

Oral Questions

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, that question has been answered in the House before. The precedent to which the Hon. Member has referred was long established by the previous Government, the Liberal administration.

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ENERGY**BOW VALLEY CORPORATION—PROPOSED PURCHASE BY BRITISH GAS**

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I too have a question for the Minister of Energy, Mines and Resources who has surely given new meaning to the phrase "mass transit". In his absence I will ask my question of the Prime Minister.

The Prime Minister will be aware that British Gas proposes to buy Bow Valley, a very important Canadian energy company. The press secretary to the Minister of Energy said that the deal runs counter to the Government's policy that healthy oil companies may not be bought up by foreigners. Is that still Canadian government policy? If it is, how does the Government propose to treat this proposed deal between British Gas and Bow Valley?

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion and Minister responsible for Industry, Science and Technology): Mr. Speaker, we are of course aware of the facts described by the Hon. Member. However, we have yet to receive all the details of the proposed transaction. In any case, as the Minister responsible for Investment Canada, we must ensure that the transaction will provide a net benefit for Canadians, in terms of the energy policy announced by my colleague, the Minister of Energy, Mines and Resources.

[*English*]

PRIME MINISTER'S POSITION

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I wish to direct my supplementary question to the Prime Minister. He will be aware that Investment Canada, which was mentioned, recently approved the takeover of a Canadian utility, West Kootenay Power, by an American utility. We have sold out oil companies, gas companies, water rights and electricity rights. I want to ask the Prime Minister who saw the results of the by-elections the following question. Does he want to go down in Canadian history with the political epitaph: "The man who presided over the sell-out of the Canadian energy industry"?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, when I became Prime Minister we had witnessed a period in which the energy industry in western Canada had been devastated by the National Energy Program. The NDP

and the Liberals will go down in history as the authors of that devastation.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I can tell my hon. friend that he should have learned a long time ago—and I know that my right hon. friend will agree with me on this—that by-elections do not general elections make. The Leader of the Opposition and I agree fully on that.

I want to tell my hon. friend that although his NDP colleagues are trying to squeeze him out of his seat it is a good time to leave since, when we issue a writ, we will curl his hair.

Some Hon. Members: Oh, oh!

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FINANCIAL INSTITUTIONS**PRINCIPAL TRUST—BANKRUPTCY APPLICATION**

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, my question is for the Minister of State for Finance. It also concerns the Principal Group which filed for bankruptcy yesterday.

One of the group's companies, Principal Trust, was insured by the Canada Deposit Insurance Corporation. Since the group's financial difficulties were well-publicized over the last six weeks, can the Minister assure the House that his officials moved quickly enough to avoid loss to the CDIC? Or has there been a run on the financial institution over the last six weeks leading to a substantial deterioration in the quality of the company's assets, with tens of millions of dollars of losses to both the CDIC and to depositors?

• (1520)

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I wish to respond to the Hon. Member's question as precisely as I can.

As far as the timing of the bankruptcy is concerned, deposits at the Principal Savings and Trust Co. Ltd. had decreased 7 per cent since the failure of the investors groups.

In further answer to the Hon. Member's question, I also should tell him that there has been no increase in insured deposits since that time. Therefore, the CDIC's exposure has not changed at all. It is too early to determine the final cost to the CDIC, as the liquidation procedure has not yet begun.

As I stated earlier, it is hoped that the CDIC will be able to start reimbursing depositors within three weeks for those that they cover. I remind the Hon. Member that these two investor groups were under provincial jurisdiction, and they have had their response from the provincial authorities.