

Canadian Commercial Bank

Mr. Edwards: Mr. Speaker, a reference was made a moment ago to movies. The name of the movie is *Ordinary People*.

Mr. Rodriguez: That's not an answer.

Mr. Riis: Mr. Speaker, the Hon. Member for Edmonton South (Mr. Edwards) comes from a part of the country that is experiencing a great deal of economic difficulty. Many businesses in his community would have failed and some in the critical sectors may still be failing. There are no bail-outs for them. Small- and medium-sized businesses are on their own. How can the Member stand in his place today and say that he supports this and that it is the right thing to bail out a bank? You will not bail out small business but you bail out banks. How does the Hon. Member explain that to his constituents?

Mr. Edwards: Mr. Speaker, I thought I had answered that question with my reference to "Ordinary People". As the Minister of State for Finance (Mrs. McDougall) has said so well, we are striving to protect the depositors and borrowers of this Bank in whatever way we can.

Mr. Nunziata: Mr. Speaker, I would like the Hon. Member to define for me what free enterprise means. Hon. Members opposite continually speak of free enterprise and of getting government off the backs of business. They now seem to be whistling a different tune with respect to this particular matter. Would the Hon. Member define succinctly what it means to have a free enterprise system?

Mr. Edwards: Mr. Speaker, probably the best description is that free enterprise is the opposite of what has become known in this nation as liberalism.

Mr. Deans: Mr. Speaker, I am not going to go on at length, but I know the Hon. Member recognizes that for a bank this is a rather unique operation in that it does not deal with ordinary people in the sense that other banks do. It is not the kind of place where you drop by, cash your cheque, deposit \$10, and take a look at your pass book to see how things work. Even so, ordinary people who have deposits of under \$60,000 would have been covered by the Canadian Deposit Insurance Corporation, as all other people are. The shareholders are to receive nothing for the better part of the next 10 years, or maybe longer. Their stocks have gone from a value of in excess of the \$20 to virtually nothing at the moment. They are not marketable.

● (1720)

The people who will derive the most benefit from the consolidation process that has taken place are in fact the other banks which have \$150 million in deposit with the Canadian Commercial Bank. Does it not strike him as reasonable to conclude that it was not ordinary people who were protected and that the Government, at the behest of the Bank, bailed out the banks?

Mr. Edwards: Mr. Speaker, the protection was for those small businesses, which were the borrowers of the Canadian

Commercial Bank, their families and the ordinary people who depend upon them. As the Minister said, the protection was for the depositors first, for the borrowers second and, in the last resort, for the shareholders.

Ms. Copps: Mr. Speaker, the Hon. Member has made many glib statements about the wonderful job the Government is doing in bailing out the Canadian Commercial Bank. In the Canadian Commercial Bank's Annual Report for 1984, the Member will no doubt be aware that one of the problems it was citing with respect to the loss per common share of 22 cents was high interest rates.

Would he tell us what the Government is doing specifically with respect to the current abhorrent spread between the cost of borrowing money and interest yield? What is his Government doing about the spread?

Mr. Edwards: Mr. Speaker, I believe the Minister of Finance (Mr. Wilson) answered that question today. The drop in interest rates itself is starting to close that unfortunately large gap.

The Acting Speaker (Mr. Charest): Resuming debate.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I also want to say a few words on this special Bill about "Barbara's big bank". I believe this is rather extraordinary legislation.

It raises in my mind, the minds of many of my constituents in Saskatchewan and, of course, many people in Alberta, the possibility of a double standard with respect to how depositors are treated in the case of the Canadian Commercial Bank and how they are being treated in the case of Pioneer Trust. I want to use the Minister herself as reference. Yesterday she said, according to the *Ottawa Citizen*:

But McDougall told the Commons the banking system or Canadian Commercial's shareholders were government's last priorities in agreeing to the bailout scheme.

'We didn't move to save the bank. We moved to save the borrowers and depositors of that bank,' she said.

Of course she agrees. The main purpose was to save the depositors and the borrowers who had invested in the Canadian Commercial Bank.

I simply ask that if we can do that as a Parliament for the depositors and investors in the Canadian Commercial Bank, why do we not do the same thing for the people who invested their money in Pioneer Trust? I know that many Members opposite agree with me, from conversations that we have had. Since we have set this kind of precedent, this Parliament must find a way to ensure that ordinary Canadians in Alberta and Saskatchewan are not discriminated against. I would like to see some support from Members of the Conservative Party because I am sure most of them agree with me.

I want to spend a few minutes putting on the record exactly what I mean. During Question Period today, I mentioned that I had a letter from a Saskatchewan farmer. I have his permission to use his name. His name is R. S. Schwartz from Englefeld, Saskatchewan. He wrote the following letter: