

Pioneer Trust

commitment without a full appreciation of Pioneer's financial position. Members of the Government of Saskatchewan made that commitment without looking at the books of Pioneer Trust. I find that amazing. I am dumbfounded by the fact that such a commitment could have been made without first having a look at the books.

I understand that after that commitment was made public Members of the Government of Saskatchewan made requests of the officers of the company to see the books. As I understand it, senior management of Pioneer Trust simply did not comply with that request, or at least it took them quite a while to comply. I understand that some of the senior management people in that company went off on long, extended holidays during that period in December that was so crucial to the continuing success and well-being of their enterprise. Surely that was irresponsible behaviour on the part of senior management members and as well on the part of the Minister of Finance of the Province of Saskatchewan who made that commitment in the first place.

I understand that when no figures were made available from Pioneer management, the Province of Saskatchewan finally decided it had better act on its own and sent some of its people from the Finance Department to look at the books of Pioneer. Again, this is a somewhat odd situation because I am sure that those civil servants from the Saskatchewan Department of Finance were not experts when it comes to looking at the books of a financial institution. Be that as it may, these civil servants came back with the conclusion that Pioneer's situation was even worse than they had first thought it to be. That then became the public reason for the Province of Saskatchewan to decide not to proceed with its guarantee.

Some of us in political life try not to become too cynical. When seeing events occur on a day-to-day basis, it is all too easy for politicians to develop a sense of cynicism. I am afraid that I have great difficulty holding back my sense of cynicism when it comes to this whole sordid mess. I understand that one of the things the provincial Government did was to send out approximately 1,000 letters to professional people, lawyers and business people in the Province of Saskatchewan inquiring what they felt about the bail-out that the Province of Saskatchewan was proposing for Pioneer Trust Company. The response from these professional people was that they were against this bail-out. Therefore, I wonder whether the Province of Saskatchewan acted for political reasons when it decided not to proceed with the bail-out or whether it did in fact act in that manner because the books were so bad that the company was a bottomless pit, the bailing out of which was not in the interests of the public of Saskatchewan.

Another comical aspect of this matter—I suppose I could call it comical if it were not so sad—was the provincial Government and its Minister of Finance accusing the federal Government and the Superintendent of Insurance of being the villains in all this. The provincial Minister accused the Superintendent of Insurance of being a little too harsh on Pioneer management by indicating that he should have held back and given Pioneer more time. He indicated that the problem with

trust companies was that they were being over-regulated. In fact, the Saskatchewan Finance Minister was suggesting that the federal Government should relax its regulations. I find that statement made by the Minister of Finance of Saskatchewan to be incredible. That is not what the events of the last number of months and indeed the last number of years have shown. In fact, the Province of Ontario has experienced a fair number of trust companies going belly up.

I think it has been shown that the problem has been that there has not been enough regulation and that the CDIC has been woefully understaffed. It does not have the ability to carry out its proper mandated duties to regulate these trust companies. I think it has been shown that the Superintendent of Insurance and the Minister did not know the actual situation faced by Pioneer Trust.

Again, we heard this later through statements that the Minister made both in and out of this House regarding why she did not attempt to get some agency agreement so that Pioneer Trust could be saved. She has stated publicly that the reason they did not try for an agency agreement was that they first realized how bad the situation was when they looked at the books. So the federal Government did not know how bad the situation was and that is because the Superintendent of Insurance and CDIC did not have the ability properly to monitor these trust companies. For the Minister of Finance and the Province of Saskatchewan to suggest that the regulations have been too strict and should be relaxed, I find the ultimate in nonsense and irresponsibility.

• (1150)

We come today, therefore, to the sad situation where the public of Canada is asked to dish out even more money. The Minister admitted in her remarks that some \$203 million already has gone into paying off the insured depositors. The federal Government is asking for \$5 million more. The Province of Saskatchewan will have to dole out some \$10 million more. That is a situation, Mr. Speaker, that I believe somehow could and should have been prevented. One would have thought that the federal Government, which prides itself on its business management, and a provincial Tory Government which prides itself on its business management, should not have allowed the loss of several hundred millions of dollars "oops" through their fingers; "oops, a mistake".

It is amazing to me how these astute businessmen and business-women paraded themselves in front of the electorate saying; "Elect us; we know how to run the shop". You should have heard them in the Province of Saskatchewan in 1982, Mr. Speaker, during that provincial election. They said: "Let's get rid of the New Democrats because they are the sloppiest administrators in this country. They are a spend-all party and have no sense of business and keeping the bucks". They said: "Elect us as experienced businessmen and business-women and we will have a businesslike Government". That was the rhetoric. But, Mr. Speaker, one just has to look at this fiasco to realize that these so-called businessmen and business-women who claim they really know how to run the shop and how to