

The Speaker of the Ontario legislature issued a warrant for the Superintendent of Insurance in the department of finance and one of his officials to appear before the committee to give evidence and assist it coming to conclusions about the twisted events that led to the bankruptcy, receivership and winding up of three companies. The committee is also interested in the bilking of hundreds of innocent victims of their life savings, which amounted to millions and millions of dollars.

To the surprise of everyone concerned, I am sure, the federal officials were advised not to appear before the provincial committee. Two levels of government are involved, one going against the other. Some people may ask what the connection is. When a federal company is incorporated and operating in a province, it comes under the jurisdiction of a securities and exchange commission or, in this case, the Ontario Securities Commission. That body is responsible for seeing that companies operate within the laws of Ontario. Federal officials are in possession of certain information that is required by the provincial committee so that it may reach a decision, but that information is denied.

It is strange that on February 5 the committee will appear in the Supreme Court of Ontario to test the validity of the Speaker's warrant and to ask the court to order the Superintendent of Insurance and one of his officials to appear before the committee and co-operate with it.

I asked the Minister of State for Finance (Mr. Bussières) some questions regarding the appearance of the Superintendent of Insurance and other officials before the justice committee. He told me he had advised them not to appear.

On several occasions I have tried to plumb this matter with the minister in an effort to get some concrete information. Several hundred people have lost millions of dollars as a result of what appears to be a mammoth fraud.

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The minister has tried on several occasions to pass off the connection between Astra Trust, Re-Mor and C & M Financial Consultants Ltd. They are the three companies involved in this mammoth bankruptcy. They are interconnected through common ownership of share stock and directors. The minister has said that we should not try to link Astra Trust and Re-Mor unconditionally. He has said the nature of the inquiries is different, that the RCMP is investigating Astra Trust and that the province of Ontario is investigating Re-Mor. No information has been given by the minister, and now he has told his officials not to appear before the committee nor to give information.

These three companies collapsed last spring. As we all know, bankruptcy is a federal matter. Information available indicates an agreement was made by the principals in Astra Trust to make an additional investment of \$2 million over an agreed period of time. That money came from Astra Trust investors to Re-Mor and then from Re-Mor, in the form of mortgages, it went out to a group of companies controlled by the principals of Astra. Then it went back into Astra Trust. In other words, it went out of one pocket into another pocket in the

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same pair of pants. That is the dimension of the fraud we have before us.

I hope this bill in some way will allow information of this sort to be made available. I hope also that when a provincial body with financial responsibilities is trying to investigate a fraud of this nature, where federal officials have been involved—as I will show later—this bill will allow a large measure of mutual co-operation. The matter can then be looked at, and we can get to the bottom of it so it will not happen again. Therefore, we can save innocent people from being taken this way again.

The minister would have us believe that his officials were unaware of the source of the \$2 million of so-called additional investment. The evidence is to the contrary, and I will come back to that point in a moment.

I am convinced by what I have read about this and by the information I have been able to gather that they did know and that they knowingly allowed a provincial mortgage company, namely Re-Mor, to be used as a conduit for money going out of and into Astra Trust.

But there are other pressing questions. What magic hold did the principals of Astra Trust have on the president of the Liberal Party of Canada that he would comment in a memo of his law partner? This memo was read into the record of the Ontario committee the other day. It says:

Stanbury pointed out problems, pressures and flak he would receive if this application is turned down.

The application, of course, is the application of Astra Trust for a trust licence. Maybe the freedom of information bill would help us get that out. But seriously, what problems, what pressure and what flak is he referring to? When Astra Trust was in violation of the Trust Companies Act and its regulations, it was the president of the Liberal Party of Canada who informed the president of Astra Trust. It was the president of the Liberal Party of Canada who arranged for his law partner to draft a rescue agreement designed to funnel \$2 million of additional investment by three directors into Astra Trust. We have to ask ourselves whether this is the normal function of a president of a political party. Does he, in the normal course of events, mount rescue operations? Did anyone ask where the \$2 million originated? What is the hold which the president of Astra Trust has on the president of the Liberal Party of Canada? Was there *quid pro quo* for such exceptional and diligent assistance? That sort of information being brought before this committee is a reason why we need a freedom of information law.

The connection between Astra Trust, C & M and Re-Mor is solid, and the depth is known. The Ontario justice committee sitting on January 14, 1981, at page 21 of its minutes recorded a means dated December 6, 1978. In part, we find:

RCMP investigating mortgage frauds in the Niagara region.

It goes on to say that the Ontario Securities Commission wants to put a receiver into C & M unless Humphrys, the Superintendent of Insurance, strenuously objects. That is in the record of the committee in Toronto.