

Oral Questions

with an inflation rate of 5 to 6 per cent, and if that was wrong then to keep those rates so high in December 1982, according to Michael Wilson, why is it suddenly right now, according to the Minister of Finance?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me say to my hon. friend that I would like him to show me that precise quote. I would like to see that precise quote, but I will respond to the question, in any event.

The statements that I was making in 1981-82 were presenting an essential position that decisions that had been taken in the 1970s and the early part of the 1980s led to the problems that we were facing at that time. That is exactly what I am saying today. Mistakes were made then. Surely my hon. friend would like to learn from those mistakes today and avoid the problems of the 20 to 25 per cent interest rates and the 13 plus per cent unemployment that spread across the country after that. This is the problem that we are facing. We want to avoid seeing that repeated.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I must say I am entranced. I am interested in discovering which Michael Wilson was mistaken. Was it the Michael Wilson of 1982 or the Minister of Finance of 1990?

In view of the precise conditions being exactly the same as the minister stated in 1982, is he not in fact doing a complete flip-flop on the position which he took in the past with reference to interest rates, and does he not recognize that this country requires, for the sake of consistency, that he bring these interest rates down now?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I note that my hon. friend has not given me a precise quote and he has not sent that quote over to me. I again ask him to give me that precise quote and then we will talk to that. What I will say is that the Mike Wilson of 1981, the Mike Wilson of 1979 when I came to this House, and the Mike Wilson of 1990 is exactly the same person.

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AMERICAN EXPRESS

Mr. Jim Peterson (Willowdale): Mr. Speaker, my question is to the Minister of Finance. How can the minister tell this House that American Express has not

received a special deal when the government has broken five out of its own nine guidelines?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I have had frequent opportunities to explain to the hon. member, here and in committee, why this decision was taken and why it was such a good decision.

Here we have an organization, one of the world's largest financial service institutions, that is already operating here. They are here today and they were here yesterday, unregulated, doing exactly what they will be doing tomorrow, providing competition. We wanted to bring them in line with others and allow them to compete within the Bank Act.

I am fully satisfied that this is a good decision and this will not prevent us from making sure that good, sound, vibrant national institutions develop in this country. But we must bring in more competition for consumers.

Mr. Jim Peterson (Willowdale): Mr. Speaker, the American Express bank licence is fraught with suspicion. We have the flaunting of our guidelines. We have the role of three American Express directors, James Robinson, Ross Johnson and David Culver, all leaders of the pro-free trade lobby during the last election. We have the last minute Order-in-Council sneaked through by this government on November 21, 1988, election day. Now we have the finance minister's broken promise that Canadians would see their new financial legislation before this licence would be issued.

There are many unanswered questions. Will the government agree to an independent judicial inquiry so that all the facts regarding this very special deal for a special friend can be made public?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I think I will give up hope of ever convincing the hon. member that he is wrong, but he is.

American Express first approached this government in mid-1985. They started discussing it seriously in 1986, years before the free trade agreement came into place. We had very serious discussions with them because we wanted them to be brought in within the Bank Act. We asked them to move out of certain areas. We looked at the precedent created by the Liberal government when it was in power, giving authority to the Midland Bank and giving to the German Deutsch Bank the right to have links with Mercedes. We looked at that very seriously and we convinced ourselves that we could accept them,