

come from, if you have a debt so large that you are reduced to borrowing *ad vitam aeternam* to pay interest on the debt, then you are not in a healthy situation at all.

Unfortunately, Mr. Speaker, that is the state of affairs which we were left by the Liberal Party. I think my right hon. friend would agree that it is of grave consequence and must be dealt with.

**Some Hon. Members:** Hear, hear!

**Mr. Turner (Vancouver Quadra):** That statement won't help.

**Some Hon. Members:** Hear, hear!

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### BANKS AND BANKING

#### CANADIAN COMMERCIAL BANK COLLAPSE

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, let us get down to specifics and talk about the demise of the Canadian Commercial Bank which has added to the deficit by an unknown amount. Was it a \$1 billion screw-up by the Minister of Finance? \$1.5 billion? \$2 billion? Would the Prime Minister tell us what the loss to the taxpayers will be in the estimate of the Government? Will he assure us that the whole matter will be brought before a parliamentary committee and that the Auditor General will have an independent scrutiny of the whole matter?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I have already indicated, as the Government has through the excellent representations and statements made by the Minister of State for Finance, that this matter will indeed be referred to a House committee as quickly as possible. All Members of the House will be able to examine every aspect of this transaction as they should.

● (1420)

I can tell my right hon. friend that the Government was confronted with a situation where two fledgling western based corporations were in need of assistance, and a value judgment was made. He can interrogate people about that at an appropriate time.

However, there can be no doubt at all that these two western institutions, along with other areas of western Canada, suffered in a very catastrophic way from the implementation, unilaterally, of the National Energy Program. That is one of the things we will examine as well.

**Some Hon. Members:** Hear, hear!

**Mr. Turner (Vancouver Quadra):** The question really relates to the fact that the House was misled, including this side of the House, when we supported the Minister of Finance in the original bail-out for that purpose. That is what it gets down to—the question of incompetence and the House being

misled by the Prime Minister, the Minister of Finance, and, indeed, the Governor of the Bank of Canada.

[Translation]

PENSION FUND DEPOSITS OF AIR CANADA AND CANADIAN NATIONAL EMPLOYEES—REQUEST FOR CLARIFICATION

**Right Hon. John N. Turner (Leader of the Opposition):** My supplementary question is in French, Mr. Speaker.

Apparently the bankers had been provided with information in the month of July or the month of August; bankers in Toronto and Montreal knew that the Government was considering the possibility of abandoning the Canadian Commercial Bank to its fate in July. Here is my question to the Prime Minister: Why were the Air Canada pensioners, the CNR pensions, who held shares in this bank not treated the same way as the bankers of those two major cities?

**Right Hon. Brian Mulroney (Prime Minister):** Indeed, Mr. Speaker, I have already indicated the Government's intention to make sure that the whole matter will come under close examination by a parliamentary committee. I think it goes without saying that such an important incident has to be reviewed and scrutinized by all Hon. Members. The Leader of the Opposition has just made a strong and unusual accusation against the Governor of the Bank of Canada. Unless I am mistaken he is saying that the Governor of the Bank of Canada misled the people. The Governor of the Bank of Canada is a public servant who is not here to defend himself. I think the accusation made by the Leader of the Opposition is extremely serious and, if he cannot substantiate it, he will undoubtedly want to stake his seat on this issue.

[English]

OFFICIALS' ACTIONS—GOVERNMENT ASSURANCE

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, my question is directed to the Minister of Finance. Will he tell the House why his officials were sounding out the financial and banking community about closing the Canadian Commercial Bank in early July when, in late March, after the \$255 million bail-out, the Government assured us that the bank would survive and be profitable?

**Hon. Barbara McDougall (Minister of State (Finance)):** Mr. Speaker, we took our interest in the Canadian Commercial Bank as a great responsibility and in the spring we had put together a package that was intended to make this bank viable. It was up to us to watch the activities in the bank, to watch its role in the economy, and we did that throughout the spring and the summer.

It was a consistent action and a responsible action on behalf of the taxpayers of this country.