

averaging certificate. It was filed by Mr. Raymond Schwartz from Saskatchewan in which he makes a \$10,000 deposit to be repaid over a six-year period. By the laws of the land, this particular averaging certificate should not be covered under CDIC. That was a point ably stated by my colleague from Regina. I consider that to be a reasonable policy. However, on this same document it is stamped at the top alongside Pioneer Trust Company "The Canada Deposit Insurance Corporation". At the bottom of the page is written "A member of the Canada Deposit Insurance Corporation". In no way while this individual was discussing the return of his investment was he told that it was not covered by the federal deposit insurance scheme.

I might say his investment in this case came from the sale of grain as a western grain producer. He had retired from farming, discontinued his activity, sold off the farm and purchased a number of these guaranteed income averaging certificates to provide him and his family with a monthly income of a few hundred dollars. One of these certificates was for six years, one was for seven years, another for a six-year period and so on. This was done by hundreds of individuals in Saskatchewan at any one of the eleven branches of the Pioneer Trust Company. In every one of those cases, the implication given by the stamp on the document and the comments on the document was that these sums would be protected under the Canada Deposit Insurance Corporation program.

I think it is also important that we recognize that the individuals completing these forms on behalf of Mr. Schwartz failed to mention that this particular averaging certificate was not covered under CDIC. Again, as a gesture of good faith, one would certainly expect the person involved here—it looks like his name is Denis Delwich—would have mentioned to Mr. Schwartz that this certificate was not covered under the federal deposit insurance scheme, but that was not done, Mr. Speaker.

It is for this reason that we are rushing this Bill through today, to allow Mr. Schwartz and the hundreds of others like him to receive fair compensation for what they considered to be an insurable deposit all along.

In the last few days there have been others in similar situations whose plights have been brought to my attention and who will not be covered under this agreement. This is something we want to flag at the moment. I refer in one case to a recent immigrant to Canada from Hong Kong. This was an individual who had left that part of the world to come to the Canadian prairies to invest in a small business. He brought with him and his family \$50,000 in U.S. funds. He opened up an account with Pioneer Trust to deposit those American funds to be used later to invest in a small business. He found out that his American funds were not insured and by the Bill we are debating today he will not be compensated in any form whatsoever. At no time was this individual informed that his deposit made in U.S. funds was not to be covered under the Canada Deposit Insurance Corporation program. Let us recognize that we are leaving individuals out in the cold.

Pioneer Trust

What we are doing today is bailing out another trust company. We have bailed out over the last three years a dozen trust companies. Some have been very large. I refer to the famous Greymac and Seaway Trust Company bail-out in Ontario. In 1983 the losses to CDIC were in the \$650 million range, reflecting a system that is not working well. It reflects a system where the trust companies are not being adequately monitored by the provincial and federal authorities. The superintendent of Insurance responsible for federal trust company monitoring has only a handful of people on his staff, yet he is asked to keep on top of all these firms spread across Canada. He is finding it impossible to do the job that has to be done. These are very turbulent times in the financial community, reflected, as the Minister said earlier, in the introduction of a paper to find new ways and means of making it even more complicated basically in an effort to provide more competition in the financial community. This means that a more onerous task will be before the Superintendent of Insurance and his associate, the Inspector General of Banks. I will have more to say about that a little later.

Some strange signals are being sent out to the financial community these days. On the one hand we see certain trust companies that get themselves into trouble, and the Government steps in and essentially bails out most of the depositors who are not insured. We see other trust companies that experience the same fate and find themselves in financial difficulty. I refer specifically to the Western Capital Trust Company in British Columbia. It found itself in a position where it was forced to wind up. Again, it had a few million dollars in uninsured deposits. There was no effort by the provincial Government in this case or the federal Government to provide any assistance.

In British Columbia we have a group of people involved in the trust company business wondering why it is that the federal Government worked so hard to bail out Greymac and Seaway and other depositors, why the federal Government is working so hard now to bail out the uninsured depositors of Pioneer Trust, yet the federal Government did virtually nothing to bail out the uninsured depositors of Western Capital Trust. We seem to be treating some trust companies differently from others. We seem to be treating some trust companies in some parts of Canada differently from how they are treated in other parts of Canada.

A lot of people are asking questions such as, is there some sense of bias in the Government's reaction to trust companies in difficulty? It is difficult to respond to that allegation other than to suggest that there appears, on the surface at least, to be some discrimination and bias in how trust companies are being treated in different parts of Canada. What about an individual who sells off his or her farm and sees all kinds of forms that call for a guaranteed income averaging certificate, perhaps with the Pioneer Trust Company? It was supported by the Canada Deposit Insurance Corporation. It was not surprising that individual farmers felt that their funds were being adequately protected, that they were guaranteed; they were in trust and they were with the Canada Deposit Insurance Corpo-