

Inquiries of the Ministry

An hon. Member: Go ahead.

Mr. Sharp: But I do not feel that I should assume responsibility for the financial administration of the Ontario government.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: This self directed applause indicates how weak the answer was.

Let me again ask the minister to answer the following question: Will he set up a commission or an investigation to look into the ramifications which have been revealed in recent days regarding one insurance company, for the purpose of dispelling the fears of investors at home and abroad?

Mr. Sharp: Mr. Speaker, just so that this statement by the right hon. Leader of the Opposition does not cause unnecessary concern about Canadian insurance companies, let me say that this is the only case which has come to the attention of the administration where any federally incorporated insurance company for which we have responsibility has been in any difficulties. In this case, difficulties arose because of the theft of \$500,000 worth of securities, and only for that reason. So far as I know there were no other cases.

Mr. Diefenbaker: You are the one who is causing the difficulties.

[Later:]

Mr. H. R. Ballard (Calgary South): Mr. Speaker, I wish to address a question to the Minister of Finance, but in order to get it into proper context I should remind him that yesterday he suggested he would do the following:

I should like to discuss with the Canadian companies whether it is necessary to tighten regulations in such a way that the policyholders of Canadian companies have just as much protection as the policyholders of British and foreign companies operating in Canada.

My question is this: Has the Minister of Finance sent an invitation to the Canadian insurance companies to attend such a meeting to come to such a conclusion?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I directed the Superintendent of Insurance, who is one of my officers, to issue such an invitation. I understand he is issuing it to the association which is called, I believe, the All-Canada Association of Insurance Companies. I am not absolutely certain of the name of the association.

Company was involved, which of course is not so. In addition, I gather that on the C.B.C. news last night a partial statement that I had given to the C.B.C. was carried, which implied that I believed that Canadian general insurance companies were less trustworthy than British and foreign companies operating in Canada. I would like to deny that. But I would say in answer to the question that has been asked that I do believe it is most important that I should have meetings with these Canadian companies as soon as possible, so that the fact of the failure of the North American General Insurance Company should not have an adverse effect upon the rest of the reputable Canadian companies.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I wish to ask a supplementary question, Mr. Speaker. In view of the apparent failure of the Ontario Securities Commission to protect investors from financial manipulation, and the decision that was made not to hold open hearings into the collapse of Prudential Finance and associated companies, will the minister, in view of the federal responsibility in the insurance field, take steps to have a full-scale public investigation so that confidence which has been undermined, as was suggested a moment ago by the minister's answer, will be restored for the many investors at home and abroad, and Canadians may have the assurance that their savings will be protected from financial manoeuvring?

Mr. Sharp: Mr. Speaker, I am surprised that the right hon. gentleman would suggest that we should have a royal commission to investigate the administration of the Ontario government. That is not our responsibility.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: That is about as close to the truth as the hon. gentleman often comes. May I ask at once whether an investigation will take place, since the responsibility regarding insurance companies rests here, so that statements such as the one made by the minister on television, which has caused unnecessary hurt to decent companies will be avoided? He was the responsible one.

Mr. Sharp: Mr. Speaker, I am quite happy to answer questions regarding the responsibilities of the federal government toward insurance companies at any time that the right hon. gentleman or anyone else wishes to ask me any questions either here in the house, in a committee or elsewhere.