

Oral Questions

companies go bankrupt, by the Canada Development Deposit Corporation, which is his direct responsibility. That is the basis of the questions I have been asking, and he is giving sleazy evasions to those questions every time I put them to him.

OFFICIAL'S REPORT

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, let me follow up on something here that is directly under the Minister's responsibility. Under the Loan Companies Act, the Superintendent, who is responsible under the Minister for those loan companies, shall report to the Minister if the assets of a loan company are not sufficient to give adequate protection to those Canadians who have their moneys on deposit. Has that report been given to the Minister and, if so, what was the date when that report was given to the Minister, and when will the Minister report to the House on what action he is taking in response to that report?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, indeed the Canada Deposit Insurance Corporation is subject to the jurisdiction of the Government of Canada under the British North America Act. I am not sure which corporation the Hon. Member is referring to when he refers to the "Canada Development Deposit Corporation". That is a new one to me. However, I would like to remind the Hon. Member that the federal Government indicated its intention over a week ago. Under its jurisdiction the Canada Deposit Insurance Corporation has moved to increase deposit insurance coverage from the \$20,000 limit to a \$60,000 limit, which was part of the recommendation of the Finance Committee, supported by the Hon. Member, in the Committee's report on bank profits to this House.

● (1420)

Mr. Wilson: I do not know whether the Minister heard the statement given to the House just a few minutes ago by the Hon. Member for Mississauga South. It is that type of evasive answer that indicates to Canadians that the Minister is not in control of the situation, and that undermines the confidence that Canadians want to have in their financial institutions but are being robbed of by his incompetence or his lack of knowledge about what is going on.

ROLE OF CANADA DEPOSIT INSURANCE CORPORATION

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, under the Canada Deposit Insurance Corporation Act, if the Corporation believes that a trust company or a mortgage company is following unsound business practices it can threaten to terminate the deposit insurance provided for that company's depositors. Did the CDIC uncover unsound business practices? Did the Corporation threaten to terminate deposit insurance with any of the five companies involved in the Crown-Seaway-Greymac mess and, if so, when?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I think it is widely known to most people—

with the probable exception of the Hon. Member who raises the question—that the Loan Companies Act indicates that if the superintendent is concerned about any federally incorporated companies under his jurisdiction then, in a report to the Minister of Finance, he may indicate that concern, and request confirmation of his opinion that there are difficulties with those companies.

As probably every Canadian except the Hon. Member knows, at about the same time as difficulties with Crown Trust arose, the superintendent did indicate that situation with reference to two federally incorporated mortgage companies. Under the Act the principals of those firms have a right to a hearing. In one case the hearing has commenced, and in the other case, the solicitors have asked for time for a hearing. In both cases the Minister has to act in a quasi-judicial capacity in response to their request. As those proceedings are going on, and because I have to act in a quasi-judicial capacity, I cannot report until the hearings have been completed.

ACTION TAKEN BY MINISTER

Mr. Don Blenkarn (Mississauga South): Madam Speaker, the Minister was aware that there were problems with Greymac and Seaway nearly a year before the matter became public. When was the first time that the Minister took the action he is required to take under the provisions of the Loan Companies Act, and what action was taken under the Canada Deposit Insurance Act after the Minister heard these rumours and after these concerns became apparent to him?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I am sure the Hon. Member was in the House when I answered the last question put by his colleague. It was the same question. I invite him to look at the answer in *Hansard* if he did not hear it or understand it.

QUERY RESPECTING ROLE OF MINISTER

Mr. Don Blenkarn (Mississauga South): Madam Speaker, with respect to the provincial companies the Minister has said that he has no responsibility. Why is it, then, that the Canada Deposit Insurance Corporation is putting up all of the cash with respect to these defalcations? Why is it that the Province of Ontario is not putting up a nickel? Is it because the Minister really has responsibility here? Is it because the Minister did not follow up on the information he had for a long time? Is it because the Minister is afraid of a real investigation?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, if the Hon. Member has questions concerning the trust companies under the control of the Province of Ontario, that were incorporated under the laws of the Province of Ontario and that, under recent legislation, have come under the ownership and control of the Province of Ontario, then I invite him to direct his questions to the Premier of the Province of Ontario.