

Pioneer Trust

that it guarantees deposits. It has absolutely nothing to do with equity, preferred stock or any other kind of stock.

The Hon. Member for Regina East (Mr. de Jong) advanced a legitimate argument when we were talking about the Commercial Bank some time ago. People might have thought that certain deposits were insured, such as deposits over five years, which were in fact not insured.

In that particular instance, what the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) says is probably quite true. The law should be improved to make sure that people realize that certain types of deposits are not insured by CDIC. However, I submit that his observation that certain people confuse deposits with equity and expect that the CDIC guarantees investments made in common stocks is absolute nonsense. I suggest that every Canadian knows the difference between making a deposit within a deposit-taking institution and investing in equity in that institution in which you become a part owner of that institution. If there is any confusion at all it lies entirely within the mind of the Hon. Member for Glengarry-Prescott-Russell.

Mr. Boudria: Mr. Speaker, if I am confused, I know that I am not the only one because the Hon. Member opposite will know that technically, if one puts money in a trust company one is not putting it on deposit but putting it in trust. Technically, the Hon. Member is wrong because one cannot actually put money on deposit in a trust company at all. It can only be put in trust and that is why it is called a trust company. While that may be a technicality, so was the issue raised by the Hon. Member.

The fact is that financial institutions sell certificates for others, sell certificates for longer than a guaranteed period and for amounts larger than the insurable limit. Consumers are not always aware of these matters and I do not believe that is right. While I am not casting blame on anyone for this, I believe the structure should be improved so that consumers are better informed.

The Hon. Member says that it is his view that consumers do not need to be informed when they buy preferred shares in a trust company. Perhaps that is his view of consumer protection but it is not mine.

Mr. Brisco: Mr. Speaker, first I support the concerns expressed by the Hon. Member for Winnipeg North (Mr. Orlikow). In that context I will ask the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) if his Party would support a substantial review of the role of the Inspector General of Banks with a view to tightening the provisions governing his responsibilities.?

Let me give a case in point. In my constituency the Inspector General of Banks has been virtually powerless to act in a number of cases that have arisen. For example, a man in my riding obtained a loan from a bank under the Small Businesses Loans Act. All correspondence and transactions with the bank and the Government of Canada were pursuant to the Small Businesses Loans Act. This man was in the business of insulating homes with urea formaldehyde foam insulation under the

former Liberal Government's UFFI program. When the federal Government suddenly snatched the rug from under him, his business declined over a two or three year period. After the bank had seized several of his assets, it only then discovered that the agreement under the Small Businesses Loans Act which had been adhered to by this man and accepted by the federal Government had not been signed by the bank at the time it was providing the loan. It is now considered null and void. Who is to be held responsible? Is it the bank? It is not the Government of Canada, but I hope to effect a change in that respect. The person responsible is the consumer.

The question I am asking the Hon. Member and others is: Would they support a substantial tightening of the regulations and provisions that will give greater authority to the Inspector General of Banks in carrying out his responsibilities?

Mr. Boudria: Mr. Speaker, I agree entirely with the Hon. Member on some of the issues he has raised. I am glad to see that he disagrees with the Hon. Member for Western Arctic (Mr. Nickerson) who does not believe that consumer protection should be enhanced in any way but believes in the *caveat emptor* philosophy.

The Hon. Member is far more progressive than his colleague who is far more conservative. I support the Member for Kootenay West (Mr. Brisco). I have consulted with our critic in this area and it is her view that we should enhance and provide more services to the Inspector General of Banks so that he can better supervise the banks and other financial institutions of this country in order to give better protection to the consumer, as suggested by the Hon. Member, unlike the Member for Western Arctic.

With respect to the UFFI program, I would remind the Hon. Member that the provincial Governments are in charge of the building code and it is up to them to identify whether or not a substance adheres to that code.

Mr. Deputy Speaker: I recognize the Hon. Member for Kamloops-Shuswap on debate.

• (1230)

Mr. Nelson A. Riis (Kamloops-Shuswap): I am pleased to have an opportunity to rise today, Mr. Speaker, to say a few words regarding Bill C-50. This Bill is at the second reading stage and it is at that stage that Members are encouraged to reflect and comment on the principle of the Bill.

I would like to begin by suggesting I have some reluctance to join in the enthusiasm with which we are coming at this Bill. We recognize that for a lot of people it is important to pass this Bill quickly and we are doing it in that context. This is not in any sense to say we are condoning the over-all thrust of this Bill in terms of bailing out another financial institution using taxpayers' money either through the Canada Deposit Insurance Corporation or in this Case the Government of Canada and the Government of Saskatchewan.

I am reading now from a document headed "Pioneer Trust Company". It is an application for a guaranteed income