, former president and CEO of the Caisse de dépôt et placement du Québec, said that his organization had asked the Office of the Superintendent of Financial Institutions repeatedly to declare such a disruption in order to force banks to respect their commitments, but to no avail.



How can the Minister of Finance explain that the Superintendent of Financial Institutions sat back and did nothing to help that organization recover the \$13 billion invested in commercial paper?

[English]



Hon. Jim Flaherty (Minister of Finance, CPC):

Mr. Speaker, I am not sure of the facts of the situation that the member opposite is describing. If he is referring to the fact that the Caisse de dépôt in Quebec had some unfortunate

investments in asset-backed commercial paper, that is regrettable and it is taking the loss that followed on those investments.

(1440)

[*Translation*]



Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ):

Mr. Speaker, we are simply saying that the superintendent should have responded to the Caisse de dépôt et placement du Québec, which he did not do.



Furthermore, in October 2007, the former Quebec finance minister, Monique Jérôme-Forget, denounced Ottawa's failure to act. Unlike other countries, Canada refused to intervene to force banks to respect their commitments.



Did Ottawa refuse to intervene because the problem appeared to be limited to Quebec?

[*English*]



Hon. Jim Flaherty (Minister of Finance, CPC):

Mr. Speaker, absolutely not. The Superintendent of Financial Institutions deals in an even-handed way with our financial system in Canada with respect to the regulation of that system. Some institutions made some investments that were unwise. That is not the responsibility of the Superintendent of Financial Institutions. That is the responsibility of those who made the decisions to make the investments and they must live with their decisions.

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[*Translation*]



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OFFICIAL REPORT (HANSARD)

Friday, May 15, 2009

Speaker: The Honourable Peter Milliken

Caisse de dépôt et placement du Québec



Mr. Robert Carrier (Alfred-Pellan, BQ):

Mr. Speaker, first Quebec's Minister of Finance, then the President of the Caisse de dépôt et placement, and now the caisse's former head of risk management, Alban d'Amours, have all condemned Ottawa and the Superintendent of Financial Institutions for their failure to heed the caisse's repeated requests to call a general market disruption following the collapse of commercial paper.



Can the Minister of Finance explain why the superintendent did not take action?



Hon. Jim Flaherty (Minister of Finance, CPC):

Mr. Speaker, the Caisse de dépôt et placement doubled its holdings of tainted commercial paper a few months before the crisis. The province is responsible for regulating the caisse, not the Government of Canada or Government of Canada organizations.



Mr. Robert Carrier (Alfred-Pellan, BQ):

Mr. Speaker, had the superintendent declared a general market disruption, international banks would have been forced to repay the caisse for its losses. However, because the problem seemed to be confined to Quebec, the superintendent decided to ignore it because he deemed it a local issue.



Did the superintendent fail to act because the issue only affected Quebec?



Hon. Jim Flaherty (Minister of Finance, CPC):

Mr. Speaker, I repeat that the caisse and its investments are under the Province of Quebec's jurisdiction. In light of the crisis and some of the caisse's investments, it is clear that Canada needs a national regulation system.

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