

THE LEGISLATIVE ASSEMBLY OF MANITOBA
10:00 o'clock Tuesday, June 11, 1974

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I should like to direct the attention of the Honourable Members to the gallery where we have 29 students, Grade 8 standing of the McKenzie School from Thunder Bay, under the direction of Mr. Warwick, as our guests. On behalf of all the honourable members, I welcome you here this morning.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills; Questions; The Honourable Leader of the Opposition.

ORAL QUESTIONS

MR. SIDNEY SPIVAK Q.C. (Leader of the Official Opposition) (River Heights): Mr. Speaker, my question is to the First Minister - and it's in the light of the Defence Minister's statements, Mr. Richardson's statements yesterday that we in Manitoba will not be receiving an overhaul base, but rather a limited service centre. I wonder if it's the intention of the Government to seek clarification of the Federal Government of what really will be happening in respect to the Air Canada facility and whether any consultation in recent days has been undertaken.

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Well, Mr. Speaker, I quite agree that the matter requires more elaboration and clarification, and I have had conversation with the Minister of Defence to attempt to obtain just that and hopefully that would be forthcoming in written form fairly soon.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: To the First Minister; does the Provincial Government have any information in connection with the contract for the maintenance of the 727s by World Airways in California?

MR. SCHREYER: Mr. Speaker, I don't have any such shocking information as that, if it is true. I'll attempt to ascertain whether it could be correct.

MR. SPEAKER: The Honourable Member for St. Boniface.

MR. J. PAUL MARION (St. Boniface): Thank you, Mr. Speaker, I'd like to direct my question to the Honourable the First Minister. Can the First Minister advise if the Government has a policy with respect to direct financial or other kinds of aid to underdeveloped countries in the world?

MR. SPEAKER: The Honourable the First Minister.

MR. SCHREYER: Well Mr. Speaker, we have a policy - and I believe it's a standing policy of some years - that except in the most unusual circumstances, the Province has taken the position of supporting Canada's foreign aid efforts and up until now we have been content to rest with such policy. There is some suggestion that we re-evaluate, review this, to ascertain or to satisfy ourselves as to whether it would be appropriate and necessary for provincial jurisdictions such as Manitoba to attempt to supplement Canadian Federal or Canadian International foreign aid.

MR. MARION: A supplementary to the same Minister, Mr. Speaker. Is the First Minister aware of a 1961 undertaking by the then Government of the day to match personal or corporate contributions by Manitobans to underdeveloped nations?

MR. SCHREYER: Well, Mr. Speaker, I'm aware of one specific foreign aid effort in which Manitoba was involved as a provincial jurisdiction, and that is in the nature of educational assistance, technical educational assistance to - I believe it was Ceylon, perhaps Malaya as well, known as the Little Columbo Plan - and other than that, I'm not aware; I have asked the Clerk of the Council who was Clerk of the Council in those days in the year that my honourable friend mentions, he has no recollection of anything beyond that. However, we'll check the records once again.

MR. MARION: Mr. Speaker, a final supplementary to the First Minister. In view of the answer to the first question, will there probably be an announcement with respect to

ORAL QUESTIONS

(MR. MARION cont'd). . . a decision on whether or not a policy of direct assistance by the part of Manitoba will be enacted?

MR. SCHREYER: Well there have been some inquiries in the matter, Mr. Speaker, and I have indicated only this at this point in time, that the argumentation on both sides of the question will be brought before Cabinet some time before mid summer - and beyond that of course, policy will be determined by events as they take place.

MR. SPEAKER: Orders of the Day. The Honourable House Leader.

ORDERS OF THE DAY

HON. SIDNEY GREEN Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker would you proceed to Bill 64, please.

ADJOURNED DEBATES ON SECOND READING - BILL NO. 64

MR. SPEAKER: Proposed motion of the Honourable Minister of Finance and the amendment thereto. The Honourable Member for St. James.

MR. GEORGE MINAKER (St. James): Thank you very much, Mr. Speaker. I'd like to make a few comments and observations at this time with regards to the bill before us. I listened with interest when the Honourable Minister of Finance introduced the bill, and my interpretation of his comments were that the Government was going to endorse and support and pass this legislation on the basis that they would be providing a service that was needed in our community and needed in the remote communities of our province such as the North and so forth. But then I listened to the Member from St. Matthews who followed later on in the debate and it appeared there were differences of opinion between the two colleagues on the Government side, in that the Honourable Member from St. Matthews seemed to stress the profitability of the Treasury Branch in terms of revenues and profits, rather than the main theme or thrust of the Honourable Finance Minister's speech which was related to service.

Then, Mr. Speaker, I started to wonder and question some of the legislation that is being proposed and passed in this sitting of the Legislature, and one starts to see a crossword puzzle being fitted together, with the Treasury Branch being a very key part in the crossword puzzle that the Government is slowly putting into place - which will eventually I would suggest, when the crossword puzzle is completed, give the Government control of the social and economic way of life in the Province of Manitoba. I'm sure that many of the members on the Government side would relish this, not only in the front bench but also in the back bench, that they would have the complete control of the social and economic way of life in our particular province. --(Interjection)-- Well they already have, Mr. Speaker, I suggest they control many of the men's minds on the other side, as my Honourable colleague from Morris suggested. I think that's quite apparent to the people who sit in this House.

Mr. Speaker, when one looks at what is being put forward in Bill 64 one starts to suspect - and I think rightfully so - that the main thrust of this legislation will give the Government a further control in the cash flow of our province. I suggest at the present time, Mr. Speaker, that during the Throne Speech the Honourable Minister of Finance indicated - and it's quoted in the Throne Speech - or not the Throne Speech, correction, the Budget Speech - that the total value of goods and services produced in Manitoba in 1973 will reach close to \$5.2 billion. If we start to analyze of that \$5.2 billion what is controlled and spent by the Provincial Government, one can see that it approaches very close to or exceeds 20 percent of all the moneys spent and services produced in Manitoba probably are in the hands of the Provincial Government. Because if we look at the budget of \$834 million, and then we look at the capital that was spent last year or this year of \$300 million on various utilities; and then we look at the auto insurance; then we start to look at the general insurance that they're proposing to start to underwrite; and then we look at the Trading Corporation Act that we are presently debating in the House, the millions of dollars that it will start to get involved with; and we look at the Mining Act that was before us and now has been tabled until further review - that we are probably exceeding 25 percent - and then we haven't even considered the moneys that are spent by the Crown agencies, such as Manitoba Hydro and other Crown agencies.

BILL 64

(MR. MINAKER cont'd)

Mr. Speaker, I am fully aware of the intent of the Government, because the First Minister has indicated it from time to time in public discussion, that the First Minister feels that a government versus private sector ratio, a good idea would be about 50 - 50. Well, Mr. Speaker, I suggest, what guarantee have we got that the private sector will hang around and watch this all take place? Because, Mr. Speaker, I suggest that it is incumbent upon the First Minister to indicate what other sectors this Government is proposing to go into. We have before us here the sector of banking, that they are now going into banking; yet on the other hand in the booklet that we all received the other day, The Economy of the Province of Manitoba 1973 - which has the fine picture of the Honourable Minister of Industry and Commerce in it and I have to presume it's a Government-supported and produced document - it says on Page 52 under Finance, Insurance and Real Estate: "All major Canadian banks are represented in Winnipeg and most maintain branches throughout Manitoba and provide the full range of banking services." Yet on the other hand, Mr. Speaker, we have presented by the Honourable Minister of Finance comments that these banks are not providing the services. Further, we have all received letters and telegrams from the credit unions, which we have many of in Manitoba, indicating that they are concerned that the Government would go into this particular field where they feel they and the banks have provided a service.

So, Mr. Speaker, what is the Government trying to do with this bill? And I suggest, Mr. Speaker, that it is trying to get a very close control of the economy of the Province - the Honourable Minister of Mines and Natural Resources pounds his desk - we all are aware of the fact that he himself would like to control the economy of Manitoba 100 percent; that his philosophy and mine differ. I respect that he has his opinions and we on this side have ours, but it's quite obvious that the legislation before us, Mr. Speaker, is legislation that's probably drafted to a large degree by the Honourable Minister of Mines and Natural Resources because it definitely has his fingerprints and his footprints on it.

Mr. Speaker, I suggest that while the Government has a mandate of the political arena in terms of votes received - 41 percent, I believe one of the honourable members indicated, --(Interjection)-- 43, my correction - Mr. Speaker, that in the political arena where there are three or four parties running, they were able to receive 43 percent, and I accept that. I accept that they in that particular event got the majority, but they do not have the majority of the people of Manitoba supporting them. I'm sure, Mr. Speaker, that we realize that no government has - and for this reason . . .

A MEMBER: No government tried to control the economy either.

MR. MINAKER: . . . When they take steps that we have before us at this time, where they want to completely put together a jigsaw puzzle of social and economic reform as they call it, where the Government controls it, and making such radical steps that they should have the majority of the people behind them, and they haven't. They have in the political arena, but if you talk to the people on the street, they don't want socialism: They don't want their dollars controlled, because what does it mean to the little man on the street or the individual like you and I. It means that when he gets a dollar, 25 cents or 50 cents of it's already committed; or if he goes and puts in an hour's labour or a month's labour and he has \$400 return coming for it, \$100 of it is already committed and controlled by the Province of Manitoba, the Government on that side. And, Mr. Speaker, if the NDP government has its way they would like to have control of the whole dollar, the whole \$400. I suggest, Mr. Speaker, now that the levels of government both federal, provincial and municipal probably control close to 50 percent of all the moneys that are earned by individuals nowadays and they're getting tired of this. I think it's becoming quite evident that the individual, the citizen, is tired of the Government telling him what to do, tired of the government telling him how his money is going to be spent for him. Mr. Speaker, it's quite evident that it's coming to a head, because we have a copy of an ad that was in the Saskatchewan paper, and it relates to the Federal Government scene, but it's there. It says "Before I vote for any of you on July 8th, I'd like a straight answer on these five questions. Why is the cost of living so high? Why is the cost of Government going up even faster than the cost of groceries?" Well, we won't go into that. "In 1969 the Government promised not to hire any more civil servants. There were 235,000 of them, today there are 333,000. What

BILL 64

(MR. MINAKER cont'd). . . happened? Why does it take a mail strike for you to catch the people who are stealing from the Unemployment Insurance Commission? When are you guys going to stop?" That's the fifth question.

Mr. Speaker, this is evidence to some degree that the people, not only in Manitoba but generally in Canada, are tired of the Government trying to do everything for them. And the Banking Act that we have before us is another step where the Government is trying to do something for the people but indirectly is gaining more control of the economy of our Province. I suggest, Mr. Speaker, that we have credit unions that are providing loan moneys available to the people of Manitoba, and I believe there's somewhere in the order of \$400 million on deposit, that I imagine the roll-over - I'm not an expert on banking, but I would imagine the roll-over probably gets to about that value annually, so why, Mr. Speaker, is the Government proposing this legislation on the treasury branch?

Well, Mr. Speaker, as I indicated earlier, it's because they are trying to fit this puzzle together - and we all are aware of the Manitoba Manifesto, I guess it's been nicknamed, the paper, the interdepartment's report - and if one looks at that particular report, one can see the puzzle fitting very closely together, Mr. Speaker, so closely that one starts to shudder. I'm sure if the average individual on the street in Manitoba was aware how closely the legislation that we have before us at this time, including The Bank Act, fits into this puzzle, one would realize what the objectives of this Government are and are presently being passed - and legislation being approved by this Government that will lock us into an economy and lock us into a social way of life that the majority of the people at the present time in Manitoba do not support. Fifty-seven percent of the people in Manitoba have voted for a different approach to the way of life in Manitoba. So, Mr. Speaker, before the Government starts to take such a drastic step, I would suggest that they should have at least 51 percent of the support of the people.

And, Mr. Speaker, one looks at one of the pieces of legislation that we have before us called The Northern Affairs Act - and I suggest, Mr. Speaker, with this banking Act, with the Trading Corporation Act, with the banking Act, that the Government will be able to set up a socialistic state in Northern Manitoba. They will be able to point to Northern Manitoba and say "What do you mean it won't work? We've got a socialistic state right in Northern Manitoba. We've got a government bank, because we have to put one up there". They buy their auto insurance at the bank, which is government-owned; they go to the local store which is owned by the trading corporation; and they can loan money at the Provincial Government bank to buy groceries at the trading corporation; they can also go to their Northern Affairs Minister to get approval to do certain things. So, Mr. Speaker, what we have in front of us on the table here that we're dealing with this session is legislation that will give Manitoba a socialistic and economic state in Northern Manitoba that the Cabinet will control. And, Mr. Speaker, this banking bill is an integral part of that, because if they can get the average individual committed this is what will happen, and I'm sure it will become a profitable institution because the Government will have the legislation powers to make it profitable, Mr. Speaker. But they'll make it profitable on the cost of freedom of individuals, and that's the part that hurts, particularly me, that they will make it profitable but at the cost of freedom of myself, your family and my family and our children and grandchildren. They'll make it profitable. They'll make it work. They have the legislative power right now to make it work, but they'll do so on the cost of freedom of individuals in Manitoba, Mr. Speaker. And I suggest, Mr. Speaker, that they do not have the support of the majority of people in Manitoba to make such a decision to do this type of thing.

A MEMBER: Move to Vancouver, George.

MR. MINAKER: Mr. Speaker, that's exactly the policy of this government that I heard from the Minister of Public Works from his seat - move to Vancouver. That's what they want to do and that's exactly, I'm sure, what they will do with some of the Acts that are before us. I'm sure the Trading Corporation Act will be implemented and used as a tool to make companies who want to work in freedom and give the best price and the best service to the people, they'll force them to move to Vancouver. And Mr. Speaker, that's wrong. If we get to thinking that way, then I suggest that Manitoba's lost. We are only a population of a million people. We are dependent on the outside world for our economy and our trade and so forth, that we cannot afford to build a social wall around Manitoba and say

BILL 64

(MR. MINAKER cont'd). . . that we can live and sustain our way of life within our own boundaries, because it's not a fact and it will not be a fact for many years to come, and I question whether my lifetime or any of the lifetime of the members in this Legislature will see that happen. And Mr. Speaker, I'll suggest that what will happen is that an economic wall will be built around Manitoba if such legislation is passed, and we are dependent upon outside money. Where does the Honourable Minister of Finance go when he wants money for his utilities, the Hydro? I think he goes to Bahamas; he goes to New York to get outside money. So, Mr. Speaker, if we don't want an economic wall built around our province and watch the province start to shrink like it did in the Province of Saskatchewan when it was under socialistic rule, then I suggest, Mr. Speaker, that we start to look at this legislation and make some amendments, and if there is not a need required for a bank, why put it in? Why put it in, Mr. Speaker, if there's no need for the bank?

Well, we can look at the manifesto and it says, and I quote: "The public sector can and should be used to change the nature and structure of production in Manitoba, to encourage a systematic redistribution of real income through the direct production of goods and services. This is a valuable complement to the redistribution of money incomes via the tax system." Now what that says, Mr. Speaker, is the government and its advisers realize that just by simple tax rebates you're not going to achieve what the objective of the members in the front row is, that you have to control the economy; you have to control the production of goods and you have to control the labour. This is what they're saying in that manifesto, Mr. Speaker, and that's exactly what they're doing right today in this House, is putting pieces of legislation together that will make their jigsaw puzzle complete. And Mr. Speaker, with regards to financial institutions, they have three objectives. We know that the government has in their manifesto. One, that they form a bank, they form a trading corporation, and they form a holding corporation. Well, Mr. Speaker, we haven't got any legislation before us with regards to a Crown holding corporation.

A MEMBER: . . . insurance corporation.

MR. MINAKER: But Mr. Speaker, they will come forward in a year from now or two years from now and say, "We have a Crown-owned company, McKenzie Seed, we have a Crown-owned company Flyer Industries, we have a Crown-owned company, by that time probably Missawa, we have a Crown-owned company Saunders. We need a Crown-owned holding corporation." And then we will have the jigsaw complete. They'll have the MDC to develop the industries; they'll have the trading corporation to sell their products on the market outside of Canada; they will have the bank to finance the MDC projects; they'll have the insurance company to sell the insurance to these companies that they own - that presumably we own but the Cabinet will have control of - and Mr. Speaker, they'll have the Northern Affairs Act, and they'll have trading stores in the North that are owned by the trading corporation. They'll drive out the Hudson's Bay Company. They'll own the mines, they'll drive out the mines. And this is what's falling into place, Mr. Speaker, and I can tell that probably the Honourable Minister of Mines and Natural Resources is rubbing his hands with glee and saying, "Boy, isn't that a beautiful model that's falling into place? I'll have finally achieved my objective in life and in political thinking." And, Mr. Speaker, I suggest that that is wrong; that the people of Manitoba do not want this to happen. It's obvious that if the people of Manitoba wanted it to happen they wouldn't have 31 seats, they'd have probably 50 seats. --(Interjection)--

Mr. Speaker, I'm sure it bothers the people on the other side, because possibly some of the back row people are **starting to realize** what is happening, and particularly probably realizing what is happening in Northern Manitoba. And Mr. Speaker, we're quite aware that the back row of the government side is very impressed with the Honourable Minister of Mines and Natural Resources, because -- and I have high respect for the Honourable Minister of Mines and Natural Resources, and I watch him in debate; he sits there like a cobra, just sits there waiting to pounce, and all of a sudden he'll lash out at us on this side, then start to attack the debate and the individual and so forth. And when that happens, the back row just gleams. You can see the ivories flashing from the back row. Their leader is standing and fighting there for their cause.

A MEMBER: The real leader.

MR. MINAKER: But Mr. Speaker, they are starting to realize, I'm sure, that maybe

BILL 64

(MR. MINAKER cont'd). . . this model that's falling into place isn't what the people of the North want. Maybe it isn't what the people of Manitoba want. And the answer isn't to import people who think this way from outside the province to run the show or advise, or to live here, because it's quite obvious that these people move on to other locations when it happens, the unfortunate province that a social government takes reign. We saw it happen here, Mr. Speaker, that we had these advisers come in, and in fact I believe the adviser or the person who put this manifesto together is no longer with us. I don't know whether he's in B.C. coming forward with the suggestions or drawing up the jigsaw puzzle in B.C. I don't know whether he's there or not, Mr. Speaker, but we have obviously had that experience. So the answer isn't moving, or move out if you don't like it. Mr. Speaker, the answer will come to the Government in the next election, I'm sure of it. They will advise the Government that they didn't have the majority support for this type of economic and social control, and Mr. Speaker, when this happens, there will not be freedom of choice and so forth, and I don't believe that the complete control of the million people that we have in our province should be handled by a majority of 57 men. I might be one of them but I don't believe that 57 people, or the majority of 57 people, have the ability, have the knowledge, have the feeling to control the lives of a million people. And this is exactly what is happening. This particular banking bill that we have before us is a key cog in that jigsaw puzzle. It will tie everything together, socially and economically, that the Government will control the social and economic way of life in our province. And I suggest, Mr. Speaker, that before the government passes this legislation that it recognizes that, is it passing it for service to the people or is it passing it for a tool in its own hands to make the Province of Manitoba a socialistic state, a government economic-controlled state, and then eventually, I would say, the shrinkage of a province which today I think is one of the finest in Canada but will definitely have an economic and social wall built around it by the other provinces of Canada and other countries of the world. I suggest, Mr. Speaker, before we go down the road so far on this jigsaw puzzle way of life that the Government believes is correct, yet the majority of the province, the citizens of the province will not support, then I suggest, Mr. Speaker, they take another look at this bill, recognize what the credit unions are saying, the people of Manitoba are saying, and withdraw it.

MR. SPEAKER: The Honourable Minister of Tourism and Recreation.

HONOURABLE RENE E. TOUPIN (Minister of Tourism, Recreation and Cultural Affairs): Mr. Speaker, I rise to speak on this amendment before us, not with the intent to hold back proceedings of the House, but hopefully to make a small contribution to the main motion that will be voted on, which I won't have a chance to speak upon again.

The honourable members of the House surely know by this time, Mr. Speaker, that I don't usually rise for the sake of rising or to hear myself talk. I rise at this moment because I feel that there is a justification to bring some type of clarification to the bill before us and the amendment thereof.

Mr. Speaker, I think that the amendment that we have before us that will hopefully be voted upon very soon, is an amendment that is not justified for the simple reason that if we go back in history of this province and elsewhere in North America and look at the facts of the matters as they stand before us in other provinces in Canada, we see that the people of this country have given themselves alternatives in many fields, and we're now talking of the financial field in the province of Manitoba. When we talk of savings branch or treasury branches in Alberta, it's not socialism; it's not even mentioned as a part of the socialistic program in Alberta. Because it wasn't the New Democratic Party in Alberta that initiated the treasury branches there many years ago, it was a conservative government. You may say it was Social Credit, but it's the same thing, a very conservative government.

If you go to Ontario, again, it was a Conservative government that initiated and launched the treasury branches in Ontario. Mr. Speaker, if you go down to Quebec where you have saving banks, and it is quite similar to what we have before us, it was again a Conservative government that initiated and launched the savings banks in the Province of Quebec. And right next to the Caisses Populaires, the 1,300 Caisses Populaires in the Province of Quebec, right next to the eight or nine chartered banks, right across the Province of Quebec, right across the Province of Ontario, right across the Maritimes, there's the saving banks. Did it hurt the credit union movement in the Province of Quebec? On the

BILL 64

(MR. TOUPIN cont'd) . . . contrary, Mr. Speaker. If you go back to 1900 in the Province of Quebec, the Caisses Populaires, the credit union movement, started there in Canada in 1900. It took them 60 years to reach a billion dollars in assets. Another seven years they doubled that asset to two billion dollars. Today they surpass three billion dollars in assets and one in four of every Canadian is now a member of the credit union movement across this country. Did the savings banks in the provinces of Quebec, Ontario, New Brunswick, right through the Maritimes, hurt the credit unions and the Caisses Populaires? On the contrary, Mr. Speaker, it didn't hurt. Is the credit union in Steinbach hurt by the three existing banks in Steinbach? Not at all. The credit union of Steinbach is the largest that we have in this province today in assets, in turnover per year. Were the members of the credit union in Steinbach consulted when another branch of a bank was to be established in Steinbach? No way. No way were those members consulted. I wasn't consulted as a manager of the Central where a bank would go.

With these treasury branches, Mr. Speaker, if a need is found, not by us, not by you, in maybe twenty years from now when you become the Government, you will not decide if you have a treasury branch in a given area. The elected representative will consult with the people like we always have. We consulted with the people back in 1969, we consulted in 1973. I talked to the people in my constituency in 1973 and I did relate the intent of this government to let an alternative at the disposal of the people of Springfield for them to pick up and use as an instrument, not for us to go down as MLA and administer these treasury branches. There must be folly, Mr. Speaker, on the other side of this House, to think that we as a Government want to control everything. Do they say that when five people get together and want to form a company, do they say that those five people want to control the economy? Nonsense. Do they say that a given group of people in a community that form a co-operative want to control the economy? No way. It is never said. Do they say that the elected representatives that have consulted with the people, let an instrument at the disposal of people, want to control the economy? There must be folly. Somebody's got a blocked mind. --(Interjection)-- Yes. I'm definitely right.

And then they go on to say, Mr. Speaker, that in regards to having your own financial institution that you should not encourage anyone to do business with you. You should stand back and let all the others benefit. There must be folly there, Mr. Speaker. Would the Honourable Leader of the Conservative Party encourage people to do business elsewhere than his own business? I can't see that. My father's been in business since 1934 and, while being with my father in business, would I encourage my friends, relatives to go and buy at a nearby store? Complete folly. The only time we did is when somebody came to buy grain or buy flour or buy things that we didn't have, we would refer them. But it must be folly to think that we would not encourage our own business, whether it be private, co-operative or public. Now don't the honourable members understand that? Yes, they do. But they're attempting by their tactics, their so-called scare tactics, to fool the people. Mr. Speaker, they're not fooling us. We can read right through them. And the people of Manitoba can read them.

I can tell you Mr. Speaker and colleagues of the House that when this bill is voted upon and when it is proclaimed, when all the sections are proclaimed pertaining to the services that are possible through this legislation, and if there is the intent by this Government to establish a given treasury branch anywhere in my constituency, I know that the Minister responsible, that the people given responsibility will consult with the people in the given area more so than they were consulted with me as an individual if I had the intent and eventually established a business in a given area. And if the people again - as an example of Lorette, which is a part of my constituency - did not want a treasury branch, I would be there as the MLA to hear them out and to see what could be done to help them help themselves better.

Mr. Speaker, naturally the Honourable Leader of the Conservative Party did not see anything in my previous remarks on the main motion. I understand that, Mr. Speaker, because the Leader of the Conservative Party doesn't speak the same language, doesn't have the basic, the same basic philosophy, and he as an individual representing a philosophy did not see anything meaningful in my last comment. I'm sure that he won't see anything now. But to me that, Mr. Speaker, is not important. What is important that

BILL 64

(MR. TOUPIN cont'd) . . . we as individuals, elected by the people of this province make available to the people of this province tools, instruments, that they can use to the best of their ability. Not that we can use, that they can utilize to the best of their ability, to answer their needs, all of their needs, whether they be financial, social, intellectual, that is part of our responsibility to work as effectively as we possibly can with the people that elected us.

Now, if you look at the different sections that we have in this bill, Mr. Speaker, and if you look at pamphlets that are now being circulated by credit unions, by banks, and so on, and if you look at the services that could be rendered in some given areas - one honourable member on the other side of the House last week mentioned, yes, there's no credit union in Leaf Rapids, and there won't be because they're going ahead with treasury branches -- complete folly, Mr. Speaker. Tomorrow if the people of Leaf Rapids wanted a credit union they could have one.

A MEMBER: They're working on it.

MR. TOUPIN: All they have to do is form a group together the same as the Honourable Leader of the Conservative Party, the Honourable Member for Lakeside, they can tomorrow form a company and render services to any given community in this province. No one will stop them. No one will stop them. The Honourable Minister of Consumer, Corporate and Internal Services will sign the charter, and that will happen.

A MEMBER: You believe in helping.

MR. TOUPIN: The only difference, Mr. Speaker, is what way, what mechanism do we use to render services? And how competitive are we? And what colour is attempted to be given to this side of this House as compared to other procedures that have been taken elsewhere in Canada and in the world in general? It's a scare tactic, Mr. Speaker, they see boogey men all over the place.

A MEMBER: Bogey.

MR. TOUPIN: Boogey men, I call them boogey men. They see boogey men all over the place, and they're attempting to distort policies. But yet when they're confronted with fait accompli elsewhere in this beautiful country of ours they have nothing to say. They have nothing to say when they go to Alberta. Do they attack the Premier of Alberta for not abolishing the treasury branches in Alberta? No way. They don't attack that premier. Do they go to Ontario and attack the Premier of Ontario, or the Premier of Quebec? I don't see that. I don't see that on the papers. I, in 1969, made a trip to Quebec City and I made one comment and it came back to Winnipeg. I don't see any comments that come back from members on the opposite side attempting to correct what they see as being evil in other provinces in Canada, especially if we take their comments in regards to Bill 64 as being warranted.

Mr. Speaker, I really can't understand the position of the honourable members of the other side. What they see is acceptable for a handful of people, they don't see possible for a collectivity of people in society.

A MEMBER: Oh, that's not true.

MR. TOUPIN: They don't really see that as possible. They don't see that as a viable alternative. Yes, they see one given, say, a gas station on the corner of a city lot, and another gas station being built on the other side of the street, there's no uproar, there's no socialism words being used there, no, it's a good competition. They don't quibble about that. But yet when they see any government attempting to make an instrument available to people they start criticizing.

Well, Mr. Speaker, my reason for standing in this debate in regard to the amendment before us is to indicate to the members of the House, and to you, Mr. Speaker, that the bill that we have before us should be voted upon now, not six months hence. And it should be made available to the people of Manitoba, and I do agree with some members on the other side of the House that we, as a government, have a responsibility to inform the general public of the intent, and how best the people can utilize this service that can be made available to them. Yes, we do have a responsibility in this area, and I do believe sincerely that we have not been as effective as we could have been in this regard. I do intend also as an MLA, as a Minister of the Crown, whatever I can do to help in this area I will, and never do I intend to impose services on people. --(Interjection)-- That is not the intent. That is not the intent. It is so ridiculous, Mr. Speaker, to look at the debate of seconds previous when

BILL 64

(MR. TOUPIN cont'd) . . . we had the public insurance bill before us, and we had the Conservatives, the Liberals saying . . .

MR. SPEAKER: Order please.

MR. TOUPIN: . . . listen, be competitive, don't make it compulsory on basic insurance and, you know, we'll discuss it. Now, now, we do have a bill before us in general insurance that is making general insurance competitive in the field, oh, but they're pulling back. No, no way. --(Interjection)-- It is competitive. What are you talking about? Because you happen to be big, Mr. Speaker, a larger person financially, or a larger financial corporate citizen, does that mean that you should voluntarily give away some of your assets and make yourself equal to the other person? --(Interjection)-- I don't see the Honourable Leader of the Opposition doing that.

MR. SPEAKER: Order please.

MR. TOUPIN: Mr. Speaker, I see the Honourable Leader of the Opposition in his own private affairs financially attempting to get bigger, attempting to render better services, and I think that's good. I must congratulate him for that, and I do hope that he is more successful in doing that. And yet if we as a government do not make sure that any services that are now rendered by the government directly, or indirectly by agencies, or by lay persons in the field, we're criticized by the Opposition, and justifiably criticized by the Opposition because we're not rendering good service on an economical base, and yet if we take measures to be more effective in financial matters, we're still criticized by the Opposition. Criticized, yet without giving real alternatives, without real alternatives. They're attempting to use scare tactics to distort policy, and I saw that right through the last election, right through the last election pertaining to many policies that were announced by this government.

Mr. Speaker, I did say when I started that I don't intend to hold back discussions on this amendment before us, and I do intend to attempt to the best of my ability to clarify the bill before us and regulations that will be pursuant to all the people of Manitoba that are willing and wanting to make use of this instrument that is being made possible to them by a commitment of the last election, and by what would be possible with the help given of all members of the House. The Honourable Leader of the Opposition had a question.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: I wonder if the Minister can indicate whether it's his opinion that a compulsory monopoly insurance that must be obtained by anyone owning or driving a car . . .

MR. SPEAKER: Order please.

MR. SPIVAK: Well, Mr. Speaker I . . .

MR. SPEAKER: Order please. We are on the treasury bill, not on insurance. I don't recall the honourable member discussing insurance. He may have mentioned it fleetingly, let's stick to the subject.

MR. SPIVAK: Mr. Speaker, I'd like the opportunity to be able to address my question and then, Sir, if you reject it, I will accept that, but I don't think that you're in a position to know the question. The preface is important because of the statements that the Minister made. I ask him whether a compulsory monopoly insurance provided by Manitoba for anyone driving or owning a car is not an imposition of a government service?

MR. TOUPIN: Mr. Speaker, I do understand that the Leader of the Opposition would take that as an imposition. I see it as a basic need of individuals to protect themselves. If we look back prior to 1969, Mr. Speaker, and the Honourable Leader of the Opposition and his meek smile knows this, that just a few companies were becoming very strong in the field of insurance and really getting a monopoly on many things. We see that in other areas in our society. But if it happens by means of Canada Cement, Inland Cement, the Leader of the Opposition doesn't say one word. . .

A MEMBER: But they've seen it.

MR. TOUPIN: . . . but if it happens in regards to basic necessities in this province, they start saying, well, this is socialism, this should not be done. But the honourable member basically agrees with the government of having the basic insurance compulsory, and he knows it.

A MEMBER: Sure he does.

MR. TOUPIN: In regard to the additional insurance, in regard to general insurance, it is competitive, and it is the intent to keep it competitive. I know the honourable member

BILL 64

(MR. TOUPIN cont'd) . . . will not be satisfied with my answer, but that's understandable.

MR. SPEAKER: All those in favour of the amendment please say aye. Against, say nay. In my opinion the nays have it. I declare the amendment lost.

A MEMBER: Yeas and Nays, Mr. Speaker.

MR. SPEAKER: Call in the members. Order please. The motion before the House is the Amendment to Bill 64 by the Honourable Member for St. James, I believe - The Honourable Member for La Verendrye. All those in favour of the amendment please rise.

A STANDING VOTE was taken, the result being as follows:

YEAS

Messrs. Asper	Jorgenson
Axworthy	McGill
Bilton	McGregor
Blake	Marion
Craik	Minaker
Enns	Patrick
Graham	Sherman
Johnston (Portage la Prairie)	Spivak
Johnston (Sturgeon Creek)	

NAYS

Messrs. Adam	Malinowski
Barrow	Miller
Bostrom	Osland
Boyce	Paulley
Burtniak	Pawley
Cherniack	Petersson
Derewianchuk	Schreyer
Dillen	Toupin
Doern	Turnbull
Gottfried	Uruski
Green	Uskiw
Hanuschak	Walding
McBryde	

MR. CLERK: Yeas, 17; Nays, 25.

MR. SPEAKER: In my opinion the nays have it. I declare the motion lost.

The Honourable Minister of Finance shall be closing the debate. The Honourable Member for Minnedosa.

MR. DAVID BLAKE (Minnedosa): I won't take more than a moment or two but there were one or two things that I think I should get on the record to . . .

MR. SPEAKER: Order please. No you didn't record the amendment.

MR. BLAKE: Is this a formal offer?

MR. SPEAKER: . . . almost didn't allow the honourable member. The Honourable Member for Minnedosa.

MR. BLAKE: I spoke on the amendment, Mr. Speaker, I believe. I won't take but a moment or two. But after the Minister of Tourism entering debate to set the records straight, as he put it, Mr. Speaker, I'm sure after his second contribution that the records are really fuddled up now.

But I mentioned last time that I realize we're in speed-up but when the Minister gets up to speak on this bill it looks like he's maybe up on speed. It's something that must be quite near and dear to his heart and he arises in his place and contributes very vigorously.

I don't think that the entry of the government into treasury branches is . . .

MR. TOUPIN: Mr. Speaker, these sad comments can be made in an election campaign when one can't hear them, but not in this House.

BILL 64

(MR. TOUPIN cont'd) I'm not on speed, I don't take speed. Maybe the honourable member would like to have some. I don't like those kind of jokes.

MR. BLAKE: Mr. Chairman, if the Minister feels that that remark should be withdrawn, I would certainly withdraw it, but after the list of unparliamentary utterances that were passed around earlier, and on his first contribution in this debate, Mr. Chairman, he referred to us on this side of the House as scum, and I don't like to be referred to as scum either.

MR. TOUPIN: I did not say scum.

MR. BLAKE: If I had but a moment, Mr. Speaker, I could get out Hansard because I underlined it in the copy of Hansard.

MR. TOUPIN: . . . I never said it.

MR. BLAKE: When you mentioned that they were tired of the scum of this side of the House for a hundred years. --(Interjection)-- Well the record will show, Mr. Chairman, who is right and who's wrong.

But let's not delay the debate with some inconsequential argument such as this. I don't think the entry of the government into treasury branches, Mr. Chairman, will prove to be that great a disaster in the financial field. I do firmly believe as I mentioned before that it will provide a hindrance to the growth of the credit union movement because when the government enters a particular field where there may be a growing credit union it can't help but take some business away from them, business that would probably normally go to the credit unions. And it has never been --(Interjection)-- certainly it will take some from the banks but the banks can stand competition, they've been in the business for quite a long time, and they're well equipped to handle competition, as long as it's fair competition and something that they can meet on even ground, but I think you would have to be pretty naive to think that treasury branches really provide that type of fair competition because they do certainly have some advantages. I think in areas where possibly a credit union may develop in a given period of time that it's a matter of getting the local people suitably motivated to form a credit committee and someone has to do an awful lot of volunteer work, and give a great amount of their time with no financial reward in forming a credit union. I think the Minister is certainly well aware of that particular situation. It would be very simple for that area to invite a treasury branch to establish there, and this would eliminate any further need for a credit union. So I'm merely making the point that I do feel it's going to be detrimental to the credit union movement. I think that --(Interjection)-- Certainly. It will be a

MR. DEPUTY SPEAKER (Mr. Walding): The Honourable Member for Ste. Rose.

MR. A. R. (Pete) ADAM (Ste. Rose): Could you advise what do the chartered banks do to promote the credit unions?

INTRODUCTION OF GUESTS

MR. DEPUTY SPEAKER: Order please. If the honourable member would excuse me for just a moment, I would like to direct the attention of the members present to the gallery where we have some visitors this morning. There is a group of 50 students of Grade 6 and 7 from West St. Paul School, under the direction of Mr. Shenbach and Mrs. Rehbein. They are from the constituency of the Honourable Member for Selkirk, the Attorney-General.

Also we have with us 65 students of Grades 2 and 3 from Lundar School, under the direction of Mr. Hamilton and Mrs. Laurus, from the constituency of the Honourable Member for Lakeside.

We have also with us 48 students from Winnipeg Beach, Grades 4 and 5, under the direction of Mr. Moore and Mrs. Peiluck. They are from the constituency of the Honourable Member for Gimli.

On behalf of all of the members, I bid you welcome to the Legislature.

BILL NO. 64 Cont'd

MR. DEPUTY SPEAKER: The Honourable Member for Minnedosa.

MR. BLAKE: Thank you, Mr. Speaker. Just to set the record straight I just had a moment to find Hansard of May 31, 1974, Page 4165. The Honourable Member of Tourism and Recreation is stated there, "because the people of Manitoba back in '69 had enough of this scum that we have had before us for the last hundred years." So I just wanted to set the record straight, Mr. Speaker.

BILL 64

MR. DEPUTY SPEAKER: The Honourable Minister of Tourism and Recreation.

MR. TOUPIN: Mr. Speaker, in that context it wasn't referred at the Opposition.

MR. DEPUTY SPEAKER: The Honourable Member for Minnedosa.

MR. BLAKE: Thank you, Mr. Chairman. No I don't want to belabour the debate if the Minister is ready to close debate, and I know we want to move these bills on to committee.

I just did want to make mention in passing of the provincial savings banks. I've had just a chance to go through the report. They were established in 1924 and carried on through till 1932 when they suffered financial problems and consequently closed. --(Interjection)-- They may have been better managed down there. But I do want to reiterate, Mr. Chairman, that I don't think the entry of the government into the treasury branch business is going to provide that great thrust and that additional service that they are using to claim as the reason for entering the banking field. I think we all are well aware of the fact that the government are entering the treasury branch field simply to have a means of gathering in additional funds to be used for various government functions. I think that's the real reason; I don't think they're concerned with providing that additional service that is being provided by the credit unions and by the chartered banks adequately.

I know that there are those that feel these small remote hamlets should be served by a financial institution, and if it were economically sound they certainly would be, either by a credit union or by a bank. But I think you just have to be realistic and realize that there are places in our province where it's uneconomical to set up a bank, a credit union, or a treasury branch, and that's why those areas are not presently served. It would be sheer folly to think that the government is going to open treasury branches in all these little hamlets, because if that's the method of operation that they propose to follow, I can see nothing but financial disaster ahead of them, because they just cannot operate profitably with that kind of a branch structure, and I'm sure that the government in their wisdom will have no intention of going in on that basis. But it's been said before, Mr. Speaker, that it doesn't take a master's degree in mathematics to count the numbers on this side of the House and the numbers on that side of the House, and there's no question that the bill is going to pass.

So with those remarks, Mr. Speaker, I will allow the Minister to close debate.

MR. SPEAKER: The Honourable Minister of Finance.

HON. SAUL CHERNIACK, Q.C. (Minister of Finance) (St. Johns): Thank you, Mr. Speaker, and I do appreciate the comments of the Honourable Member for Minnedosa. One of the reasons I appreciate his comments is that they're usually straightforward and they're usually in a vein which is not designed to mislead or confuse, or juggle facts around to suit his advantage. I think he is straightforward in his presentation in the usual way. I'm sorry that for a moment he sank to a lower level than is his custom, but then that was retaliation and I suppose there was -- somebody taught us once that we should learn to turn the other cheek; I hope to learn; I'm still aspiring to that too. Nevertheless I appreciate what he said, and I appreciate the truth of what he said. And what he has done, and it's interesting that he was the last speaker of the Opposition to speak on this bill in that he has brought us a lot back to earth and away from the fantasies that have been manufactured by the members opposite.

He talked about the fact firstly, accepts the fact that we're doing it; he also acknowledges the fact that the treasury branches are in existence in other jurisdictions. They have not created a socialist economy that might be feared by anyone opposite; they have not damaged the credit union movements as they are there; they have not adversely affected the banking system, or meant the control of the economy, and I think he was honest with us, and I appreciate his saying so.

Mr. Speaker, I believe that we have taken a cautious and a thoughtful approach on this bill. There is nobody, I believe, who has been at all interested in the political history of this province who in the last 10, 15, 20 years, would have expressed surprise that at a certain time a New Democratic Government would come to the Legislature and say, we believe that we ought to be obtaining, setting up the authority to establish treasury branches. Nobody. And the only comment that I have heard from people who have had any knowledge of the scene, the political scene in Manitoba, is, why did it take you five years? Because after all this is a basic concept we've always had that there is a function to be performed, that government is empowered, entitled, and should be involved to some extent, as the House Leader said, have a modicum of say in the financial aspects of the life of the province, just as we have more than a modicum of say

BILL 64

(MR. CHERNIACK cont'd) in the economics and to the extent that we are deeply involved in the providing of social services and the concerns of social services, and it's really all a matter of emphasis and of priorities.

The Leader of the Opposition, I think, is very supportive of social services being expanded and extended in this province. I have said time and again that I don't believe that his party supports him to the extent that he is motivated in that effort, and I believe that's true, and I think that it is right to say so because a leader himself does not determine policies of a party. And therefore when I hear someone say, well the Leader of the Opposition said we should be doing something about oh, day care or welfare, or other things, I always have to caution and say, well if he had the authority to be - if he were the leader of government he would still not necessarily bring his party along with him as far as he has gone. But that is one degree, one emphasis that he has.

We on this side, I think, share much of and probably more than his desire to have government involved, society as a collective group involved in the provision of social services, but we also have a conviction that it is necessary that the representatives of the people, duly elected, do play a bigger role in the economic affairs of the province, because, Mr. Speaker, we are absolutely without faith that the system, as it was known, the free enterprise system, was one that would have throughout all the years of its experience, would have been able to provide something better than we have today. With all the technology, all the power, all the money, all the brains that it had to serve it, through the many many years of its existence, it has not been able to do a proper job to benefit the vast majority of the people; instead it has served a minority of people and has not been able to adjust so many, or correct so many of the faults and so many of the ills in society. To think that today there are still people badly housed, ill-fed, with inadequate health, and even, in many cases, inadequate educational facilities; it is a sign of a downfall of the system which the members on the Opposition support.

We take into mind, at least I do, Mr. Speaker, the fact that in my time, in my lifetime, in the time that I was aware when we have seen such tremendous changes in that free enterprise system, where we have seen the introduction of old age pensions, unemployment insurance, more important controls, combines legislation, controls over the gathering together of power into small groups, the introduction of the Bank of Canada, all these were designed in order to help cure, or at least control the growth and the power of lesser and lesser, and stronger and stronger corporate entities in this country, and in the world. Even with those, we have still not been able to do very much towards really permanently affecting beneficially the lives of the vast majority of the people who are - may I use the word "underprivileged" in many respects.

Now, Mr. Speaker, having said that I don't pretend the treasury branches, that this bill is going to do that much, and that's why it's rather amusing to me that the members opposite have been talking about jigsaw puzzles and fitting in plans - Mr. Speaker, if we planned as well as the way in which the Opposition gives us credit to do, we'd really be doing very well. They often show us how the things we are doing fall into a pattern which is probably a good pattern, and giving us credit for what we may not ourselves foresee is only to say to us, your instincts, your basic instincts are right and you should follow them through.

There are some comments made by some of the members opposite; I listened to and I think I've heard just about all of the comments made by members opposite. The fact is they boil down to the essence of two or three speeches and the rest have been repetitive, and I think members opposite would recognize that they have been. They've talked about a few points, and talked about it, and around it and every which way, but in the end there have been basically just several points made. But there are allegations made, and especially by the Leader of the -- I shouldn't say especially by the Leader of the Opposition, but he was the one who introduced many of these allegations, many of which were repeated again and again.

He talked about the financing of the Alberta treasury branches, and he stated repeatedly that the people of Alberta have subsidized the treasury branch system. When he spoke on May 31st he said prior to March 31, 1970, in Alberta, the expenditures of the operation of the treasury branches were charged to the General Revenue of the province. Well that was in accord with a statement he read from the annual financial statements of the treasury branches, but then he said, "In other words," and these are his words, "they were paid by the taxpayer". Well that statement was not correct. The one he quoted was correct insofar as it went, but the

BILL 64

(MR. CHERNIACK cont'd) latter statement is a gross misinterpretation of the statement he read out of the financial statement. Although it is true that prior to March 31, 1970 expenditures were charged to General Revenue there was no public subsidy involved." Our discussions with the appropriate Alberta officials revealed that the charging of expenditures to General Revenue was simply an accounting procedure used in the past. Funds were voted by the Legislature, were transferred to the treasury branches, and the branches in turn reimbursed the General Revenue Fund by the full amount, so that there was no public subsidy involved. It is the case that in their initial six years of operation the branches lost money and therefore they received funds from the General Revenue amounting to some \$2 million, we are told. Since 1953 however, which is some 21 years ago, the treasury branches have become self-sustaining operations. For example, just from 1966 through 1973, the treasury branches in Alberta have earned surplus amounting to over \$20 million, of which over eight million has been remitted to the General Revenue Fund. So that the people who do business with the treasury branches of Alberta indeed are supplementing the income of the Alberta Consolidated Revenue and not as the Leader of the Opposition tried to make us believe was the case.

He referred in a sort of an indefinite vague way that treasury branches and government departments jointly owned public buildings. That's implying that there was a further hidden subsidy - and of course he used that word. He seemed to suggest that because they jointly owned buildings the treasury branches have a competitive advantage relative to other institutions. But the argument is not clear to me; I don't think it was intended to be clear, I think that he would rather have dropped a statement that could be misinterpreted, or interpreted the way he would want it to be but not in the way he would feel bound to say it. So to set the record straight we have made inquiries, and we're informed that the treasury branches both own and operate some branch buildings, and they also rent space in certain government buildings, but they pay rent like any other commercial venture and are not subsidized by the province.

Now the only suggestion that could be made is that we are being misled by the people in Alberta. Mr. Speaker, I would be more prone to believe the people from Alberta, who are responsible in the management of these affairs and have given us these answers, than I would believe what the Leader of the Opposition says, as he infers it from information that is inadequate which he gleans from annual statements.

May I say, I have a statement here of earnings in the last number of years. In 1973 apparently there was an earning of \$4, 100, 000; there was a transfer to General Revenue of \$2, 661, 000; they have some 850 people employed in 80 branches. But that is not really our aim to be as large as Alberta. There are many reasons why the Alberta treasury branches have grown substantially, and we don't have to canvass them because I think we're pretty well aware of them, they have been stated in the House.

But I come back to the allegations of the Leader of the Opposition who talked about all this hidden subsidization which will have the effect of providing unfair competition, and if that is the case then one wonders, because he goes on to say that he's not suggesting of course that that is the way this Government will do it, he says, and I quote, "This is not something, Mr. Speaker, that is being suggested that the Government will do", but about four or five lines later, he does say, "I have to assume that this will be intended, if the Government really wants to try and draw the money in, and I think it does, will be to slough off whatever costs they can, so that a hidden subsidization can take place. The objective is to get control of the financial institutions in this province, including the credit unions." So, he says, Alberta subsidizes the treasury branches; the people are in a hidden manner feeding the treasury branches; this, he says, leads to control, and one asks, where is the control of the Alberta government? Where is that control? As I understand it, and this is a figure I have not checked out, I've just heard it stated, so it's subject to verification, that the deposits in Alberta by the treasury branches are about 10 percent of the total deposits in the province, and with that - and as well as they are doing, I'm not aware that they've taken over control. But there's a contradiction there by the Leader of the Opposition; I only bring it to anybody's attention in case they're interested in hearing that.

He made remarks about making a profit and setting preferential rates, and saying, well, there's a contradiction, and other members have said it - I think the Member for St. James said it today - that the Minister of Finance said one thing, the Minister of Mines said something else, someone in the back bench said something else, they are contradictory, and, Mr. Speaker,

BILL 64

(MR. CHERNIACK cont'd) they are not contradictory, they are again a question of emphasis and priority. Peculiarly enough, members opposite seem to feel that we should all on this side give exactly the same weight to the objectives and have no differences, as if we're monolithic, and, Mr. Speaker, we are not. The important thing is that we agree on what should be done, and the less important thing is, how do we arrive at that decision? And the Minister of Mines made it clear that he has in mind maximizing profit; I said that I have in mind greater competition that would act to reduce the interest rates charged, and to increase the interest rates paid on deposits, and they are not mutually exclusive because it is only by being able to attract the kind of profits that are being spoken of that one could be of benefit to both the borrowers and lenders of a treasury branch. There is no inconsistency in my mind, and there was none in the part of this caucus which discussed treasury branches extensively and agreed to proceed.

Let me inform - which Honourable member was it who said, if only the back bench of Government realized what was happening, that he has no idea after all this time how our caucus operates, and the extent to which the caucus as a caucus makes decisions, and the backbenchers have a say in the decisions, and it may not be --(Interjection)-- well the Member for St. James is new to legislative experience, and maybe therefore has only viewed his caucus in terms of a period of month, but let me assure members opposite - I don't think they're entitled to the assurance, so let me make this statement, that our caucus is active enough, and knows enough about what it wants, that it is fully supportive of this bill and itself is to a large extent the author of it and the promoter of it.

The Leader of the Opposition made some comment about the expensive operation of treasury branches, and I only recall to him the comments made by the Member from Minnedosa, who described how much cheaper it is to operate a credit union or a treasury branch than it is to operate a bank. He pointed out that under the Bank Act apparently, or under regulations, and I was not aware of this, that there are required standards that a bank must meet in opening a branch, and that these are much more expensive than would be required of a treasury branch. And I quote him as my authority, because I didn't know that, and when he said it, I believe it, as I do almost everything he says as being factual, as being correctly stated. His opinions I do not . . . or as I say when he did think as he did for a moment this morning, that of course, I agree should be rejected. Nevertheless, --(Interjection)-- No, you'll wait till the end just as, --(Interjection)-- the Leader of the Opposition has asked a question, and as has been his practice recently, I respond, he should wait until I end.

The information in regard to Ontario also appears to be that these treasury branches are not that expensive. If they were, if they were, then one would think that there is less and less to fear, because there would be less and less chances for success. The information we've received from Ontario Savings Office is that the office there operates some 21 branches, six of which are located in Toronto. I draw this to the attention of the Member from Minnedosa to point out to him, never have we indicated, nor do we intend to go into every hamlet in Manitoba and set up a treasury branch. It would be foolhardy to do it. It was never suggested we would do it. It is only those who are trying to think of reasons - let's build ourselves a straw man, and let's knock him down - that there's even a suggestion that we would spread out and go into all the hamlets and byways of the Province of Manitoba.

The savings office in Ontario accepts deposits from the public and from companies, and certain government agencies, such as the Ontario Liquor Control Board, and the Ontario Water Resources Division. Well! Well, there we have those Tories in Toronto that are taking over the Liquor Control Board and the Water Resources Division, and having them deposit moneys in the savings office -- and let's bear in mind that the savings office is just a place where people deposit money, they don't make loans. So now we have this Tory Government in Ontario which has certain government agencies putting deposits into the savings office; the rates on deposits are generally kept in line with those charged by Trust Companies, and the savings office transfers all funds in excess of day to day requirements, where to? To the Consolidated Revenue Fund, and the Ontario Government pays interest for the use of the funds to the treasury branches, one percent greater than the rate that the treasury branches pay on deposits. So we find Tory Ontario accepting deposits from government agencies as well as from individuals, and itself putting it into the Consolidated Revenue and paying interest at a rate one percent above that which the treasury branches, or the savings offices, are paying to

BILL 64

(MR. CHERNIACK cont'd) their depositors. In Ontario, as of 1973, the deposits on hand in Ontario were \$159 million.

Now, Mr. Speaker, the Leader of the Opposition and others have mentioned Leaf Rapids. The Leader of the Opposition argued that the Government in the case of Leaf Rapids, which is government controlled, allowed one bank, and when another bank wanted to go in it said no. I don't know where he gets his information. It would be interesting to have that information, but as I'm informed, the statement is just not true.

The Province, again I'm informed, initially requested the credit unions to establish an operation in Leaf Rapids but the credit unions declined. And let me say that this was confirmed to me by Barney Martin, who is with the CCSM, that they did decline, they were invited and did decline to come into Leaf Rapids to set up a credit union operation there. So the Government then called the banks and asked them, "Are you interested in coming into Leaf Rapids?" Again I'm informed, and I believe because it makes sense, that the banks themselves said, well now coming in to Leaf Rapids at this stage is a losing proposition for awhile. There is a period of time before we can hope to become self-sustaining and make money, and during that time we will be investing money. It would be unfair that we step in at that time, and one of us, one of the banks do, create the losses, wait for business to build up, and then have another institution, a bank come in and start up. So they said that we are entitled, whichever bank gets it, to a certain period of grace where there is no competition until we get going. And that was requested by the banks, and as I understand it, a bank is there now, and if there's another bank that wants in, I understand that there will be the problem of what the banks had agreed to, was a period of grace. A Member from Minnedosa want to ask . . .

MR. SPEAKER: The Honourable Member from Minnedosa.

MR. BLAKE: Thank you, Mr. Speaker. Mr. Minister, I was just wondering, the bank that had provided the service in that particular area in the north for many many years, and invested the mortgage funds in the Town of Leaf Rapids was not allowed to open a branch in the townsite, and I wondered if you might have some reason for that. The Bank of Montreal is in there, and the Bank of Commerce have served that area for the last 30 or 40 years.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, as I understand it - and I'm not speaking with personal knowledge, but what I'm told and I believe - that the banks were invited to come into Leaf Rapids. The banks - now that doesn't mean every bank, but the banks, as the group indicated, that they thought whichever one does go in should be allowed to be there alone for awhile and it was the Bank of Montreal that was given the opportunity on basis of tenders by all banks, and I would guess that the Bank of Commerce is big enough that it would have been involved in making a tender, or a proposal, and the judgment was motivated by rents, by native employment practices, and by community development projects, that the decision, right or wrong, was that it would be the Bank of Montreal. I don't know enough about the basis of the various tenders, but I see no reason why one bank would be selected over any other in a preferential way, other than on the basis of the quotations given. --(Interjection)-- Well, I'm sure there was competition between the banks as to who would get it and the Bank of Montreal did.

Now I am told that the credit union movement is going in there, and by all means. The only question I asked was, why weren't you there earlier? And the answer was: We won't go in until we know it's viable. Now that Leaf Rapids is set up and is functioning and there are people that are available and are willing to go into a credit union, now we are prepared to go in because now we know it's viable, and they're going in I'm told. So that that is the approach that the credit union movement took to this particular development in Leaf Rapids. And that's very important, Mr. Speaker; I do not fault them for not going in if they have any doubts as to viability, but I do say that it was necessary that somebody go in, and it was a bank that was prepared to do it, not the credit union that was prepared to go in and do the pioneer work in that area.

Now the Credit Union Bank. The Leader of the Opposition criticizes the province for, and I quote, "Preventing the credit unions from forming the banks that they've been working towards". It's just not true, Mr. Speaker, it's just not true that we are preventing them from proceeding. We have given them support, we are prepared to give them support, we endorse their desire to create the Northland Bank. Members should bear in mind of course that the Northland Bank is planned to be a commercial bank not dealing with individual depositors, and

BILL 64

(MR. CHERNIACK cont'd)

I understand that their plans so far, as far as they see them, are to set up one branch in Winnipeg, the only branch in the Province of Manitoba. That's my information. And it will be one which will be in the commercial business, and I suppose it'll be the important avenue or access of the credit union movement into the bank clearing system. So don't let anybody, including the credit unions try to suggest that any action on behalf of the treasury branches will affect their aspirations of establishing the Northland Bank. We've offered them support; they know it, and when they say that they're afraid that our efforts will damage . . . the only conclusion I could come to is that they are afraid that they may fail, and they're already looking for some reason to blame somebody else. And I say that harshly, and I know that it's a statement which will not be too well accepted by the leaders in the CCSM, but I can't think of any other excuse they would have for saying that the province would be interfering with their efforts to get their charter in Ottawa. There's no way that that could be supported.

Mr. Speaker, the Leader of the Opposition talked about bank loans exceeding deposits in Manitoba by \$205 million in 1972. He said that on Page 4173. That figure is so clear that it is obvious that he got the information from the Canadian Banking Association brief to WEOK, or if not that one then he got it from a similar statement by the bank. That's where this figure appears, and it purports to show that bank assets exceed liabilities in Manitoba by 205 million. The Leader of the Opposition surely is astute enough, knowledgeable enough, and experienced enough to realize that bank loans does not mean the same as bank assets, and where they say assets, he said loans. And I think he must realize that that is not a word which is interchangeable.

We emphasized --(Interjection)-- Pardon? Ah, the Member for Minnedosa is again stating the facts. Loans and assets, but the Leader, his Leader, never said assets, he said loans. There's a very big difference, and we ought to make that clear.

We emphasized this at the WEOK Conference that there are a number of major categories of assets and liabilities that were allocated in an arbitrary manner, thus the liability, accumulated appropriations for losses, debentures and shareholders equity, \$96 million; and the assets, notes of and deposits with the Bank of Canada, \$94 million; and Canadian Treasury Bills and other securities, \$313 million; and Corporate Securities, \$59 million, were allocated to Manitoba in a totally arbitrary manner. Specifically these liabilities and assets were allocated to the province in proportion to our share of deposits, and in my view there need be no relation whatsoever between the deposits and expenditures, like the purchasing of federal securities, corporate securities, with deposits. The Canadian Banking Association in effect have assumed what they set out to prove; that is, that banks spend a fair proportion of capital in all provinces.

One might also note that the CBA has distributed loans of over \$100,000 to individual provinces without these figures being vetted by the Bank of Canada. Previously the banks have maintained that data on the distribution of large business loans by province was not available. It makes one wonder, wonder only, about the validity data that was presented. And again, Mr. Speaker, may I point out, that it's only latterly that the provinces have started to talk about being involved in financial institutions, that banks have started to become a little more open about their operations.

I want to touch for a moment on that draft document which fell into the hands in some surreptitious manner, into the hands of the Conservative Party, and I want it to be recognized for what it is. The Leader of the Opposition said that it was an involuntary publication. It comes from a Planning and Priority document which was published, albeit involuntarily because he published it, and which was supposed to be the basis for the Guidelines for the Seventies. And I suppose that's a pretty accurate statement, it was supposed to be. It was supposed to be the basis for the Guidelines. And I think, never having seen it, I would still assume that it was a preliminary document submitted for consideration.

Well, Mr. Speaker, the Leader of the Opposition in this statement, and in a subsequent statement, put it exactly what it was, it's a draft document, which he is now using as ammunition, but he never never made it clear to his own back bench what the nature of that document was. Because, Mr. --(Interjection)-- Oh he is now reacting as if he did. They must know. One would think that he thinks that the back bench sitting behind him knows the truth about that document. The Member for Morris, he, he himself a Leader of the Opposition says reference has been made to it before. There's some like the Honourable Member for Morris who

BILL 64

(MR. CHERNIACK cont'd) will refer to it as the NDP manifesto. I quote the Leader of the Opposition. Does he know that his colleague from Morris also called it Mein Kampf. Does he know that? And is that a word that he would like to have repeated, that this is the kind of document attributable to this side, to the Government, the Mein Kampf. I wonder if he knew that; if he wants to quote the Member for Morris, let him quote him correctly. He has called it a manifesto, he's also called it Mein Kampf. It's just as well that that be known.

Which again diverts me, Mr. Speaker, into another direction. I almost ran out of this Chamber the other day when the Member for Morris started to speak and I heard him say something to the effect that today is the 30th Anniversary of the landing in Normandy when Canadians lost their lives and blood was shed - now these may not be the exact words - and he said that it was proper to call that to mind when one discusses treasury branches. And, Mr. Speaker, I ran out of the House because at that moment I reacted pretty strongly because I had friends who gave up their lives in the interests of freedom, as he put it, who gave up their lives in the interest of many more important things than fighting on behalf of the banking institutions, or credit unions, and against treasury branches. I was disgusted, and I still am, at the thought that one draws that kind of comparison to the treasury branches as they might exist in Manitoba, as they do exist in Alberta, as they do exist in Ontario, as they exist in savings institutions in Quebec. To use that kind of an argument is really beneath, beneath the level to which the member does sink on occasion.

However I was talking about the back bench knowing the document that's being passed around, and that document, some of them did honestly believe were the Guidelines for the Seventies. They were sucked into believing that by someone - it can only be by their colleagues. And when you find the Member for Pembina, the Member for Minnedosa, quoting from a document which they honestly believed were Guidelines for the Seventies, a publication of this Government, and quoting it, and I don't blame them because on one occasion the Leader of the Opposition said - talking about the purloined document which he is using - the Minister of Finance is well aware of that suggestion, it's contained in his own documentation. Now he attributes that document to me - which means I suppose when I say I never saw it, that I am not telling the truth because he says it's my own documentation. So I can understand why it is that the Member for Minnedosa and the Member for Pembina were misled by their own leaders into believing, into believing that when they were reading something it was truly what they thought it was.

MR. BILTON: Aw come on.

MR. CHERNIACK: Oh, come on, says the Member for Swan River. So when the Member for Minnedosa quotes from a piece of paper, and I interrupted to ask and point out just what is that, is that Guidelines, or is it some other document, what does he say? And I quote again from Hansard. He says: "Mr. Speaker, I was reading a quote that was taken from Guidelines. If I get the copy of the book I can locate it, and I would forward it to you." Didn't he believe that he could? Didn't he honestly believe that when he read it, and he wasn't reading out of the book, that he would get the book and read it back to us and give us the page? He believed that. And when I said, "oh no." So who corrected him? The Member for Morris. The Member for Morris said, "Oh you won't find it there, oh no." And then I said, "Is it not there?" And the Member for Morris says, "No. That's right." And now the Member for Minnedosa knows he was misled. He was reading from a document which he honestly thought was an honest quotation from a Government publication.

A MEMBER: Misled by whom?

MR. CHERNIACK: But he was misled, and the only people who could have, and who wanted to mislead the people of Manitoba, are his Leader, are his colleagues, and his caucus who keep quoting that document. But I think gradually we're getting them to tell, to describe that document in a truthful way. In this Chamber; outside I don't know. --(Interjection)--

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Would the Minister indicate whether or not he has any information that in the document being referred to, that we have referred to as a manifesto, you have referred to as a working draft that was rejected by your Government, is the Minister aware, or can he confirm that in its original draft form it was referred and listed as Guidelines for the Seventies.

A MEMBER: A very early draft.

BILL 64

MR. CHERNIACK: Mr. Speaker, if I were writing a report on the treasury branches of Manitoba and I started drafting it knowing I was going to have six drafts in succession submitting them all over, I would still have to give it a title, and that title would be Treasury Branches of Manitoba. That kind of attributing to a greater strength than it has by showing that the title is Guidelines, then obviously that title is part of the draft. I'm sure the Member for Lakeside would not have us believe that this was the original document. Because he knows very well that it was a preliminary document prepared by someone, an individual, and reviewed, and the title does not give it the proper title. The Manifesto as being their title is more honest to say that's attributed to somebody else's manifesto, but it is dishonest to call it the Guidelines. And I know that the Member for Minnedosa will never do it again even in a private conversation because he wants to tell the truth. I cannot have that confidence about some of his colleagues because of their track record.

Now, Mr. Speaker, dealing with the brief submitted by the CCSM, I refer only to a couple of references they make. They suggest certain alternatives, that is, grants for development administered by the credit union movement, that we can make grants through the credit union movement, Co-operative Credit Society of Manitoba, who would offer management services at cost at each point in the province where the Provincial Government declared a need for a financial agency, and where normally a credit union would not be viable. This would provide for a transition period of the financial facility until it would be capable of operating as a bona fide credit union run by the members it serves. Credit unions would set up and be managed by the CCSM in areas designated by the Government. That's their proposal. They're saying, Well if you think - and let me use Leaf Rapids as an example because it's now a dated example - if you think Leaf Rapids needs something like that, a financial institution, well then we'll operate it for you at cost, which means that you will take care of the loss, and we would provide - and after the transition period when it can be operated as a bona fide credit union run by the members it serves, we will then take it over. Well I think that's a pretty -- you know, we could make that deal with anybody, just anybody at all. The Member for Swan River would be prepared, I'm sure, with his colleague from Minnedosa to do that very thing. You pay our costs, you pay our losses, and when it straightens out then we'll be able to take it over and say, thank you very much, we don't need you any more, we're on our own feet now.

--(Interjection)--

And they say on Page 4 that they would welcome requests by the Government to extend additional services on a reasonable basis, and they say that reasonable basis can be negotiated for the extension of the financial services at substantial savings over the alternative of providing an additional system of treasury branches. I don't rule that out, Mr. Speaker. I do not rule out the possibility of our being able to make mutually advantageous arrangements with a credit union. But only once I know that we have received the authority of this Legislature that if we cannot make arrangements on a reasonable basis, and I quote the CCSM: "Once I receive authority from this Legislature to know that if I can't make reasonable arrangements I do have another method whereby I can serve the people of Manitoba, then I'll be able to deal with them on a more equal basis as to what kind of joint ventures or joint undertakings we can envisage." The credit union movement says on Page 6, "Branch banking is expensive banking. Credit unions believe they have lower overheads that can offer lower cost services than any other alternative financial institutions". And they say they estimate that for a considerable number of years government savings offices would lose money, and they assume therefore that tax revenue would have to be used to support the treasury offices.

Mr. Speaker, I do not believe that their own statement, their own brief, justifies their stated fear of treasury branches or justifies this avalanche of mail which we're all receiving, saying, "I fear, I fear the treasury branches". Mr. Speaker, it is a desire on their part to prevent something from happening, to give to them a clear field. And, you know - how many years ago before we had credit unions in Manitoba - there was apparently a need felt by Manitobans to set up a co-operative venture, to serve the members that would provide services which they were not satisfied they were receiving from the banking system. It has to be obvious. Otherwise, why do it? There was a need felt and they stepped in and did it. And the Member for Minnedosa, a former bank manager, says he recalls very well when he was able to work with the credit union movement, where the bank itself would be able to refer business to a credit union because it had regulations that were more flexible, apparently, to enable some

BILL 64

(MR. CHERNIACK cont'd) loan to be made. He worked together with them and yet they were set up in competition to the banks and now they work side by side. As the Minister of Tourism said, in Steinbach there are three branches, there's the busiest or the largest credit union in Manitoba in operation. And I do again recognize that the Member from Minnedosa said, and I quote him, when he spoke on June 1st: "I don't know whether I'd go so far as to say that they fear being destroyed, but I think they fear the competition they might receive from a treasury branch because the credit unions have been -- I don't want to use the term "favoured" but the credit unions have received a lot of funds in the past few years from government agencies, and we have changed the Act two or three times to allow some more of it, which is part of the reason for their success, maybe to a greater degree than it might have normally been without that little push of extra funds, allow them to maneuver in a little larger field. No question about that. And I think while they may not have a fear of being destroyed, they certainly have a fear of losing some of the forward thrust that they have." And that's an honest statement made by the member from Minnedosa, one statement which I believe has not been echoed by any of his colleagues that spoke on behalf of credit unions.

The Member for Roblin, who has just entered to grace us with his presence, had a report in his, I suppose in the -- I don't know which document it is, which newspaper, but it's one which advertises the NDP candidate in Ste. Rose on the back of it, back-to-back, you have a choice - believe what the Member for Roblin says or else vote for Lavern Lawicki - in Ste. Rose headquarters are shown - and the member there says, "Many of those of executive level in the credit union are most concerned today with the statement by Finance Minister Cherniack in answer to a question from George Henderson, PC, Pembina, in the Legislature, when he replied, 'I've run into some credit union branches which do not operate in the interests of the community.' "

Mr. Speaker, that again is part of the scare tactics. I was drawing a comparison between credit unions which do serve the community in which they form part and others which do not serve the entire community but are much more parochial in their interests and therefore do not have the same over-all or communal interests that I think we can achieve through a treasury branch, and that was the point I made.

Mr. Speaker, I don't want to take too much more time. I want to refer to a transcript of just a few of the statements that were made at the Western Economics Opportunities Conference. I first want to read some statements made by the Minister of Finance of the Federal Government, John Turner, talking about the presentation by the western provinces about banking. He says, "While our analysis is different from yours on some points, we fully agreed that there is room for further improvement in these financial facilities to meet particular western needs." And he goes on to say, "The experience of the bank of British Columbia since its establishment six years ago suggests that such developments can produce significant benefits. This venture has proved, first of all, to be financially successful. More important, it has provided a new and growing source of credit to meet the needs of the area it serves."

And later on he says, "Perhaps, most important of all, it has encouraged the nationally-based chartered banks to move towards greater decentralization of their own operations to meet that new competition, and that includes wider authorization to improve loans locally and regionally. Decisions on loans of a million dollars or more are now made in regional headquarters of every one of Canada's chartered banks. This same situation is generally true for trust companies. There has been a constant increase in influence and authority given to regional bank administrations so that they may respond . . ." - then there's a word which reads 'tentatively' which I think doesn't fit in and I think it's an error - "and sensibly to the particular financial needs of the area that they serve. It is my personal conviction. I would favour more western banks. In fact, I favour more banks." In introducing this bill I pointed out that we have less banks than we had a few years ago.

John Turner went on to say, "I've also told the other types of financial institutions, including trust companies and life insurance companies that we would look forward favourably upon broadening the mandate and statutory authority of all these institutions to provide more competition, over a wider panorama, in the financial market."

Mr. Speaker, that's what we're talking about here. John Turner also said, and I quote: "Prime Minister, I believe there is a substantial degree of accord in our views as to the measures that need to be adopted to insure that more funds are available to finance the

BILL 64

(MR. CHERNIACK cont'd) expansion and to broaden the economic face of Western Canada."

Now I'd like to read another quote. I'd like to read a quote from one of the western Premiers, who says, "Mr. Chairman, coming from the free-enterprise province, we have of course to respond to this with the fact that we have the Alberta treasury branches, a 370 million dollar operation, which is 100 percent controlled by the government of the province, but we welcome the initiatives as well. We've been discussing and considering in our administration alternative and supplementary financial institutions within our province." They're looking beyond what they now have in Alberta. "We've been talking about a Bank of Alberta and how it might work. Certainly it's a useful option for us to consider." And that's Premier Lougheed, that Tory from the West.

Mr. Speaker, I want to come back to some comments made by the Member for Minnedosa, and he talked about banking, and his knowledge with it, and he said, "so I can understand the feeling whereby the decision-making in the . . . --(Interjection)--

MR. SPEAKER: Order please. It's been quiet until the Honourable Member for Radisson came in.

MR. CHERNIACK: "So I can understand the feeling whereby the decision-making in the east has led a lot to doubt and a lot of resentment. But I think that has been changing." And, Mr. Speaker, I think so too, because I think that they have learned that the monopoly they used to have no longer exists, or will no longer exist.

And I quote again from the Member for Minnedosa: "I think it maybe goes back a little further than a couple of years," that is, the change. "I think that process was changing in an ever-changing field. The banking business has undergone tremendous changes in the past few years. Computerization has probably been one of them and I certainly agree that there's been a change in their thinking about regionalism and regional decisions. They could very well have been influenced, in some degree, to just such things as we are talking about now. I'm sure this has been mentioned before to the senior people in all of the chartered banks. In fact, you know, you fellows aren't really giving the West a fair shake, or you know, in Manitoba, I'm sure there's people who put pressure on the banks to maybe pay a little more attention to Manitoba, and try and finance the industry of Manitoba a little better."

Mr. Speaker, that's what it's all about. The Opposition just doesn't feel that we should be in government, because they do recognize competition; they do recognize the need for expansion; they do recognize the need for a bigger role by westerners to play in their own economy, but they don't like the fact that we're doing it. They don't like the fact that we're involved in it. And the Leader of the Opposition today said, "What about compulsory auto insurance?" They were all in favour of compulsory auto insurance. They agreed that it was necessary to force people who owned vehicles and drive vehicles to be insured. They wanted that, and now he has said, "Oh, compulsion. That's bad." True. They wanted compulsion, but not by this Government. That was the difference. They want - and I believe they do; at least their colleague in Alberta does - to examine, go beyond treasury branches for playing a role in the economic future of their province, but they don't want this Government to do it. That's the difference. And they don't want us to do it because they're not on this side, so they don't recognize the fact that we were elected.

This is the thing they have yet to recognize. It took them, what is it? It took them two weeks almost in 1969 to find out that really, really they didn't have the government in their hands. They were still going to their offices day by day not wanting to give up. It took them a year to learn that they were in opposition. It took them more than a year to learn how to be in opposition, and currently, it's taken them almost a year - aren't we close to an Anniversary? I think we are - still they haven't realized that they lost the last election and that we won the last election. They haven't realized it yet, and therefore to them it's such a shock, that to do what westerners want to be done, but to have it done by this Government is to them unacceptable.

I did want to draw to the attention of honourable members some information that I have gathered together about interest rates by a bank - and I needn't name it, I think they're all about the same - but the interest rate, that is the commercial prime rate and the non-checking savings account rate paid, that is, rates charged, commercial, prime rates paid on the non-checking savings accounts - and let's remember the prime rate is the bottom rate for commercial - it goes up beyond that. And I find, back in 1967, there's a 1 1/4 percent difference,

BILL 64

(MR. CHERNIACK cont'd) which then rose from April to October, rose in October to 1 1/2, in December of '67 to 2 differential; February 15, 1968, they both rose but the differential of 2 remained; then it rose May 13, 2 1/4; then it dropped in August to 2; went up in September to 1 3/4; 1 3/4, then it went 2, 2, 2, 2, 2, 2, 1 3/4, 2, 2, 2 1/2, 2, 2, 2, 2 1/4, 2 1/2. This is the differential I find between the money paid to depositors; and the prime rate, commercial prime rate, when we know now that many borrowers pay more than prime, we are beginning to see a three and a four percent differential between payment made from moneys left on deposit and moneys charged on interest. And there is a substantial differential there.

Mr. Speaker, coming back to what I said in the introduction, if all we do is move those a little bit closer, we are doing something, and that's competition - in fact, even free enterprise. And that is something that's desirable. At least I think it's desirable and so do our colleagues. I believe that we have shown a worthwhile operation for the treasury branches within the province. I want to say that, in spite of what is forecast by members opposite, I did not say we wanted permissive legislation. I forget the term I used, but I wanted the legislation which was necessary for us to get going. That does not mean we are going at it tomorrow. It does mean that we have yet to consider the manner in which we develop it. It does mean that we have yet to fully establish the role as between the small loans branch of the MDC and the treasury branch. It may well be that -- we certainly don't think that there's any point in creating a competitive source for government funds themselves. We will have to clarify with the MDC what it is, but we need a go-ahead and that's what we ask today.

Now the Leader of the Opposition was absolutely correct. Let's not fool ourselves. Pass this bill and the Government has the authority to proceed. Let's not pretend that all we want is some assurance that the House supports the principle of treasury branches. I never suggested that and I agree with him. This bill has to be considered by all members on the assumption, which is correct, that we intend to go into treasury branches. The assumption, however, that we're going into every hamlet and every little town and every little village, is false. The fact is, we would probably start in Winnipeg and then we would start looking beyond Winnipeg to those areas where the need can be shown and where the viability is indicated. On that basis, we'll proceed. The Honourable Member for Churchill suggested Churchill may be a place. And maybe it is. I won't say it is. I won't say it is, because I think we would want to look into and investigate Churchill itself to make sure that it is. The Member for Swan River is inviting us into Swan River? --(Interjection)-- No way.

A MEMBER: We've got three banks now.

MR. CHERNIACK: No Credit Union? How many?

MR. SPEAKER: Order please.

MR. CHERNIACK: Mr. Speaker, may I ask whether you know how many credit unions there are in Swan River? One? Well then we have one branch in Swan River, one credit union, three banks, and Swan River apparently is very well served. Maybe it's overly served. One wonders, one wonders how three banks and a credit union can support themselves in Swan River. Because there's a lot of money there? Then maybe it's the proper place for the treasury of Manitoba to give depositors an opportunity . . . (Applause) Because, Mr. Speaker, in Ontario, with some twenty-odd branches, there's 159 million dollars worth of money loaned to the Province of Ontario through the treasury branches, and the Province of Ontario is using that money to finance ongoing operations, which means that Ontario people have an opportunity to invest their money in the future of their province, and to the extent that we are able to make it possible for Manitobans to invest in the future of the province, to have a say in the development of the province, then I think we owe them that opportunity and this Government intends to make it possible for them.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: If the Minister would permit, two questions. First, he referred, just in his conclusion, to the need, the need for treasury branches, and I wonder if he could indicate whether the criteria for need for the Government will be the ability to be able to obtain savings, or the need to be able to have loan money available in any community, or the need generally for the Government to have money for its own purposes.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Chairman, the first two are so obvious that I don't even know

BILL 64

(MR. CHERNIACK cont'd) that I should thank the honourable member for spelling out for us what exactly would help determine the need. The third one is not quite fair. He's suggesting the need of the Government to have money to operate. Of course the Government needs to have money, but that money can be obtained from various sources. Today my Deputy Minister's in New York, pricing an issue. Frankly, we hear too often from Manitobans saying, "we would like an opportunity to lend money to the province for the work it's doing." And that is why we are going into a savings bond issue in just a couple of weeks, and I hope all honourable members are going to purchase savings bonds of the province. But a savings bond is one that you buy at a certain time and then you cash it when you need it. A depository such as treasury branches will give Manitobans the opportunity to have an ongoing lending program with the province but he'd be able to withdraw and put it back in again, and to that extent it will be useful to the province to have the use of this money and at the same time it will be useful for Manitobans. So the third reason given to him is less than the first two, but it's one that of course has certain practical advantages.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: The second question, Mr. Speaker, to the Minister of Finance: Is it the Government's intention to proceed with the provincial bank along with the treasury branches?

MR. CHERNIACK: Mr. Chairman, this Government has asked and participated in asking for permission to establish, to participate in a bank. We know that the intent will be to limit any government or any group of governments to 25 percent, reducing down to 10 percent over a period of years. We have indicated to our neighbours, the provinces of Saskatchewan, Alberta and B. C., that when this permission is granted we would be prepared to discuss with them joint ventures, or that we would be prepared to discuss joint ventures with Manitobans or anybody interested in establishing a bank within Manitoba. The treasury branches are not, and never were intended to be a substitution for a provincial or a western bank in which the province might have an interest, and the intention then is not changed insofar as our view as to the advisability of a bank. The important thing is the Northland Bank, which is now applying, and the credit union movement has that. We have told them we would be very interested in talking to them about jointly going into that bank, and they have told us no thanks, not necessary. We don't need provincial participation. We can manage on our own. And we respect that statement on their part.

QUESTION put on Bill 64 and motion declared carried.

MR. JORGENSEN: Ayes and Nays, Mr. Speaker.

MR. SPEAKER: Call in the members. Order please. The motion before the House is Bill No. 64, Treasury Branches Act.

A STANDING VOTE was taken, the result being as follows:

YEAS

Messrs:	Adam	Malinowski
	Barrow	Miller
	Bostrom	Osland
	Boyce	Paulley
	Burtniak	Pawley
	Cherniack	Petursson
	Derewianchuk	Schreyer
	Dillen	Shafransky
	Doern	Toupin
	Gottfried	Turnbull
	Hanuschak	Uruski
	Johannson	Uskiw
	McBryde	Walding

NAYS

Messrs.	Axworthy	G. Johnston	McKenzie
	Bilton	F. Johnston	Marion
	Blake	Jorgenson	Minaker
	Enns	McGill	Patrick
	Graham	McGregor	Sherman
			Spivak

BILL 64

(STANDING VOTE cont'd)

MR. CLERK: Yeas 26; Nays 16.

MR. SPEAKER: In my opinion the Ayes have it. I declare the motion carried.
The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): Yes, Mr. Speaker, I realize it's 12:30 and the House will adjourn for the lunch hour. I would just like to indicate to the members of the House what we will be doing this afternoon after the formal opening, that I will be calling Bill No. 75, the Northern Affairs Act, and that would be followed by Bill 83 and the amendment thereto. And I would like to suggest to all members of the House that if they have the adjournment or if they are prepared to participate in the debates on any of the bills now, they make every effort to be in attendance in the House, Mr. Speaker.

And then for tomorrow, I'm proposing that we meet in the morning - there will be a session this evening - I'm proposing that we meet in the House in the morning and then at 2:30 in the afternoon that we meet and adjourn to Law Amendments committee room to consider the section by section on those bills that public representations were made yesterday evening, and then tomorrow evening we would go straight into Law Amendments Committee to consider the bills that have been passed, which would include the Treasury Branches Act and hopefully the Insurance bills.

MR. SPEAKER: The hour of adjournment having arrived, the House is now adjourned and stands adjourned until 2:30 this afternoon.