

MPP's report from Queen's Park

By JULIAN REED, MPP
Haltoun-Burlington
TRUST COMPANY
CONTROVERSY

The furor about Ontario trust companies continues unabated, with new developments becoming public almost daily.

One question being asked is whether the Trust Companies Association of Canada took advantage of inside information to withdraw \$64,000 from Crown Trust Co. Jan. 7, mere hours before the company's assets were seized by the province. The government has been sharply criticized by the Opposition about this allegation, which is currently being investigated by the Ontario Securities Commission. Also being probed by the Commission are reports that Guaranty Trust tried to withdraw \$1 million from Crown Trust the day before the takeover. Needless to say, the Trust Companies Association is refusing to comment on the controversy.

Millions of dollars in negotiable securities are being, or have been removed from the vaults of Crown Trust for safekeeping by the Bank of Canada as a "precautionary measure". Greymac Trust Co. and Seaway Trust Co. have also been taken over by the province due to concern about mortgages advanced in transactions involving some 11,000 apartment units in Metro Toronto.

Provincial government lawyers are checking into the proposed sale of the company which manages the former Cadillac Fairview apartment and townhouse buildings to an American firm. If this sale is concluded, it would mean that the 30,000 people who live in the controversial units would have their third landlord in as many months, a development described by David Peterson as "incredible".

In other developments, the owner of Seaway Trust has accused the government of rewriting the accounts of his seized company. The Minister had earlier told the Legislature that Seaway's accounts were "seriously lacking in accuracy".

Apparently, also, there is a Swiss financier involved with two of the three trust companies seized by the Ontario government, and a private Edmonton firm is a strong contender to purchase Crown Trust.

According to the Solicitor-General, the Ontario Provincial Police and the Royal Canadian Mounted Police are investigating mortgage and trust firms involved in the controversial apartment unit sale.

The minister of consumer and commercial relations, in a statement to the Legislature Jan. 17 said that Crown Trust had not been "a viable concern" when the government moved in Jan. 7, that the company's lending practices since last



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September have departed from the conservatism that had been displayed

before then and serious deficiencies have been found in the security underlying about \$130 million of its investments.

The minister has intimated that the crisis in confidence in the activities of Crown Trust, Greymac Trust and Seaway Trust has shocked his staff and himself into re-evaluating the government's role in monitoring such institutions. "We may in the future," he said, "have to commit greater resources to the review of financial insti-

tutions to enable us to make more detailed and extensive examinations of some operations on a more routine basis."

Some people are asking how the minister and his officials could be so naive, bearing in mind what happened not so long ago in connection with Re-Mor Investment Management Corporation and its parent company Astra Trust Company, and the fact that these companies continue to be the subject of continuing court battles and arguments over the Government's liability in

the matter.

GENEVA PARK CONFERENCE

The Ontario Liberal Party held a Caucus Conference at Geneva Park on the shores of Lake Couchiching Jan. 14 and 15. More than 200 people attended the conference which dealt with issues expected to dominate the public agenda in Ontario throughout the remainder of the 1980s and into the '90s. Experts spoke on a broad range of subjects, including the province's changing demographics, strains between the government, business

and labor, and the relations between the government and citizen.

Liberal leader David Peterson described the conference as part of a process to build an intellectual foundation for the party, and stated that he would not want to be in the position of the Ontario Conservatives who after almost 40 years in power have to use all their intellectual capacity justifying the past. "I am convinced", he said, "that people in Ontario want to break out of the economic straightjacket and are open to new

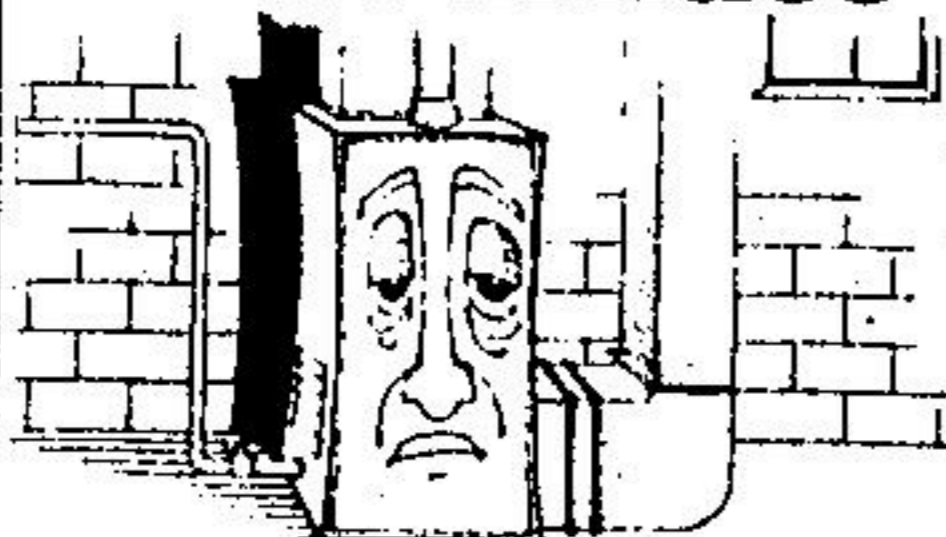
ideas, provided they are well thought out and are explained fully."

The papers on the weekend think tank are to be published and will lead to a further series of conferences involving larger numbers of people from across Ontario. "We're not creating a platform at this time, but building a bank of material leading to specific Liberal policies," said Peterson. "We need a strategy to solve Ontario's problems and that will take a great deal of tough analysis. For now we're building understanding and ideas."

Deadline nears for Photoart '83

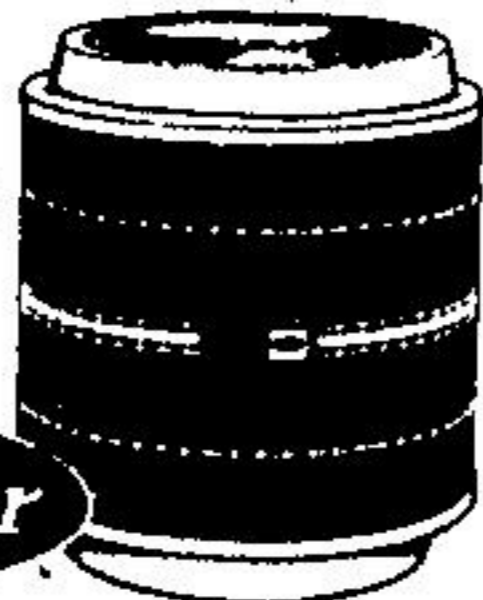
The deadline is fast approaching for "Photoart '83", Haltoun Hills' second annual juried exhibition of photography. Photographs selected from among entries by a panel of three local judges will be displayed in the library-cultural centre throughout March. Enter your color or black and white prints by Feb. 12, mounting each on white board with a three-inch margin, on which you must sign your name in pencil. Write all pertinent data on the back and place the photos in an envelope marked "Photoart '83". Entries are being accepted at the Georgetown library.

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