

ORAL QUESTION PERIOD

[English]

BANKS AND BANKING

CANADIAN COMMERCIAL BANK COLLAPSE—COST TO TAXPAYERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance. Having forced the collapse of the Canadian Commercial Bank, I hope the Minister will stand in his place today and respond to questions completely within his jurisdiction.

I know how concerned he is about the deficit and I know that the Prime Minister has added to the uncertain climate of the country by saying that Canada is broke. However, what will he do to repair the \$1 billion-plus loss as a result of the liquidation of the Canadian Commercial Bank? Will he raise taxes? Will he withdraw aid from Canadian farmers or Atlantic fishermen? Where will he find that \$1 billion?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, first, I am not going to say to the House of Commons that the Governor of the Bank of Canada misled the House of Commons, as the Leader of the Opposition did yesterday.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): He owes an apology to the Governor of the Bank of Canada, or should step outside the House and repeat those allegations and substantiate them.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): In response to the question from the Right Hon. Leader of the Opposition, the figure that he has mentioned is not necessarily the right one. We don't know what that figure will be—let us be frank—it is a substantial figure. At that point in time that amount will be added to the size of the deficit and any further action will have to be taken at the time of the next Budget.

Mr. Turner (Vancouver Quadra): I think my remarks about the Governor will be borne out if Hon. Members will read the transcript of the Standing Committee on Finance, Trade and Economic Affairs for Thursday, May 9. I will leave it at that.

WITHDRAWAL OF DEPOSITS BY FINANCIAL INSTITUTIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my supplementary question for the Minister of Finance relates to obvious insider trading in the deposits of the Canadian Commercial Bank before the plug was pulled by the Minister.

Did he personally or did his aides communicate directly or indirectly with senior executives of the major financial institutions, trust companies, banks, insurance companies, in Toronto or Montreal during the months of July or August? If not, how does he explain the coincidental withdrawal of deposits during those months conveniently before the plug was pulled, leaving

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the pensioners with pension funds in Air Canada and Canadian National to bear the brunt of the loss?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think the allegations made by the Right Hon. Leader of the Opposition are extraordinarily serious and are a subject for the Ontario Securities Commission, as he well knows.

Mr. Turner (Vancouver Quadra): The Minister of State for Finance is obviously not able to respond to that question. It was a personal question to the Minister of Finance relating to his conduct and that of his staff.

[Translation]

EXPLANATIONS REQUESTED FOR GIVING FOREIGN BANKS MILLIONS OF DOLLARS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a third question.

Could the Minister explain why he is paying millions of dollars to foreign banks which had deposits with the Canadian Commercial Bank but is refusing to pay a cent to pension funds that had shares in this bank?

How can he give millions of dollars to foreign banks and not provide any compensation for Canadian pension funds?

[English]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we have moved to meet a situation whereby we are paying uninsured depositors in this bank. They include such things as small hospitals in the Province of Alberta.

MINISTER'S MARCH STATEMENT

Miss Aileen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of State for Finance. On March 25 the Minister stated that the bail-out package for the Canadian Commercial Bank was based in part on an on-site assessment of assets. We now learn that at the end of June the Minister appointed an independent consultant to examine the bank's assets and that the decision to liquidate was later, after he reported on August 14. Does the Minister still stand behind her statement of March 25?

● (1420)

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have indicated in this House many times that we took advice in March and that we acted on the best possible advice. We continued to pursue the matter in the interests of the Canadian taxpayer and took a different decision later.

DEPOSITS WITHDRAWN BY CHARTERED BANKS

Miss Aileen Nicholson (Trinity): Mr. Speaker, I have a supplementary question. By August the Minister had the consultant's report, the Inspector of Banks had talked to the