

*Trust Companies*

country, he assumed that his investment would be safe. Although he had lost a considerable amount in the previous collapse, he would have been able to retire on what he had left.

When I met that gentleman, he was wearing a pair of old boots that were tied with strings. He admitted that he had no money left at all when, not many years before, he had been financially well prepared for the rest of his life, having worked hard on his farm and sold his assets in order to retire.

I do not know what happened to that gentleman. Needless to say, if he were standing in the House today he would want on every occasion to have an inquiry into the fall of any financial institution which could result in those things happening to the people of this country.

● (1640)

We are told by the Parliamentary Secretary that we do not need to burden our financial institutions with more regulations. I beg to differ with the Parliamentary Secretary in that regard. We have long had a reputation in this country of stable financial institutions. Because they have a certain stability, one assumes nothing can go wrong. Because one assumes nothing can go wrong, you retract many deposits in the manner to which I referred a few moments ago, such as buying preferred shares or even putting funds in excess of the limit, which was \$20,000 until recently. That limit has now been changed to \$60,000. Nevertheless, being as good as the bank, an expression we like to use, means you do not lose funds when you put them in a financial institution. On the other hand, if we fail to supervise properly, to audit properly, and view publicly situations where things go wrong, the changes are that our mistakes will happen again.

I commend the Hon. Member for Regina East for proposing this motion today and I would like to give it my own personal support.

**Mr. Gary Gurbin (Parliamentary Secretary to Minister of the Environment):** Mr. Speaker, I am pleased to be able to continue discussion on the motion brought forward by the Hon. Member for Regina East (Mr. de Jong). At the outset, I would like to reiterate several things that have been brought forward thus far, particularly by the Parliamentary Secretary to the Minister of Finance (Mr. Lanthier).

I was attracted to one of the comments made by the previous speaker. I wish to note that I am not necessarily drawn to him but, rather, to some of the comments he made. This had to do with his analogy to farmers. First, the farmer he was talking about and the succession of difficulties that he faced by investing in different companies, both of which had trouble, is, in one way a funny kind of comparison and in another a very serious comparison, but it establishes the background to this whole debate. In 1979 and 1978 there were farmers in my area and right across the country, who kept on farming who have ended up the same way. What this motion really speaks to in part is the fact that this company about which we are talking, in looking for a very specific inquiry to deal with its problem, has a generic background. This should

be looked at more broadly. This company is in trouble because of financial distress as a result of many of the decisions the company itself got involved in. Its equity fell away as land prices deteriorated. These severe economic pressures were being faced not just by the company but by the country as a whole, and the domino effect is felt throughout the whole economy.

We have seen a company fail. Pioneer Trust is a company representative of a financial institution in difficulty. One of the points the Parliamentary Secretary to the Minister of Finance brought out very clearly and which I think needs to be emphasized is that the Government at the present time is not just looking at a band-aid solution through an inquiry into this company and the difficulties it may have had, and obviously had because it closed its own doors. The Government is looking at the entire range of financial institutions and the problems they face. The Government is prepared to deal with them. The Government is doing it in an open and consultative way, and is trying to deal with the broad problems, just as we are approaching the economic and the other problems that we face. I will leave it to the Hon. Member in his own mind to describe and explain how we got into this spot. It is very clear to almost every Canadian that we are not in a very good financial position. We have a litany of things; high unemployment, high deficit, and so on that we have to accommodate.

**Mr. Boudria:** The falling dollar and the rest of it.

**Mr. Gurbin:** The dollar is levelling out right now. It is being managed very well by the Minister of Finance (Mr. Wilson), extremely well compared to the historic management we have had of our economy and our dollar—

**Mr. Boudria:** That is why it has dropped 10 per cent since you have been in office.

**Mr. Gurbin:**—and particularly in the period of time that we have had to come to grips with the structural and fundamental changes that need to occur. The only comment we can have on the Minister's performance is one of recommendation and commendation for the excellent job he has done.

Let me come back to the fundamental differences, Mr. Speaker. What we have in the proposed motion is a sort of band-aid. We could go on putting inquiry on top of inquiry on top of inquiry, but we will not solve the problems. We have a situation where this company closed its own doors. The CDIC did what seems to me an amazingly open and reasonable job of looking at the situation. The provincial Government, as far as I understand it, and I stand to be corrected but I have done as much homework as I can on it, withdrew its support after giving initial support.

**Mr. de Jong:** They fumbled it.

**Mr. Gurbin:** Comments can be made why the provincial Government chose to do that. I am not in a position to comment. My understanding is that the provincial Government withdrew its support. On that fundamental point I think I am accurate. The company itself closed its doors. There has