

Adjournment Debate

They must have felt they had adequate protection from some source that would allow them to operate in this loose fashion.

There is ample evidence and a sufficient number of unanswered questions to support a full inquiry into this matter. Beyond that, the trust industry would benefit from an airing of the matter. It just will not go away; the industry has been hurt badly by the Astra Trust fiasco. The time to act is now. I hope the minister will shoulder his responsibility and order a full inquiry into the matter.

● (2215)

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, on Monday, January 26, warrants issued by the Deputy Speaker of the Ontario legislature were served on Richard Humphrys, Superintendent of Insurance, and Richard G. Page, director of the trust and loan division of the Department of Insurance, requiring them to appear before the Ontario standing committee on the administration of justice. It is clearly established by legal precedent that a provincial body is without authority to investigate or inquire into the administration and management of a federal agency. This is a major principle.

Accordingly, Messrs. Humphrys and Page, although they appeared before the committee as required, took the position through counsel and at the direction of the minister, that since the only matters being studied by the committee that were within their knowledge involved their duties and actions as officers of a federal department of government, they were not required to give evidence before the committee. Their view was supported by the deputy attorney general of Ontario at the same session. The committee then asked if Mr. Humphrys would answer questions relating to evidence already given to the committee and to the interaction between federal and provincial legislation and regulatory activities.

After consideration and consultation with the minister, counsel wrote to the committee indicating that it did not seem possible to respond to this modified request without breaching the constitutional principle. The committee insisted on the validity of the warrants, and on January 29 counsel filed an application for a judicial review of their validity.

The government takes the view that matters relating to Astra Trust and the alleged involvement of Re-Mor and C & M are being adequately investigated by the Ontario Provincial Police, the RCMP and persons in charge of the liquidation of Astra, Re-Mor and C & M.

The minister is satisfied that the actions of the department of insurance in the matter were appropriate and there was no improper pressure applied to department officials at any time. A charter was granted to Astra Trust after careful investigation and inquiry, whether by the RCMP or other bodies, into every matter brought to the attention of the department. Close co-operation with the Ontario authorities took place at the time, and subsequently.

The department had no knowledge of the formation of Re-Mor and only learned of its existence in the spring of 1980. Termination of the activities of the trust company followed

soon after. The department had no authority to look into the affairs of Re-Mor even had it known of the company's existence.

The principals seeking to form Astra Trust undertook to close down C & M after the trust company was formed, but the department had obtained a fully audited statement by an independent auditor of C & M before a trust company charter was granted. The audit report was without qualification.

ENERGY—PROJECTED PRICE INCREASES FOR CRUDE OIL

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, this evening I would like to refer the Minister of Energy, Mines and Resources (Mr. Lalonde)—and I am sorry he is not in the chamber—to an exchange that we had over eight months ago on June 4, as it appears at page 1740 of *Hansard*. At that time we were discussing the possibility that the government might not be able to enter into an agreement with the province of Alberta and other producing provinces with respect to the price of oil in this country. At that time, the energy minister said:

—we are in the process of negotiation.

That was on June 4, 1980. I asked the minister at that time, and I quote:

Since this is the first time since mid-1977 that we are coming to the conclusion of an existing crude oil pricing agreement between Alberta and Canada, I would ask the minister: On July 1, in the absence of a further extension to the June, 1977, agreement—

Is it not true that Alberta may raise the price of oil unilaterally? The minister replied:

I have stated repeatedly in this House that our purpose is to achieve a negotiated agreement. This is still our objective and first priority. I hope by the end of the month to be able to announce to my hon. colleague that indeed we have reached agreement.

I think it is only fair eight months later, almost to the day, that we ask the minister what has gone wrong. We have learned various things in the interval. For example, we have learned that in the energy program which was brought in with the budget on October 28 that prices are going to rise. In January, 1980, the price was \$14.75 per barrel. By August, 1980, it had gone up to \$16.75, up \$2. By January, 1981, the price reached \$17.75 per barrel.

● (2220)

The rather astounding thing which has received so little publicity is that this government has gone on to indicate it intends to raise the price of conventional oil to \$66.75 by 1990. This will mean that roughly, between the time I asked that question and 1990, the government has in mind increasing it by \$52 per barrel. That works out to an average per year increase contemplated by this government of over \$5 per barrel.

During the campaign we were unfortunately forced into, and which we lost, the government lambasted us for raising the price of oil too quickly. Hon. members will recall in the budget debate they belabored the then minister of finance, who stated