

HOUSE OF COMMONS

Wednesday, September 25, 1985

AFTER RECESS

The House resumed at 8 p.m.

[Translation]

MOTION TO ADJOURN UNDER S.O. 31

FINANCIAL DIFFICULTY OF NORTHLAND BANK

Mr. Speaker: The Hon. Member for Hamilton Mountain (Mr. Deans) has been authorized to move the adjournment of the House pursuant to S.O. 31 for the purpose of discussing a specific and important matter requiring urgent consideration, that is the financial difficulties of the Northland Bank. Therefore the motion is as follows:

Mr. Ian Deans (Hamilton Mountain) moved:

That this House do now adjourn.

[English]

He said: Mr. Speaker, I have for some time been contemplating the possibility of a debate such as this, especially over the last two or three days. I want to put it into a somewhat different perspective from that which might be expected. This is indeed a crisis, but the crisis confronting the banking system is equalled, I would offer, by the crisis confronting the parliamentary system as we try to find a way to deal with the problems.

There is no doubt, and I think the majority of those who have viewed the events of the last month or more, that there is a problem not only with the Northland Bank—the Northland Bank is unique but nevertheless not a single situation, unique in its own right—but also with the Canadian Commercial Bank. Our problem is that while we get hints of the difficulties of both of those institutions, the House of Commons, ultimately charged with the responsibility of approving, if not deciding upon a solution to the problem, receives very little information. We are being asked to make decisions on a day-to-day basis about events occurring in the banking system, and, in particular, within the two banks we are talking about, without sufficient knowledge of what is taking place.

I want to begin by saying to the Minister of State for Finance (Mrs. McDougall) that not all of the problem is hers, not all of the difficulties that we have confronted rest solely with her. I do not deny for the moment that certain of the information we have sought could well and legitimately be claimed to be outside of her responsibility. I do want to say that certain of the information that has been sought with regard to these two institutions is within her responsibility to provide. As a result of decisions that she has made that

information is not forthcoming, will not be forthcoming, as we understand it. Yet we, as a House of Commons, and the committee that will be struck as an arm of the House of Commons, will have to make some kind of decision based on that scanty information currently available. It is that we want to concentrate on tonight, Mr. Speaker.

We read in the newspapers from a variety of different sources the concerns of those who are most expert in the field about the information flow currently available. We hear from the President of Northland, for example, that the Government, together with others, has not provided the necessary support to enable that institution to become more viable and, in the process, to become capable of operating within the normal business practices.

When we ask questions about the appropriateness of those comments we are given information from the ministries that serves no useful purpose in our search for the truth. For example, last weekend we suggested that it would be appropriate in the light of the circumstances that had come before us as a result of a statement made by the President of Northland, that the Finance Committee of Parliament be asked to sit during the weekend in order to come to grips with what was the truth.

We agree that this is an extraordinary request, that this is not the way we normally deal with things, yet the Government's response was "We do not have to do that. If you just accept the committee everything will be fine. If you just accept the reference presently on the Notice Paper then the Finance Committee could get on with its job and look into these things."

The problem is, and the Minister well knows, that the information being sought by the Opposition in particular, and I suspect by many back-benchers in the Government, is not forthcoming. Therefore, to approve of the terms of reference as they presently exist would be to hamstring that committee in its efforts to get to the bottom of what is a very serious problem. We recognized that, and we understood the ongoing nature of the discussions that were under way. We were sensitive to the problems confronting not only the Government but confronting the banks in question and others who have associated with the banks over many years. We decided that rather than press on with the reference to the committee of both CCB and Northland it would be appropriate taking into consideration the President's own concern, that an extraordinary session of the parliamentary committee ought to be undertaken.