

quite clearly the decision to bail out the bank that was taken during the weekend of March 22 to March 25 was taken without full information. I think we are entitled to know whether or not the Minister had better information on September 1 and whether or not she has full information now. Should the Canadian Commercial Bank rescue have been attempted in the first place?

The Official Opposition was asked and agreed to let the resolution and the legislation authorizing the bail-out go through the House with minimum debate. We agreed with that because we accepted the word of the Government that it was important to take these steps in order to restore confidence or to avoid a crisis of confidence in our financial institutions and that given this amount of help the bank would be viable. We accepted this because we thought the Government was speaking with knowledge. We later discovered that the Government had not done a full examination of assets and that this decision was not soundly based.

The Minister has repeatedly said in the House that the decision was made on the best advice available at the time. Unless the Ministers have information that they have not given us, there was very little soundly based advice on which to make the decision because the books had not been examined.

Let us look at what happened after the bail-out. The Minister of State for Finance and the Minister of Finance both referred to monitoring the situation during the summer. Of what did this monitoring consist? The Inspector General has also referred to some kind of supervision or monitoring occurring during the summer.

It seems as though it was not until mid-August that the Government knew that the Canadian Commercial Bank's loan assets were really very much lower than the figure originally given. While the bail-out was based on a worth of approximately 55 cents on the dollar, when it came time to dispose of those assets, 30 cents on the dollar seemed to be the working figure.

What was happening throughout the summer? Although a proper asset evaluation would surely have given the Government the correct figures in March, that was not done. Looking at the kinds of loans the CCB was making during the summer, with the limited amount of information available to us, we find that some very high loans at very high interest rates were being made. Was anyone monitoring that? Was anyone checking to see that the loans made after the bail-out were sound?

An interesting article entitled "Did the Northland fall or was it pushed?" appeared in an Alberta paper. While the writer of that article has a particular bias that I would not share, some interesting facts are raised. For example, the writer of the article said that the highly publicized rescue of the CCB had shaken faith in other western-based lenders, notably the Northland in Calgary, and that it too began losing large corporate depositors who reckoned that the Northland

might be floundering. In August the Northland denied press reports of a run on deposits but somehow on September 1 we learned from the Minister's press release that the Northland too was about to be closed down.

Traditionally, of course, banks have operated as much on confidence as on capital. Can confidence be maintained by stonewalling? This surely is the issue that is facing us now. We have heard very few straight answers in the House since this entire issue came up. There was a referral to the Standing Committee on Finance, Trade and Economic Affairs where we were refused access to a number of essential documents. Conflicting statements have been made in the House. The Minister of State for Finance has said that there was no indication the Canadian Commercial Bank was in trouble before March 14. On another occasion, the Minister of Finance said that the Inspector General of Banks consulted with him last September. We know that there were reports from the U.S. regulatory authorities in mid-February which triggered a great deal of activity, such as telephone calls and visits between the Inspector General and the American regulators.

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All this evasion does not enhance confidence; it merely sets off more and more speculation. In refusing to answer questions, the Minister has often suggested that we wait for the committee to convene. However, what guarantee have we that we will receive any better answers in committee?

This is an important matter and perhaps it is time to recognize that confidence will have to be based on disclosure and knowledge; it cannot be based on secrecy. Both the Minister of State for Finance and the Minister of Finance have often spoken about the need to be responsible in relation to depositors. We can accept this, provided we know who the depositors are. For instance, if the Province of Alberta is one of the main depositors and if, as has been rumoured, it has deposits amounting to \$10 million, is the Minister seriously suggesting that the taxpayers of Canada should make up that amount of money? To ask Canadians to give a blank cheque with respect to the reimbursement of uninsured depositors without knowing the circumstances, even in a broad brush sense, is surely unreasonable.

The other matter on which we will need more information or discussion concerns shareholders.

The Acting Speaker (Mr. Charest): Order, please. I am sorry to interrupt the Hon. Member but her time has expired.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the House Leader of the New Democratic Party has indicated that the current situation is one of crisis. The critic for the Liberal Party has indicated that the situation is one of crisis. I would not deny in any sense whatsoever that we face a very difficult situation in the House on an issue which