

*Supply*

for a place to hang our hat next election because this country cannot survive under that kind of situation.

In my short time I hope I have outlined to the minister what is really going on in northern Ontario. We had better do something about it.

**Mr. Pat Sobeski (Cambridge):** Mr. Speaker, I will be brief. The hon. gentleman talked about some 14,000 business bankruptcies in Canada. I think he would also be interested to know that just in Los Angeles county in the United States last year there were some 14,000 business bankruptcies.

While the hon. member suggests that only in Canada are we experiencing business bankruptcies, it is also true south of the border.

It is a very simple question. I listened very carefully to the hon. member's comments. It seems to me now that the Liberal policy is the nationalization of the Canadian banking system.

• (1615)

I just want to ask the hon. member if he could please clarify if it is the policy of the Liberal Party to nationalize the Canadian banking system?

**Mr. Nault:** I am sorry, Mr. Speaker, but I cannot help but laugh at the member opposite because he has basically trivialized people's lives.

**An hon. member:** He is probably another Kim Campbell puppy dog.

**Mr. Nault:** I cannot understand this. We have record bankruptcies in this country and tremendous problems. This is a very serious debate in the highest institution of the land and the member stands up and asks me a silly question as to whether I would be as dumb as the NDP and nationalize the banks.

I am not talking about that at all. What I am talking about is the fact that the banking establishments in this country can loan the Reichmanns billions of dollars without checking their credit rating. Look at the O&Y fiasco before our eyes. However, these institutions will not even give somebody in my riding a \$10,000 loan even if he has the best credit rating, owns his own home and is prepared to put that up as collateral and owns the property that the business is being run on. Now he asks

me a silly question about whether I want to have the banks controlled by the government.

I will tell him what I want. I have checked this out. There is absolutely no regulation that prevents a particular region in this country from setting up a regional bank. It is perfectly within the regulations and the act as it applies today. What I have been trying to find out is whether I could be proactive enough to convince the Ontario government to change the act as it relates to the credit unions because the Ontario government controls that particular act. If I cannot do I want to find out if there would be another mechanism in order for small businesses to get some loans.

Does the member opposite not think that a regional bank can be created under schedule A? He should take a look at the banking act to see that under schedule A one has to have so many people involved in creating this bank who are investors. This is a private enterprise system. It would have its own board from northern Ontario so I do not have to have somebody from Toronto tell me that Kenora—Rainy River is a depressed area. I want to put it back into our hands as northerners. We know best how to run northern Ontario and we will create the wealth for which we have been waiting a long time.

I want to tell the member for Cambridge how long northern Ontario has waited for the rest of Ontario to take it seriously. We have waited a long time. The Minister of State for Small Businesses of course gives us this regional development program called FEDNOR.

**Mr. Sobeski:** Are you going to do away with FEDNOR?

**Mr. Nault:** Well, Pat, just relax. I will tell the member exactly what I think of FEDNOR if he does not get his shorts in a knot. Just relax. The fact remains that FEDNOR has not created the diversification of the north that it was intended to do.

The real problem in northern Ontario is that the banking establishment has left us completely out in the cold. FEDNOR can fool around on the fringes all it likes. We appreciate the hand-out. It is a very nice thing to get a little hand-out, but Canadians and northerners are very tired of being the poor cousins of southern Ontario. We want some control over our own destiny and if the banking establishment in Toronto does not want to