

Private Bills

Failure on the part of a company does nothing to enhance the confidence of the public. Even the fact that this name "Commonwealth" was so prominent among this group really did nothing to save the company from failure. I believe what is happening here is that some members have recognized the inconsistency of my argument. However, I do not think that is the main point. We can see that by this sort of manipulation of names, capitalization and so on, as well as other little stunts such as intercompany transactions, these companies are doing nothing to improve the kind of situation I thought we were attempting to improve in this country. I thought we were attempting to build a very solid financial structure upon which to base the kind of expansionist policy in our economy that we so desperately need, especially when one considers the extreme nature of the employment situation today. Unemployment is not a problem only in my province. I am sure a number of other provinces are a great deal worse off in this regard. In any event, there is a growing distrust among the public of our financial institutions generally. The reason behind this is not just the failure of various financial institutions but also results from the fact that there are numerous little manipulative arrangements which go on from time to time which people do not understand. Some of them are interesting, and it even takes years for the courts to understand them.

● (5:50 p.m.)

We are concerned with the type of arrangement of our finances that will have a beneficial effect on our economy. If we continue to play around with this kind of thing, and if members on each side of the house concern themselves mainly with passing a particular measure regardless of its long term consequences, I do not see how we can make any progress. In fact we are wasting money on these changes. In this country we are faced with galloping interest rates. The hon. member for Timiskaming stated that the field in which this company is engaged is an extremely lucrative one, although it may not be lucrative to everyone. However, if one happens to be in a position of command and has the necessary knowledge it can be lucrative for him. This is not so in all cases. It was not so in the case of my constituent who lost \$10,000 or more in a recent transaction because of our failure as a government to guarantee the type of protection needed to guard against violation by a member of a

[Mr. Rose.]

financial institution of the principle of protecting the money of the investors.

Mr. Lind: Mr. Chairman, I wonder whether the hon. member would permit a question.

Mr. Rose: Certainly, Mr. Chairman.

Mr. Lind: I fail to connect the remarks of the hon. member concerning this loss of \$10,000 with the change of name of this company. I understand that this company, the London and Midland General Insurance Company, is a respectable company which has never been in bankruptcy. I wonder how he connects the \$10,000 his friend lost with this company.

Mr. Rose: I shall be glad to attempt to relate this for you. I was just giving this as an example of the kind of financial jungle which is operative in our country. My friend, or my constituent, happened to lose his money through an investment in a Canadian institution. This type of transaction not only involves him as a person but also shakes the confidence of people all over the country in the kind of arrangements we make for the protection of people who happen to make investments of this nature.

Mr. Lind: Mr. Chairman, may I ask the hon. member for Fraser Valley West what the situation in respect of this particular gentleman who lost his money has to do with the change in the name of this insurance company.

Mr. Rose: I attempted to explain to you the connection. If I have been vague or if you have been unable to understand the answer I would be very pleased to ask if you made yourself quite clear. I am wondering whether there is any connection between you and this particular insurance company about which we are speaking.

Mr. Lind: You did not ask that.

Mr. Rose: I am attempting to demonstrate to you that this kind of manipulation of names and shaky financial situations are some of the things which destroy the confidence—

Mr. Lind: Mr. Chairman, I object to the hon. member using the words "shady financial manipulation". There is no shady financial manipulation.

The Deputy Chairman: Order. Is the hon. member rising on a point of order?

Mr. Lind: Yes.