

to guarantee the viability of the bank and, once it had failed, decided to appropriate nearly \$1 billion of taxpayers' money to reimburse the uninsured depositors. While all this was going on and the Bills were being debated in the House and in committee and questions were being asked, the Government still gave us no answers.

Parliament was asked to approve the original bail-out, which we did, taking on faith the Government's assurances that it was necessary for the stability of the system and that the amount involved was sufficient to ensure the bank's survival. In fact, soon after the Canadian Commercial Bank failed Parliament was asked to approve the bail-out of uninsured depositors, people and organizations whose holdings exceeded the \$60,000 ceiling on deposit insurance. Add to this the costs of reimbursing insured depositors, the considerable administrative costs to liquidate the failed institution, the consultants' reports, the Estey commission, the legal fees for Government officials appearing before the commission, and we have, out of that hasty and ill-considered decision last March, a multibillion dollar mistake for which taxpayers are footing the bill.

It would seem from the Government's demeanor in the House and in committee that we are simply expected to approve these expenditures, and that we should do so blindly without getting any information or response to the questions that we have quite reasonably and responsibly been asking. This is not acceptable. The Government has shown a sad lack of accountability and responsibility throughout this entire matter. Canadian taxpayers deserve better and the institution of Parliament deserves better.

[Translation]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the allegations made by the Hon. Member for Trinity (Miss Nicholson) are false and unfortunately a little too partisan. The Hon. Member for Trinity constantly raises the issue of the information upon which the Government, together with two provincial governments, the six major chartered banks in Canada and the Canada Deposit Insurance Corporation, based its decision last March to bail out the Commercial Bank of Canada. We have indicated on many occasions to the Hon. Member and her colleagues that the best information available, on almost all subjects dealt with during the Question Periods in the House, were taken into account in the final decision made in this most difficult and complex issue.

● (1815)

As to the specific issue of the relations or communications with the Bank's auditors. I should like to remind the Hon. Member for Trinity that the auditors appeared before the Standing Committee on Finance, Trade and Economic Affairs during the hearings held last Spring to deal with this issue.

At that time, the auditors had had to answer a series of specific questions concerning communications with the Government or its representatives before and during the March

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events. I remember, Mr. Speaker, that the auditors had stated they had, in December of last year, completed their examination of the bank accounts as of October 31, 1984. Following that, they had only resumed auditing on March 14, 1985.

This, Mr. Speaker, as you certainly know, is current practice with bank auditors. Once they have completed year-end auditing in a bank, they usually resume their activities in that bank several months after the start of a new fiscal year. Therefore, Mr. Speaker, the auditors may not be completely aware of events between the end of their client's fiscal year and the time when they resume auditing for the new period.

Mr. Speaker, it must also be remembered that to a very large extent, the terms of the package were aimed at the future, since the objective was to solve problems that were imminent but had not yet appeared as of October 31, 1984, nor for that matter on March 14, 1985.

Mr. Speaker, the extent of the contacts last spring between the Government or its representatives and the auditors of the Canadian Commercial Bank is clearly spelled out throughout the Committee proceedings. Furthermore, I am convinced the Estey Commission will also look into those issues. I am sure the Hon. Member will agree that all relevant information was used at the time of establishing the terms of the Canadian Commercial Bank rescue package.

[English]

FINANCE—BALANCED BUDGET INITIATIVE

Mr. Bill Attewell (Don Valley East): Mr. Speaker, a very simple but profound message must get out to all Canadians. It is simply that we must start paying our bills in this country.

On December 18 I asked the Minister of Finance (Mr. Wilson) a question about a balanced budget initiative. I highlighted the fact that on the preceding Friday, December 13, 1985, President Reagan signed an historic public debt statute amendment whereby the United States must achieve a balanced budget by 1991. While the Gramm-Rudman Bill excludes the cost of servicing the debt, it is nonetheless a tough, disciplined measure to bring spending under control in that country.

I plan to introduce a private Member's motion shortly with the same purpose and objective. I say that it is time that Canadians understood that we must begin paying our bills.

Let me share some background on this topic. It took us a full 100 years to accumulate a total debt in this country of approximately \$20 billion. In the last 10 years we have seen the annual deficit grow from a mere \$2 billion to the height of \$36 billion. We have seen our total cumulative debt rise from that \$20 billion figure I mentioned to over \$200 billion.

In simple round numbers, our country is now taking in roughly \$65 billion in tax revenue each year but spending approximately \$100 billion. In other words, we are spending \$35 billion more than we are taking in. Theoretically, if we did not have to pay interest charges on that debt it would not be a