

Adjournment Debate

The Government stands indicted for its failure to do something. All sorts of people placed their money with Greymac and Seaway during 1982. Indeed, those corporations were touched by the Province of Ontario as being a fair place for boards of education and municipalities to put surplus funds. My own board of education, the Peel Board of Education, on January 1 of this year put \$3 million with Greymac. My own municipality, the Municipality of Mississauga, in March 1982 advanced to Greymac Mortgage Corporation \$1 million on a note for one year.

Somewhere along the line the Government, responsible for Greymac and responsible for Seaway, through its mortgage corporation arm, and certainly under the Canada Deposit Insurance Corporation, had a responsibility to act. It did not act. People have suffered. Tremendous losses have been incurred. It is time for the Government to come clean.

Hon. Paul J. Cosgrove (Minister of State (Finance)): Mr. Speaker, in my previous comments in the House during Question Period, responding generally to the observations of the Hon. Member for Mississauga South (Mr. Blenkarn), I indicated that pursuant to Section 73(1) of the Loan Companies Act, as in the case of the two federal mortgage loan companies here involved, the Superintendent makes a report to the Minister as to his concern about the ability of companies to continue business under the provisions of existing licences. Section 73(2) of the Act further provides that the Minister, upon receiving that report, shall first of all hear the principals of the company as to the information given by the Superintendent in his report, and then shall determine at that point what course of action the federal Government should follow.

• (1815)

I am still in the process of receiving submissions by principals of the company as represented by solicitors. As a matter of fact, as late as Tuesday of last week, further submissions were made by the company to its solicitors and principals, and the proceedings were adjourned in order for them to file even further material. Until such time as they have completed their submissions, and I have made a report on this matter bearing on the very issues raised by the Hon. Member, as I have indicated, it is not possible for me to go into some of the details which the Hon. Member has requested.

I might be able to assist the Hon. Member, if he is concerned, as he has indicated he is by indicating that provincial authorities who are responsible for the parent companies of the mortgage companies, for which there is responsibility on the part of the Superintendent of Insurance under federal legislation, and the Province of Ontario, which has a responsibility, were somewhat prejudiced in that they may have gained information from the federal Government about the subsidiaries, that they did not have, which pertained to the companies. I can put his mind to rest. There is continuous discussion and communication between the officials of both departments, and at all times officials of the Province, responsible for the parent companies, were aware of all of the actions taken by the federal Government.

INDUSTRY—LAY-OFFS IN SOUTHEAST BRITISH COLUMBIA COAL PROJECTS

Mr. Sid Parker (Kootenay-East Revelstoke): Mr. Speaker, on January 27 I raised a question with the Minister of Industry, Trade and Commerce (Mr. Lumley) regarding the \$1 billion which the federal and provincial Governments have provided to support a coal industry in northeastern British Columbia. This is a very important question for my riding because it deals with coal.

Coal is very important in Kootenay-East Revelstoke. It provides jobs for thousands of people and is the reason for the existence of towns such as Sparwood and Fernie. But the existence of those towns is threatened. In the community of Sparwood alone 2,000 coal miners have had temporary lay-offs. Four hundred workers have had indefinite lay-offs and this project has not yet come onstream.

That figure of 2,000 lay-offs is pretty significant. I saw the same figure when I was reading the 1982-1983 Economic Review and Outlook published by the British Columbia Ministry of Industry and Small Business Development. That review had a section on northeast coal. It stated that the development would create 2,000 new jobs at the mine site alone. That is quite a coincidence. While Governments are planning 2,000 new coal jobs in the northeast, 2,000 coal miners are being laid off in the southeastern part of British Columbia.

The Minister of Industry, Trade and Commerce was careful when he answered my question to point out that the federal Government had been involved in developing northeast coal. He said he wanted it understood that the federal Government had substantially assisted the British Columbia Government in this venture. Between the two levels of government the assistance is substantial indeed. That help in the form of railways, roads, a new town site and seaport will come to about \$1 billion. The coal companies will be putting up only \$1.6 billion. That is quite a massive subsidy considering what some of the people from the southern coal companies have had to say.

Mr. Bob Brady of B.C. Coal said of the southeastern producers:

We could have expanded to meet the demand and it wouldn't have cost the taxpayer a cent. The infrastructure is all there.

Mr. Jerry Joynt of Fording Coal said the same thing. The point is that the B.C. and federal Governments have spent a billion dollars of taxpayers money and the main effect will be to destroy over 2,000 jobs in one place and create those same jobs somewhere else.

• (1820)

These communities will be badly hurt by this; the families will suffer upheaval and unemployment. I called upon the Government to do something, by ensuring that northeast coal did not come on stream until southeast coal production was approaching its capacity. The only thing the Minister could say was that he could not decide which Governments buy coal and from whom.