

the specific need is for new regulations and a stronger regulatory body. These questions deserve some clear answers.

We would like to know as well from the time the decision was made by the provincial Government, which I understand from the Minister's letter to me dated March 7 where she said "On February 4, the Superintendent was informed by the Government of Saskatchewan that it would likely not be proceeding with the guarantee of the preferred share option", to when Pioneer closed its doors on February 7 if there was any trading in shares or any extra trading in shares. Did some people who had inside information that the provincial Government would not be continuing with its guarantee use that information? We would like to know if there were withdrawals of deposits from Pioneer Trust.

These are legitimate questions that have to be raised and answered in a public forum. At this stage of the game, just to hand over more millions of dollars to clean up the mistakes that have been made without answers to these questions is not right. As representatives of the people with the responsibilities that we have as Members of Parliament, we have to try and get answers to these questions.

The Bill essentially deals with one part of the uninsured group, those people who had put in money under the guaranteed income averaging certificates lasting over five years. My colleague from Yorkton-Melville (Mr. Nystrom) raised this in the House, as did I. We pointed out to the Minister that people had bought the certificates and that on the application forms, and so forth, the CDIC stamp appeared. This insinuated that CDIC was insuring the certificates. Many people became quite shocked when they realized that they were not guaranteed by CDIC. Many of these people are not rich. A fair number are retired business people or farmers who have no pension scheme. They have saved all their lives and have sold their businesses or farms. The amount of cash they received is their sole asset, their sole source of income.

Many of these people had invested in these certificates and were living off the interest. The interest was like their monthly pension cheque. With the collapse of Pioneer, these people soon discovered that their source of monthly income, their security, had been wiped away.

It is obvious that the Superintendent of Insurance and the CDIC had some responsibility in this. After all, they were the policing agents. They had the responsibility of making certain that trust companies like Pioneer Trust did not suggest to their depositors that their investments were covered under insurance when in fact they were not. The federal Government has a responsibility to be a policing agent. It was obvious that it had not fulfilled that role, that it was not aware that Pioneer Trust was issuing income averaging annuities with the CDIC stamp on them, suggesting that they were insured when in fact they were not.

There is no doubt that the federal Government had a responsibility. The Minister's Bill is an acceptance of that responsibility. If these forward averaging annuities did not have the CDIC stamp on them, I doubt that we would be seeing this Bill in front of us today. The Minister asks for \$5

million in compensation, yet by her account some \$10 million has been invested in these certificates. The Minister said this morning that she hopes that the other \$5 million will come from the sale of the assets of Pioneer Trust. We are still not quite certain what people are to do in the meantime. When will the assets of Pioneer be sold? When will we know how much money has been collected under the sale of the assets of Pioneer? What do people do in the meantime?

Since the Bill recognizes the responsibility the federal Government has for this \$10 million that has been invested in these guaranteed income averaging certificates, why does the Bill not ask for \$10 million? What the federal Government could get back out of the sale of the assets of Pioneer could then be recovered by the Government later on.

● (1140)

The events surrounding Pioneer Trust are worth mentioning here today. I rose during Question Period on February 7 to ask the Minister a pretty general question. At that time, I asked her if it was true that her Department was concerned about Pioneer Trust and other trust companies in western Canada. My question was based on a report that originated in *The Globe and Mail* earlier this year which suggested that there had been some investigation by the Superintendent of Insurance into trust companies in western Canada. The Minister assured me that there were no problems and that none of the trust companies was experiencing difficulty.

Later on that same afternoon, I received a message from the Minister's office stating that the Minister of Finance of Saskatchewan was about to announce publicly that the Province of Saskatchewan would not continue with the guarantee of Pioneer's public share issue that the Saskatchewan Government had publicly made. Therefore, Pioneer Trust closed its doors later that afternoon. In the months of February, March and April, we heard of more financial institutions in western Canada going under.

I appreciate why the Minister stated in the House that none of these financial institutions was in trouble. I suspect her reasoning was that she did not want to see a run occur on these financial institutions. However, when one takes that position, one also pays a price. Perhaps the price one pays is that one creates a false sense of security which leads investors and depositors to put money into institutions when in fact those institutions are in great difficulty. The other price one pays is the price of a lack of honesty. The Minister felt that she should not answer a legitimate question put to her by an Hon. Member because the answer might engender a run on some of these financial institutions. The price to be paid must include a lack of full disclosure by a Minister to Members of Parliament.

When looking at the events, one must come to the conclusion that the provincial Government and its Minister of Finance made some grave errors. The Saskatchewan Government publicly committed itself to guaranteeing an equity share issue, a commitment made public by the Premier of the province. We find out later that the Government made that