

S.O. 31

release of her officials, got that one straight. There were \$300 million, or whatever is the figure, of bad loans in energy development in southern California and in bad real estate speculation on the West Coast. They were a large part of the problems of those western banks.

● (2300)

Hon. Members opposite became involved in a debate about the NEP. Obviously I am a great servant of the Speaker of the House and would not want to deviate from the rules.

Mr. Towers: Oh, oh!

Mr. Axworthy: I know the Hon. Member opposite does not read much, so I will draw to his attention something which came out on the wire today concerning the great energy policies of his own Government. A Canadian Press report today indicated how the Conservative Government, this so-called great Government based upon wise business experience, has just lost another \$1 billion of taxpayers' money by making a ruling on the Gulf take-over which allowed the particular company involved to find a loophole in the tax system so that it would not have to pay \$1 billion in taxes on that particular energy deal. Let us see all those Members rising in their places and cheering, as they did five times during Question Period, for that particular piece of brilliance on the part of their Government in its energy policy. It only lost \$1 billion on the banks and another \$1 billion this week on the Gulf take-over! We are reaching the point where "what's a billion" is the label of this Government. It just does not care. It does not even understand it any more. The fact of the matter is that that financial institution overextended its capacity and, when it came time to make a judgment on what to do about it, the problems began. In that event a Minister of the Crown must be held accountable.

Let us look at the record of what took place. The auditors for Canadian Commercial Bank were not even asked for their opinion on that weekend. In a statement before the Finance Committee, representatives of Clarkson Gordon, the auditors, said that they were not even asked for their advice. These were the people who were looking after the financial affairs. The bankers who were invited to come in—and they said so in very clear terms—had their own misgivings. The Royal inspection team which was asked to inspect it indicated that it made no recommendation because it could not uncover enough information. Also, according to the CP story, the fact that the bankers could not do a detailed analysis of the Commercial's books was making them nervous during the meetings that weekend. One banker complained that when additional information was requested, the Government handed out the same quarterly statements which were given to shareholders. A decision of incredible and major proportions was being made by the Government and the people who were asked to investigate could not get the information they requested. Then, these so-called brave guardians of the new economic order, the Minister of State for Finance and the Minister of Finance, were not even at the meetings. They could not be bothered. I suppose there was a party down in the annex which they had to

attend. They could not get around to going to the meetings when \$1 billion was at stake. The Minister of State for Finance said: "That is not my responsibility; it is that of the officials".

Just this week a Minister resigned because he overruled his officials and stepped in on the tuna fish case. Now we have the Minister of State for Finance saying that it is only \$1 billion and that it is only the first failure of a bank since 1923. She had something else to do that weekend and could not be bothered to attend. The Minister of Finance, the Minister who is ultimately accountable, could not be found either. Is that ministerial accountability?

They want to know why Canadians were worried and were asking who was in charge, when the two accountable Ministers were nowhere to be found on a weekend when \$1 billion was going down the drain. Perhaps we should ask where the Minister of Energy, Mines and Resources (Miss Carney) was at the time of the Gulf deal. We know that she was on an island somewhere in the Straits of Georgia. She was not around when these rulings were made, either. Yet, they want to know why Canadians are concerned and why we are having an emergency debate. The fact of the matter is that that serious misstep, that incredible lack of accountability displayed by the Ministers of the Government on that March weekend, set in motion the sequence of events which is now putting the Northland Bank in jeopardy. It is an incredible fallacy for the Prime Minister, the Minister of Finance and other Ministers to rise and say that they are defending western Canada. They are the ones who started to put the Northland Bank down the drain on March 22. Rather than taking the action they should have taken on that weekend, they began to pull the plug. As the officials of that bank said, they were going through their own rescue operations beginning in the summer. At the very time when they were getting their line of credit reduced down to zero and beginning to reorganize their portfolio, the Government stepped in on the September weekend, tied the two banks together and said that Northland was in the same predicament as CCB. Suddenly they want to know why people get nervous and start pulling out their deposits and why Northland is in trouble. Is this the saviour of western Canada? Is this a Government which stands up for the West? It had the opportunity to provide major support for at least one of those institutions and, instead, we will lose both of them. That is the simple equation, that is the simple result. Because of a serious lack of judgment and a serious lack of responsibility on the part of the two Ministers responsible for our financial arrangements, we are not only in the position of losing one major financial institution in the west; we are in danger of losing both.

As one of my colleagues said earlier in the debate, the reason for this emergency debate is to say that we still do not believe that it has to happen. We still believe that Northland might be saved, if only the Government would start exercising its responsibility, acting like a Government and making decisions, rather than dodging, weaving, defending, protesting and misinterpreting day after day in the House of Commons. We