

management and so on did not exist. So I wonder whether this Government is capable of dealing with the situation of the Northland Bank. Why did we have this bail-out of uninsured depositors? The Government has given the reason as being the Governor of the Bank of Canada, the Inspector General of Banks, the Minister of Finance, and the Minister of State for Finance, have all made public statements as to the viability of the bank and, therefore, the Government has a moral responsibility to the uninsured depositors. But they never made that commitment to the Northland Bank.

● (2230)

Why bail out the uninsured depositors of the Northland Bank? In the past the Minister stated that she will not bail out any more banks but will let the discipline of the market take place. For example, before the collapse of the CCB and the reported demise of Northland on Labour Day a statement of the Minister was reported in *The Globe and Mail* as follows: "Henceforth, she declared, depositor insurance levels will be adhered to religiously". That was before the CCB bail-out, Mr. Speaker. There is a double standard here.

I stood in my place day after day and asked the Minister if she was going to enter into an agreement with the Province of Saskatchewan to bail out the uninsured depositors of Pioneer Trust. She played cat and mouse and said, "No, because we have to draw the line somewhere". Finally the Government admitted that it had some responsibility because Pioneer Trust had issued guaranteed income securities for longer than five years with the CDIC's stamp. The Government took responsibility for those depositors but not for the others. A group of small trust companies have gone under and uninsured depositors have lost their money.

There is a double standard in this country. If you are big, if you are a foreign bank, the Bank of Nova Scotia, or the Toronto Dominion Bank, and you have several million dollars on deposit you will be bailed out. But, if you are a retired farmer in Saskatchewan with life savings of \$100,000 or \$120,000 in a small institution, forget it. What a signal to send out to the Canadian people through the financial institutions of the country. The Government must become clear on when it will bail people out and when it will not. It must make some public statement as to what its policy is. So far the Minister has totally skirted that issue.

We are beginning to suspect that the reason for the bail-out is political. The Associate Minister of Defence and a fair number of his friends were probably applying pressure within Cabinet to have these people bailed out. I note an article in *The Toronto Star* today by Diane Francis in which she wonders about the political connections between the Northland Bank and the Conservative Party. It reads:

Richey B. Love, Q.C., partner in one of Calgary's most respected law firms and a Tory bagman in Alberta, bailed out of Northland in August, selling about 550,000 shares. Did he sell on information other shareholders lacked? Love says he knew nothing about the impending receivership on Labour Day.

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I suspect that the Government is afraid to let a committee of Parliament with the proper powers study this because some dirt will be uncovered. I suspect that the Northland Bank and the Canadian Commercial Bank, like Pioneer Trust in Saskatchewan, were known as the Tory Banks.

The Government has stated that the bail-out was to save the economy of western Canada. It can save the economy of western Canada by spending \$1 billion helping the farmers who were hit by drought and rain in my province. However, helping foreign depositors and multinational banks with deposits in the Canadian Commercial Bank is not going to help western Canada. The Government has done a disservice to western Canada and the financial institutions there, and on that they will hang.

[Translation]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, it may seem rather odd for a junior Member of the House to rise at this stage in the debate, before those Members who are particularly well versed in parliamentary procedure and who spoke previously to the subject of this special debate on the Northland Bank.

I believe, however, that as a new Member fresh from the business world, I could shed some light on this matter by removing it for a moment from the political subtleties of a debate that seems to be getting us nowhere and putting it in a more business-like perspective.

There were some allusions, and I am thinking more specifically of the Hon. Member for Laval-des-Rapides (Mr. Garneau), who said that he was going back to March 22nd of this year, when the whole affair started. Mr. Speaker, you do not have to be an experienced politician to realize that there was a very close connection, as the Hon. Member said, between the Northland affair and the Canadian Commercial Bank.

However, the problems of the Northland Bank did not start with the events of March 22nd. In fact, they started with the Liberal energy policy. If the Hon. Member for Laval-des-Rapides, and especially the old Liberal Opposition—I said the old Liberal Opposition to make myself perfectly clear—would have us govern by extrapolating the outdated methods of a party that had cost its vitality in recent years, I think they are mistaken.

The Liberal Party should have, as it has a right to do, delegated two of its Members to the Committee on Finance, Trade and Economic Affairs. They would have gone to Western Canada to see for themselves where the whole problem started. And it did not start on March 22nd. It started as a result of the energy policy imposed by a Government, by an Old Opposition and a small Opposition.

Mr. Speaker, I would first like to inform the House of the circumstances that led to the problems experienced by the Northland Bank and a number of other financial institutions in Western Canada. The entire country was hard-hit by the recession in 1982. But as a junior Member and as a businessman who knows what it means to invest his own money in a