

Statements by Ministers

tors with no information from this inquiry is, it seems to me, prejudicial to our doing a decent job. It is a violation of the privileges and rights of Parliament. Certainly it is offensive to the people of Canada who are going to have to shell out this money without knowing why.

Given the number of areas into which Mr. Justice Estey can inquire, this inquiry could become like the Ontario commission on the northern environment. That went on for seven and a half or eight years. The report finally came down last month and everyone heaved a sigh of relief that it was out of the way. It cost \$9 million or \$10 million and this is far past the time when it could be of any use. Therefore, given that the Green Paper is under consideration and that Mr. Justice Estey may want to comment on such matters as regulation of the banks, the quality of inspection of the banks, the quality of the advice coming from the Bank of Canada and the Inspector General and that kind of thing, let alone about the political responsibilities, I do not think his inquiry should under any circumstances last beyond, say, six months. He should be finished by March and we should have an interim report in time to enable us to pass judgment on the Government's request for \$1 billion. I do not have any assurances about that because it is not in the terms of reference. Mr. Justice Estey could go on and on and on. I suppose the Government could vary his terms of reference by putting some time limits on it and I regret it was not done at the very beginning.

The matter of information is raised, Mr. Speaker. When the Government gets to reply, either now or later, I would like assurances that the Hitchman report will be available to Mr. Justice Estey, and not barred to him as it was barred to the committee.

Mr. Wilson (Etobicoke Centre): It was not barred to the committee.

Mr. Cassidy: The Minister is shaking his head. I am not sure what that means.

Mr. Wilson (Etobicoke Centre): It means you could have had it if you had not been so stubborn.

Mr. Cassidy: I would like assurances that the Government will press the American authorities at the Prime Minister's level to share with Mr. Justice Estey the report of the Federal Deposit Insurance Corporation concerning their findings on the Westland Bank and the CCB's American operations, because that was the trigger which should have signalled to the Government that there were very serious problems. What the Americans found out about the operation of that bank in the U.S. should have been such that the Minister would not write a \$1 billion blank cheque as has now been done.

We would like assurances that the list of depositors is available to Mr. Justice Estey. Frankly, I would like him to come back and indicate in no uncertain terms that this House should not give away \$1 billion without ensuring that anyone who wants the money, if it is the wisdom of the House to give it, should at least have to reveal who the devil they are. If they want to maintain their confidentiality, that is fine. The rules of

the market-place say that they deposited the money in the banks and they should not get it back if they are not prepared at the very least to indicate who is getting it. The Government's secrecy is, to my mind, deplorable.

I want to talk now about the more specific questions which Mr. Justice Estey should be addressing. As I said, in general the question is why did these banks fail and what role did the Government play? One of the major things we want established is the role of Government Departments and ministerial responsibility. If we do not have that determined in the report, then corrective action cannot be taken either by the House or the Government. As I have reconstructed the situation, the Ministers were involved in turning down the repeated requests of the banks to let someone go in and look at the books of the CCB to find out what the devil was happening. Again the Minister of Finance is shaking his head. I am not sure why because those are the facts. I have heard the presidents of two or three of the banks testifying before the committee on this subject. When you ask them if the names of the depositors should be made public, they say that is a Government decision. In other words, they are not going to be critical if the Government decides that should be the case. They know there is nothing to hide. It is the Minister of Finance sticking up for his friends in certain portions of the banking community.

It may become clear that the Department of Finance lacked adequate monitoring of the state of the banks. It may become clear that the Bank of Canada, with all of its resources, inadequately monitored the banks to which it provided liquidity. It may become clear in the end that the entire decision-making process was based on the inadequate advice of an overworked official who had failed to take the appropriate steps to reinforce his demand for adequate staff to do the job. I speak of the Inspector General of Banks. Under the Liberals as well as the Conservatives no action was taken to give that official the kind of resource he needed and, in my view, he should probably have resigned to take his case to the public if he was not able to do the job in the new banking environment which has emerged with the kind of corporal's guard of inspectors that he had to work with. If in fact everyone was relying on the testimony of this poor, overworked official who was stuck here in Ottawa with no real knowledge of what the devil was going on, then you have to ask questions not only with respect to him but with respect to his political masters who came in committed to a mandate for change some 13 months ago and in all that time were unable to enforce effective change in an area where it has been proven we are vulnerable, to the tune of \$1 billion.

I would like Mr. Justice Estey to look into the question of the Government role in seeking a partner for the Northland Bank. The events last week were quite extraordinary. The president of the Bank, Mr. Neapole, a former president of the Montreal Stock Exchange, a man with wide experience in business—

Mr. Wilson (Etobicoke Centre): No.

Mr. Cassidy: Was it his brother? I am sorry.