

ORAL QUESTION PERIOD

[English]

BANKS AND BANKING

CANADIAN COMMERCIAL BANK—SIZE OF BAIL-OUT PACKAGE

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Prime Minister. During his absence from the country we learned that last March 24, the day after the Prime Minister made his decision to rescue the Canadian Commercial Bank, the Government had information from its own officials that the bail-out package was at least \$116 million short of what was required. In other words, the Government knew that that bail-out package was doomed to fail.

Why did the Prime Minister and his Ministers continue to assure the House, the banks, and the depositors that the bail-out would succeed? Why did the Government not take steps at once to amend the bail-out package to take into account this shortfall of at least \$116 million?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, this question has been discussed in the House on a number of occasions. I want to draw a distinction for the Hon. Member that there is a difference between the loan losses that the bank was suffering at the time and the need for a capital injection. Those can be two different amounts.

I believe the Hon. Member is totally wrong when he says that we believed that this support package was doomed to failure right from the start. That is not the case and that is not what I have said. That is not what the Minister of State has said. He knows that that is incorrect, yet he persists in using that misinformation.

Mr. Gray (Windsor West): The Minister of Finance is simply contradicting a senior official of his own Department, Mr. Grant, who identified the \$116 million shortfall.

PRIME MINISTER'S INFORMATION

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to ask another question of the Prime Minister. We learned from the Estey Commission hearings that on March 23 the Prime Minister ordered his Minister of State for Finance to proceed with a bail-out of the Canadian Commercial Bank despite her own opposition to this bail-out. She was the lead Minister whom the Prime Minister himself appointed to look into this matter and make recommendations. Will he tell the House what information he had to justify his overruling the Minister of State for Finance on this important matter?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the imagination of the Hon. Member is running wild again. We have said on a number of occasions that the Government looked at a number of options and considered all of the pros and cons of each of those options. It was on the basis of that range of information that a decision was made. That was a

Oral Questions

decision taken by the Government. It is a Government decision and all Ministers stand by that decision.

Mr. Gray (Windsor West): Obviously the Prime Minister did not have a good reason to overrule his Minister of State for Finance, unless, perhaps, he did not want to rain on his own Economic Summit.

ESTEY COMMISSION—REQUEST FOR APPEARANCE BY PRIME MINISTER

Hon. Herb Gray (Windsor West): Mr. Speaker, in view of the Prime Minister's totally unjustifiable lack of willingness to speak to the House of Commons and come clean with the House, will he at least agree to appear before the Estey Commission forthwith to explain and justify his personal role in this bank fiasco?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, contrary to our Liberal friends, when there was a legitimate controversy this Government did not try to cover anything up. We appointed the Estey Commission to investigate all of the circumstances of it.

I think Canadians expect us to put the full light on all of the circumstances surrounding this important matter and to allow someone of the integrity and ability of Mr. Justice Estey to make a value judgment in regard thereto, unfettered by other considerations. That is why he was appointed, and I assume that all Members of the House will want to allow him to continue to do his job.

BAIL-OUT ESTIMATE

Miss Aileen Nicholson (Trinity): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. It concerns his March 23 decision to rescue the Canadian Commercial Bank. The Government had information that the CCB's bail-out estimate was far short of what was actually required. Why was this information not shared with the Government's partners in the bail-out, the chartered banks, the Province of Alberta and the Province of British Columbia?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, again this is a question that has been answered in the House on a number of occasions last week. The Hon. Member is drawing information based on statements that have been made by people before the Estey Commission. She forgets that the whole purpose of that Commission is to assess these different points of view, draw conclusions from them and present those conclusions in its final report. The Government will wait until that final report is available. At that time we will be able to address the various options open to us on how we deal with this problem.

● (1420)

REVIEW OF BANK'S ASSETS

Miss Aileen Nicholson (Trinity): Mr. Speaker, investigations on March 19, 20 and 24 showed that the CCB had