

presentation—that there were serious problems. There was real need for concern. They were the western oil and gas industry and western real estate. Why did the Inspector General of Banks not tell the Bank that it had better diversify, that to have all its assets limited to those two sectors is not prudent lending practice? That is not the way a first-class bank ought to operate. Perhaps someone like Roland Frazee should be brought in to advise him at this particular time. He is an individual who appears to be running a very successful bank. But even for a layman, Mr. Speaker, it would appear that the areas in which that Bank was involved opened up all kinds of question which the Inspector General of Banks should have been flagging.

After all, we do know that many months ago the Inspector General of Banks indicate to the Minister of Finance that there was some problem out there, that the Bank was having some difficulties. I suspect that many Hon. Members of Parliament knew that. I myself was informed months ago by many individuals that that particular western Bank was experiencing financial difficulties, that it was experiencing some real problems. The Bank then goes out and purchases the Westlin Bank in California. When we see how unhealthy that particular bank was, Mr. Speaker, we have to scratch our heads at the wisdom of that particular move. What was behind that, Mr. Speaker? Why would a troubled bank go out and buy another troubled bank unless there was some rather incestuous financial behaviour going on at this particular time?

Mr. Malone: Or it was sound.

Mr. Riis: Or, as the Hon. Member for Crowfoot says, it was sound. But when you buy a bank which is not particularly solvent, which is having all sorts of loan difficulties, I doubt if that is going to be a wise investment. That is the kind of question which our inquiry, through the Standing Committee on Finance, Trade and Economic Affairs, must examine. We must ask those kinds of questions.

I do want to say in closing, Mr. Speaker, that we will reluctantly, I suppose, co-operate with the Government on this particular Bill in order to settle the dust out there in the financial community and to bring stability back. But there are many unanswered questions. My colleagues have specific questions they will want to raise. Tomorrow we will have a chance to go through this Bill clause by clause. We will be asking at that time some very penetrating questions. During the inquiry conducted by the Finance Committee we will have also a chance to find out just what is behind this. What does it tell us about our banking system? What does it tell us about Governor Bouey and his role as the central banker in maintaining stability in our banking community? What does it tell us about the Inspector General of Banks and his ability to oversee this very complex and dynamic financial community?

It is a pleasure to have a chance to offer a few comments and I look forward to a speedy finalization of this Bill.

Canadian Commercial Bank

Mr. Jim Edwards (Edmonton South): Mr. Speaker, I believe that the economic summit must have been successful beyond the fondest imaginings of any of us when we have the spokesman for the New Democratic Party recommending Mr. Frazee in the capacity of consultant.

The Minister of State has already explained to the House the important considerations which led to the decision of the federal Government to participate in a support package for the Canadian Commercial Bank. I would like to add my comments to those of the Minister because I am deeply concerned that the Hon. Members appreciate the significance of the CCB to the western economy. Although the federal Government must take a larger perspective in such important matters, there is no issue which can be closer to the heart of any Member of Parliament than the interests of his constituency and his constituents.

My constituents, I am sure, would share my appreciation for the federal Government's concern and the plan of action placed before us today. Like the Governments of British Columbia and Alberta, the national Government has recognized the important contribution to regional economic development which can be made by a viable western based bank. I believe Hon. Members are aware that the economic setback suffered in the West, particularly in Alberta and British Columbia, was severe. But the hard fact is that the recession did not end in late 1982 in Alberta and British Columbia as it did, on average, across Canada. And the losses suffered in the recession in terms of growth and jobs have not yet been made up in those provinces as they have been in the country as a whole.

Let me illustrate with some figures showing the impact on jobs. In Alberta, total unemployment increased from 41,000 at the beginning of the recession in August, 1981 to 127,000 at the official end of the recession in November, 1982. Fifteen months after the official end of the recession, unemployment stands at 143,000, even higher than during the recession. The unemployment situation in British Columbia was worse to begin with. There were 83,000 unemployed. By the official end of the recession, this had increased to 198,000, and as of last month there were 215,000 unemployed.

In terms of job creation, Alberta lost 48,000 jobs during the recession and an additional 8,000 jobs since that time. B.C. has gained back some of the jobs it lost during the recession, but still shares with Alberta and New Brunswick the sad distinction of having fewer jobs now than at the beginning of the recession in August of 1981, almost four years ago.

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The impact has been devastating not only for people looking for jobs but for business people as well. Business failures in 1984 rose above 1983 levels in both Alberta and British Columbia. I am sure I do not have to remind Hon. Members that the small- and medium-sized business community has been the single largest creator of jobs in our economy. This is the sector on which the Government is most clearly depending to continue to provide the jobs Canadians need.