

Adjournment Debate

C-218. I think this Bill should be voted down by the House, and in fact by any reasonable individual who does not believe in Santa Claus and who sincerely believes that we must be ready to cope with any situation that might occur. This is a Bill that cannot be taken seriously, and I do not think it should.

● (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[English]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

TRUST COMPANIES—PIONEER TRUST COMPANY COLLAPSE. (B) REQUEST FOR PUBLIC INQUIRY

Mr. Simon de Jong (Regina East): Mr. Speaker, I rise regarding the question I asked the Minister of State for Finance (Mrs. McDougall) on February 8 concerning Pioneer Trust. In my question, as on numerous other occasions, I asked the Minister and the Government to allow a public and independent inquiry into the affairs of Pioneer Trust and the reasons that it closed its doors. I believed at that time, and continue to believe, that it is in the public interest that there should be a public inquiry.

Numerous people across western Canada have lost money because of the demise of Pioneer Trust. Many of them are retired and small-business people. Money belonging to widows is held in trust by various law firms. Such public institutions as the Government of Saskatchewan and the City of Regina and various hospitals throughout the province will have lost money because of the demise of Pioneer Trust. Therefore I think it is important that certain answers be given to the entire story behind the demise of Pioneer Trust.

It is important that the federal Government state clearly, through such an inquiry, what are its role and responsibilities. I feel that CDIC and the federal Government have been remiss in various instances regarding their duties as a financial watchdog. We find that the federal Government did not know the amount of uninsured deposits. It had to phone the provincial Government's Department of Finance to get a figure of some \$24 million. Yet today that figure is up to some \$40 million. In fact, I doubt if anyone really knows at this stage what the exact figure will be. This indicates that the Government, and particularly CDIC, are not equipped or capable of handling the situation.

On numerous occasions we have had the Minister state that the CDIC and the federal Government are not capable of carrying on their functions. For example, in an article in the *Ottawa Citizen* of March 2, 1985 the Minister said that the insurance system is plagued by serious problems involving

everything from its financing to its function as a financial watchdog. On another occasion the Minister is quoted as saying in the *Montreal Gazette* that the extent of Pioneer's troubles were not known in time. One can gather from that, that the federal Government and the CDIC were not fully aware of the problems of Pioneer Trust. These are examples of how CDIC has been remiss in its duties as financial watchdog.

In a letter she sent me on March 7, the Minister admits she had not yet requested or received written assurances from the provincial Government regarding some guarantee to Pioneer Trust. Again I suggest that she and her Department were remiss in their duties. They extended the licence for Pioneer Trust without receiving those assurances from the provincial Government. As well, the Minister's letter indicated the Saskatchewan Government made the decision on February 4 not to proceed with the guarantee for Pioneer Trust. We want to know who knew about that decision before Pioneer closed its doors on February 7. We want to know if there were any people who knew this inside information, took advantage of it and either sold shares or withdrew uninsured deposits from Pioneer Trust.

We also find that the provincial Minister of Finance in Saskatchewan stated on several occasions that it is the federal Government who "held the gun to our heads" by threatening to lift Pioneer's licence. The provincial Minister of Finance seems to put much of the blame for the demise of Pioneer Trust on the Federal Government. I think a public inquiry would be helpful in ascertaining exactly who was responsible.

● (1805)

We have heard through press reports that some person in the Prime Minister's office seems to have given some assurance to the uninsured depositors that there would be a public inquiry. I hope that the spokesman for the Government today will be clear as to what type of inquiry the Prime Minister's office was promising.

I think it is important that we have a public inquiry for the sake of management. The senior management of Pioneer are prominent Saskatchewan business people. It is important for their reputation, if they are to continue to do business in the Province of Saskatchewan, that there be a public inquiry that shows exactly who was responsible and why Pioneer went broke. It is in their interest that a public inquiry be held to show that they did not make unethical loans or use bad business practices. It is important to senior management that such a public inquiry be held.

One must look at the role of the provincial Government. It made a guarantee without looking at the books of Pioneer Trust. I find this somewhat awesome from a Tory Government in Saskatchewan which claims to be business oriented and business minded. They made this guarantee without looking at the books and then withdrew the guarantee, making a bad situation ever worse. We do not know how much this will cost CDIC. We do not know how much the provincial Government will have to cough up. I think it is about time we had a public inquiry that firmly showed to the public, the depositors, and