

Oral Questions

fact that the chartered banks wrote off the \$60 million that they put into the rescue effort which they made in March. If the Cabinet was not aware of that, what kind of management were we getting for the people of Canada, and isn't that why we lost \$1 billion of taxpayers' money?

Right Hon. Brian Mulroney (Prime Minister): I said no such thing. The problem with the NDP is that they ask questions and will not even listen to the answer. That is what is wrong with the NDP.

Some Hon. Members: Hear, hear!

[Translation]

INQUIRY WHETHER STUDY MADE OF NORTHLAND BANK

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I have a question for the Minister of Finance.

It now seems obvious that we shall have to do without the Canadian Commercial Bank. Basic mistakes were made in this affair, but there is another bank which I believe might deserve to be saved, namely the Northland.

I would like to ask the Minister of Finance whether he or the Minister of State for Finance have reviewed the value of the assets of the Northland Bank to determine its viability.

We have learned that it took four months before a study was undertaken in the case of the Canadian Commercial Bank.

Can the Minister now tell us whether such a study has been made, and if so, whether this bank is viable?

[English]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is a former banker himself. He should know the answer to that question. There is only one basis on which I, as the Minister of Finance, can appoint curators for any bank. The only basis on which I can do that is on a report from the Inspector General of Banks. I have that report for both the Canadian Commercial Bank and the Northland Bank and the decisions were based on those reports.

[Translation]

REQUEST FOR DETAILS OF CERTAIN STUDY

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I would like to come back to this question because it is of capital importance and I believe that this is why the whole bail-out operation failed in the case of the Canadian Commercial Bank.

Is the Minister of Finance now saying that he has in his possession a study similar to that prepared by Mr. Hichman which led to the closing down of the Canadian Commercial Bank? Is that what the Minister has just said?

[English]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, do you think that I would make this decision just by pulling the answer out of the air?

Mr. Garneau: That's what you did. That's what you did in March.

Mr. Wilson (Etobicoke Centre): The Member for Laval-des-Rapides does not know what he is talking about. He is a former banker himself and he should have read the Bank Act before he took on the responsibilities that he held as a president of a bank. I have to have a report for both of those banks before I can appoint a curator. Both of those banks collaborated with the Inspector General of Banks to produce and provide the information on which the decisions were made. There is a report for both the Northland Bank and the Canadian Commercial Bank, based on a considerable amount of work done by the Inspector General.

GOVERNMENT DECISION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Minister of Finance. He is well aware that the Canadian banking system is one of the most profitable banking systems in the world and that in the third quarter the Canadian banks indicated a profit increase of 27 per cent over last year's third quarter. The Minister will also realize that banking history has indicated that banks have always come to the rescue of their own during troubled times.

Why did the Government decide, in this instance, to break from that tradition and ask the taxpayers of Canada to cough up something in the neighbourhood of a thousand million dollars to bail out this particular bank, the CCB, as well as the Northland if necessary? Why did he break from that tradition?

• (1440)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, in March we entered into an agreement with the banks, the Canadian Deposit Insurance Corporation, the Province of Alberta and the Province of British Columbia to do exactly what the Hon. Member is suggesting we should have done on September 2. We talked to the heads of those banks. There are a couple of other banks that came to us and said that they might be interested in merging with these banks. They looked into the situation and decided that they could not do so.

On that basis we felt we had to move the way we did. These are very complex areas and very specific questions which he is putting, and the Hon. Member will get more complete and comprehensive answers by putting those questions at the committee hearings.

REQUEST FOR LIST OF PROTECTED DEPOSITORS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, does the Minister believe that he now has a right to ask the