

S.O. 31

Mr. Andre: Opposition Members think that is terrible. They were happier when the National Energy Program was destroying people; that made them happy. When the Western Accord is giving people hope again, they are upset. Dare this Government actually come to the aid of a western Canadian financial institution, my goodness! What a travesty! Dare this Government look beyond Ottawa and to western Canada! We are concerned about those who do business with the banks. We are concerned about depositors and the impact of these bank difficulties on the people and the economy of western Canada. The Opposition says: "That is terrible". We have nothing to hide. This is why the Minister of State for Finance said: "Let's take it to committee". She will provide all the information she can legally provide so that it can be studied, and the New Democratic Party does not want that. Its Members would rather stand in the House of Commons, look for scandal, look for misrepresentation and look for problems, so that they can sing in righteous indignation. They feel that that is more fun than getting to the truth and being responsible, worth-while Members of Parliament. We dismiss that, and the people of Canada dismiss that.

Some Hon. Members: Hear, hear!

[Translation]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, this evening's debate falls within a very special context not only from a procedural standpoint but also with respect to the matter under consideration.

I do not think that the failure of a bank and the shutdown or eventual bankruptcy of another financial institution should be taken lightly. Quite a large number of our fellow citizens, as depositors, will be affected by these incidents. I have in my riding—as undoubtedly most Members have in theirs—borrowers, businessmen who provide work for hundreds and thousands of Canadians. This debate therefore is set in a context which I would describe as "the black years" or "the black days" of the administration of this country.

What is at stake here—and I want to look at it from that angle because we will eventually have an opportunity to dig deeper into this matter in committee—is a matter of credibility, the credibility of a Government, the credibility of a Minister of Finance (Mr. Wilson), and the credibility of a Minister of State for Finance (Mrs. McDougall).

If I may, I should like to go back in time, back to last March 25th when the Minister of State for Finance made a statement in the House, a statement I would like to quote, keeping in mind the remarks made by the previous speaker.

Here is what the Minister of State said, and this, Mr. Speaker, is the first time the House was officially told about the matter. I hope the Minister of State for Finance will listen to what she said, perhaps she might not repeat the nonsense we heard from her in the House today. I quote from *Hansard* of March 25th, 1985, page 3310:

HON. BARBARA McDOUGALL (MINISTER OF STATE (FINANCE)): Mr. Speaker, I would like to advise the House that an agreement was reached this morning to provide the Canadian Commercial Bank with an infusion of capital which will ensure the long-term viability of this Edmonton-based bank. The agreement is a co-operative effort which brings together three Governments, six banks, and the Canada Deposit Insurance Corporation to provide a support package which will enable this bank to remain viable, thereby protecting the interests of small- and medium-sized business in western Canada.

The Minister went on to say in the House:

The bank—

—referring to the CCB—

The bank recently experienced a sharp deterioration in its U.S. loan portfolio, particularly as a result of lower oil prices. This situation significantly depressed the value of the Canadian Commercial Bank's loan portfolio. The management of the bank realized that they could not continue to operate a viable banking operation given the magnitude of the problem loans. While many of these loans had been considered manageable, it became evident in recent weeks, given the severity of the situation in the U.S., that a high proportion of them should be written off or significantly reduced on the books of the bank.

That is what the Minister of State for Finance (Mrs. McDougall) said in the House on March 25th of this year. Nowhere in her statement did she make a connection between the bankruptcy or financial difficulties of the Canadian Commercial Bank and the National Energy Program. I could go on to quote what the Minister had to say in answers she gave on March 29th of this year, in reply to questions by my hon. colleague, the Member for Ottawa-Vanier (Mr. Gauthier). This is what she said in answer to a question from the Hon. Member for Ottawa-Vanier: "Mr. Chairman, the Bank invested in California through an agency. It purchased a 40 per cent interest in the Westlands Bank. The Westlands Bank was involved in real estate. The agency was involved with oil rigs. I am trying to separate out a very complicated corporate structure". Those were the words of the Minister.

I wish she would stay in the House and listen and refrain from repeating the nonsense she uttered today. "The Westlands Bank", said the Minister, "went through some difficulties with its real estate. The agency, on the other hand . . ." The Hon. Member for Beauce (Mr. Bernier) will have time for a speech later on, if he wants to make one. He can tell us what he thinks of all this. "The agency, on the other hand, was involved with these oil rig loans. Those have become a problem really very recently. I want to read from something that appeared in the *New York Times* describing what had happened in a similar market in Texas". Mr. Speaker, I could go on reading passages from the Minister's statements in this House, clearly establishing that the root of the problems experienced by the Canadian Commercial Bank lay in its operations in the United States. At least, that is what she told us.

I would like to go back to what I said at the beginning of my remarks, when I suggested that today's issue revolves around credibility. I would like to quote from what the Minister said on March 25th. You heard what was said by the Hon. Member who spoke before me.