

*The Budget—Mr. Lind*

Daily in our local papers we have been reading about the scandalous collapse of one of our largest finance companies. I quote from an article in the *Globe and Mail* of February 4, 1966:

Responsibility for the collapse of Atlantic Acceptance Corporation Ltd. last summer, rests entirely with a small handful of not-so-clever—but completely arrogant—scoundrels, thoroughly familiar with the bankruptcy game.

• (2:50 p.m.)

Some of the scandal took place in the constituency of Middlesex East. Just south of 401 highway—excuse me; it is known now as the Macdonald-Cartier Freeway—on one of the main access routes to London, Wellington Road, is situated a famous shopping area known as Treasure Island. It was here that a lawyer and a London businessman set up Wildor Holdings Ltd. and, either intentionally or unintentionally, they, along with some of the principals in Atlantic Acceptance Corporation, proceeded to demonstrate how to turn the corners in business. According to the reports in the *London Free Press*, even before the British Mortgage and Trust Company had advanced the moneys under the first mortgage, a particular gentleman had his hand in the bread basket and received some \$10,000 for processing the first mortgage. It appears to me that a certain London lawyer seems to have been rather closely connected with this transaction.

Then suddenly we find the principals of Treasure Island running out of moneys to complete the project, so the British Mortgage and Trust Company foreclosed under their rights as the first mortgagee. At that time there was outstanding over \$335,000 in mechanics liens against Treasure Island by local firms and supply houses. In addition, there were several thousands of dollars in judgments against this property. The businesses concerned, which had trusted the integrity of these London businessmen and this lawyer, now find themselves with their equity completely wiped out.

The next thing we know is that Treasure Island is refinanced by Atlantic Acceptance Corporation. The people of our area naturally expected some new principals. But who are the principals? None other than Wildor Holdings Limited. The same London lawyer and businessmen are involved. They finish Treasure Island and negotiate with a local farmer for an additional two acres of land on which to build an arena. Under the guiding hand of this London lawyer they pay \$6,000 for the two acres of land. But the property is

[Mr. Lind.]

registered in the name of a relative of the London lawyer and is immediately sold to Wildor Holdings Ltd. for a mere \$100,000.

Someone cut the \$94,000 melon. It would be interesting to know who got a slice of this melon. Maybe the Minister of Finance could bring this to the attention of the Minister of National Revenue (Mr. Benson). I should like to press for a thorough investigation into this Treasure Island debacle. Many of my constituents suffered while these fellows hid behind the law.

I could go on talking about this fraud at great length. I ask hon. members to realize that this happened right under the noses of our provincial authorities. Something is very much wrong with the administration of our laws when these rascals can fleece the small businessman and not be brought to justice. Let me remind you, Mr. Speaker, that this happened in my riding and not in the province of Quebec. Allow me to quote from an article in the *Globe and Mail* of February 4, 1966:

Many of the characters in the Atlantic affair were old hands in the bankruptcy game. We recognize a number of the individuals, and had known of their association with Atlantic for a long time.

Many of these names were also associated with British Mortgage and Trust, in which a large number of my constituents also lost heavily along with constituents of the hon. member for Perth (Mr. Monteith). Several of our older residents lost much of their savings and stocks last July before Ontario finally stepped into the picture and guaranteed the depositors. I urge the minister to consider bringing all near-banks and other such institutions which are taking deposit moneys under one single act so that we can in future avoid this rocking of our financial structure. The president of Clarkson and Company says: "Atlantic is probably the worst blow the free enterprise system in Canada has suffered in many years." I do hope that these individuals are pursued and brought to justice.

Let us look at some of the statistics on bankruptcies. In 1946 defaulted liabilities in Canada totalled \$6 million, with 278 estates in bankruptcy. These jumped in 1950, the first year after the 1949 amendments to the Act, to 1,303 bankruptcies and \$25 million of defaulted liabilities. If we admit the principle of the relation of cause to effect, we must conclude that the 1949 amendments resulted in an immediate increase of 500 per cent in the number of bankrupt estates and 400 per cent in the liabilities of bankruptcies in 1950 compared with 1946.