For most of the past 20 years, the help in this country was distributed to Liberal ridings. That is all finished because we are distributing the help in this country right across the country.

Mr. Garneau: You killed two banks and you're happy with that?

Mr. Lewis: You were not here but you know darn well that that is what your colleagues did. That is why there is only 40 of you in the House. There are only three here now but 40 all told. For years the Liberal Party either ravaged the West or ignored it depending on its whim. It is necessary to know the background to realize why we are having this debate tonight.

During the 1980s, under the Liberal Government, we saw the worst recession since the 1930s. This recession was visited upon most of the world but only in Canada did we have a government that helped it along. As a result, we had high interest rates, high unemployment, plants closing down, foreclosures, housing starts plummeting and no action was taken by the Liberal Party.

What kind of action did the Liberal Party take? It did take some action and it was called the National Energy Program. The recession was complicated by a deliberate action on the part of the Liberal Party in the form of the National Energy Program. If the National Energy Program was the child of the Liberal Government, its godparents were the NDP. There is no question about that.

When the NEP came along, the economy of the West ground to a halt and that is not something that is known only by MPs from the West, it is known throughout the country. We know exactly who ground the economy of western Canada to a halt. It was the Liberal Party helped by the NDP.

Mr. Waddell: Why helped by us? We voted against the program more than you did.

Mr. Lewis: I want the House to know what happened. When the NDP and the Liberals shut down the economy of western Canada, do you know what it meant to eastern Canada, Mr. Speaker? Factories in my riding shut down and people were laid off. Do you know what that meant to the City of Orillia, Mr. Speaker? It meant that it became filled with cars with yellow licence plates. Young people from Orillia went out West to work, worked hard, had good jobs and then the Liberals and the NDP shut down the energy industry and they had to come back home. That is what my colleagues said.

During this time, new banks were established. I think we all agreed that some competition in the banking industry would not hurt so several new banks formed in Canada including several in the West. These banks took advantage of the opportunities that existed out West in the 1970s. However, the Liberal Government—there being no members of that Party in the House to refute this—failed completely to put in place a regulatory regime which would take care of the problems banks might encounter under the new legislation and which we might wish them to avoid. I will refer to that point in a minute.

• (2200)

As a result, we saw a concentration of loans in the energy industry. There was a concentration of loans in one region. The failure to put in place a regulatory regime by the Liberal Party, complicated by the recession and the National Energy Program, led to problems. We saw falling real estate prices and falling real estate values. We saw bankruptcies. As a result, banks could not collect on their loans. They could not collect the interest or the regular payments and more and more of their loans became non-current.

I appreciate this debate is about the Northland Bank. However, I think it fair to suggest that the Canadian Commercial Bank encountered the same problems as those encountered by the Northland Bank. The House knows that the Government, along with the banks, the provinces of Alberta and British Columbia, and the CDIC, moved in with a support package which was designed to restore depositor confidence and to assist a fledgling western bank maintain its confidence in the Canadian banking system. At the same time we all know that there were difficulties with the American banking system.

Our efforts were justified by our responsibility as a national Government to help all regions of this country. We felt the support package would rectify the problems of the Canadian Commercial Bank and that that would spill over and strengthen all banks regardless of location. We felt it would enable all banks in the West to remain as players in the game and to bring some competition into the system. We all know that the situation did not get better. We all regret that. I think all Members of the House share that point of view. We found that the loan portfolios were in more serious condition than we first felt. We found that the market confidence was not restored. Thus, the Minister, on September 1, moved to take over the CCB and put curators in place at the Northland Bank.

There was a feeling at that time, and there still is, that with the directors in management and with the Government that the bank could be preserved. We gave, have given and are giving the Northland Bank time to rearrange its affairs. I am sure all Members in the House want that to happen. We want the confidence in the banking system maintained. I am sure that on behalf of all depositors and shareholders we would like to see that the Northland Bank has an opportunity to survive.

What we should look at in this situation is what we have learned. First, we have learned there is a desperate need to examine and improve our regulatory regime. There is no question about that. It was left in chaos by the Liberal Party. I suggest to Hon. Members that any Government is entitled to rely on auditors and is entitled to rely on inspectors.

Mr. Dick: There is but one opposition Member in the House.

Mr. Lewis: I am addressing my remark to that one member of the Opposition who is in the House. I know him as a hardworking colleague and I am certain he is listening to my remarks.