



Fourth Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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The Honourable Louise M. Dacquay
Speaker*



MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

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BARRETT, Becky	Wellington	N.D.P.
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CHOMIAK, Dave	Kildonan	N.D.P.
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HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
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LAMOUREUX, Kevin	Inkster	Lib.
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PENNER, Jack	Emerson	P.C.
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TOEWS, Vic, Hon.	Rossmere	P.C.
TWEED, Mervin	Turtle Mountain	P.C.
VODREY, Rosemary, Hon.	Fort Garry	P.C.
WOWCHUK, Rosann	Swan River	N.D.P.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 18, 1998

The House met at 10 a.m.

PRAYERS

Introduction of Guests

Madam Speaker: I would like to draw the attention of all honourable members to the loge to my left where we have with us this morning Councillor John Angus, former member for St. Norbert.

On behalf of all honourable members, I welcome you this morning.

Also, seated in the public gallery, we have nine Grades 3 to 8 students from Marble Ridge Colony School under the direction of Ms. Pat Marchuk. This school is located in the constituency of the honourable member for Interlake (Mr. C. Evans).

On behalf of all honourable members, I welcome you this morning.

Committee Changes

Mr. Edward Helwer (Gimli): Madam Speaker, I move, seconded by the member for Charleswood (Mrs. Driedger), that the composition of the Standing Committee on Law Amendments for Friday, June 19, at 9:30 a.m., be amended as follows: the member for Lac du Bonnet (Mr. Praznik) for the member for Minnedosa (Mr. Gilleshammer), the member for St. Vital (Mrs. Render) for the member for Roblin-Russell (Mr. Derkach), the member for Turtle Mountain (Mr. Tweed) for the member for Pembina (Mr. Dyck), and the member for Morris (Mr. Pitura) for the member for Rossmere (Mr. Toews).

I move, seconded by the member for Sturgeon Creek—

Madam Speaker: Just a moment, please. May I deal with one at a time.

Mr. Helwer: One at a time. Okay.

Motion agreed to.

Mr. Helwer: Madam Speaker, I move, seconded by the member for Sturgeon Creek (Mr. McAlpine), that the composition of the Standing Committee on Economic Development (for Friday, June 19, at 9:30 a.m.) be amended as follows: the member for Assiniboia (Mrs. McIntosh) for the member for Arthur-Virden (Mr. Downey), the member for Portage la Prairie (Mr. Fauschou) for the member for Gladstone (Mr. Rocan), the member for St. Norbert (Mr. Laurendeau) for the member for Emerson (Mr. Penner), and the member for Fort Garry (Mrs. Vodrey) for the member for Turtle Mountain (Mr. Tweed).

Motion agreed to.

ORDERS OF THE DAY

House Business

Hon. James McCrae (Government House Leader): Madam Speaker, would you be so kind as to call the bills listed for debate on second reading on page 2 of today's Order Paper.

Madam Speaker: For clarification, in the order listed.

Mr. McCrae: In the order listed.

DEBATE ON SECOND READINGS

Bill 11—The Treasury Branches Repeal Act

Madam Speaker: To resume adjourned debate on second reading, on the proposed motion of the honourable Minister of Finance (Mr. Stefanson), Bill 11, The Treasury Branches Repeal Act (Loi abrogeant la Loi sur les caisses d'épargne), standing in the name of the honourable member for Wellington (Ms. Barrett).

Is there leave to permit the bill to remain standing?

An Honourable Member: No.

Madam Speaker: No. Leave has been denied.

Mr. Tim Sale (Crescentwood): Madam Speaker, in debating this bill, which may seem completely innocuous to members opposite, we are touching on very important history in Manitoba. Essentially, it is the history of whether the public, through its government, will make available to people who live in either circumstances or areas of the province that are not adequately served by the chartered banking system of the province or that may not even be served by a credit union.

The idea of treasury branches was a concept embraced by all provinces at one time or other in Canada; certainly, Ontario, Alberta, B.C., Quebec, Nova Scotia, all had treasury branches at one time or another. This was rooted in the perception, and I think a perception borne out by history, that the chartered banking system of our country was not always functioning in the best interests of particularly lower income and rural members of a particular province or territory. So governments of all political persuasions put in place at least the provision for—in the case of some provinces such as Alberta and Ontario, British Columbia, they put in place a fairly large system of what were called treasury branches. They were essentially public banks. They were branches located in communities in inner cities that offered a limited range, but nevertheless a basic range of banking services to citizens who wished to do their banking through a public, provincially mandated institution.

Madam Speaker, the suspicion of the public in regard to major banks is well founded, and history bears that out. The history of both American and Canadian banking systems is a history of bankruptcies and mergers, particularly as the economic process moves through the cycles that are characterized by boom and bust, expansion and contraction in our economy. Citizens have found a variety of ways of trying to ensure that they have the right and the ability to organize their financial affairs together so that they would benefit at least at the local level or at a regional level from the capital that they have accumulated so that that capital might be made available to those who need it for expansion, that those who are in a surplus position can share that capital within the economic zone. When we contrast this with the enormous banks that we have today, what we see is a situation where the chartered banks of our country are essentially capital

siphons. They siphon capital out of regions such as Manitoba. They siphon capital, in fact, out of Canada. It is a little-understood and little-known fact that, for example, when the Mexican peso tanked a few years back, Canada, very quietly in the Mulroney government, the kissing cousins of those sitting opposite, the Mulroney government that was only a phone call away. Only a phone call away, Mr. Filmon used to like to say. My friend Brian, just a phone call away. [interjection] Yes, in more ways than one. The honourable member is making signals, yes.

Madam Speaker, the Mulroney government, in its death throes at the very end of its rape and pillage of Canada, pushed through revisions to the Bank Act, which I am sure that even honourable members opposite do not understand and did not understand at the time. I wonder if honourable members opposite know that, under the Mulroney government, all requirements for reserves on the part of the chartered banks of Canada were eliminated. Germany has requirements for reserves in its federal banking system. The United States of America requires reserves. Britain requires reserves. France requires reserves. Canada alone eliminated the requirement for our chartered banking system to hold reserves on deposit with the Bank of Canada. What that did was to essentially allow our chartered banks to refinance themselves with public funds. A change was made as well which deemed the debt of sovereign nations to be risk-free. There was a change to the Bank Act; there was a change to the International Monetary Fund. What that did was allow chartered banks to hold Canada's debt with not any requirement that they have any reserve funds against the possibility of that debt being downgraded. It is conservatively estimated that that change in the Bank Act conferred on our chartered banks a gift, an annual gift, worth more than \$3 billion.

* (1010)

So, when we talk about the obscene profit levels of the chartered banks in Canada, we are talking about profit levels that were underwritten in the Mulroney years by the removal of reserve requirements on our chartered banks and by the allowing of those banks to hold Bank of Canada debt risk-free. What they did, Madam Speaker, you can see from their balance sheets. They loaded up on Bank of Canada debt, Canadian debt, and they were then paid interest by the Govern-

ment of Canada for the debt that they held. It used to be that our central bank, the Bank of Canada, held a substantial portion of Canada's outstanding debt. At some points, it was in the high 20 percent region, close to 30 percent. That debt attracted interest from the Government of Canada, but because the Government of Canada owned the central bank, essentially the central bank paid back its earnings to the Government of Canada.

We have created in our chartered banking system essentially a licence to print money. At this point, Canadian chartered banks, for every dollar on deposit, every cash dollar on deposit, have loaned out almost \$400 in debt. There is simply an explosion of that ratio, which used to be and, in fact, in some people's minds, perhaps some of the minds of members opposite who do not pay much attention to our banking system—I think a lot of them may think that someone deposits a dollar in the bank, and the bank loans the dollar out to somebody else. They may think that all the money in circulation is really all the money the banks have. They would be utterly wrong if that is what they thought, because the fact is that the banks create money. They create it out of thin air out of the deposits that are put into the bank, but they do not create it on a dollar-for-dollar basis. That has not ever been the case. Now, the ratio is \$400 of loans for every \$1 that the banks have on deposit. It is an incredible ratio, and it is a ratio that, in the minds of many economists, is a very dangerous situation.

Treasury branches were a concept, not unlike credit unions, that would give local economies, local communities, local business people, local citizens the ability to pool their resources and have the assurance that those resources were being invested back in their community. Now, as it turned out, Manitoba did not ever develop a large system of treasury branches. That may be because we did develop out of the Depression years a very strong credit union movement. It may be for a number of other historic reasons, and I am not competent to comment on why we did not ever develop the kind of system of treasury branches that were present in Ontario, Nova Scotia, Alberta and British Columbia. But the fact is that we did not do so.

So, when we repeal The Treasury Branches Act, Madam Speaker, we are repealing a bit of our history,

a history of a province that at one time was determined to ensure that its citizens could bank and get their financial needs met through a system that was provincially owned, provincially operated, provincially regulated and was in place to benefit the citizens of Manitoba first and foremost.

Madam Speaker, in the last two or three years we have watched our chartered banks abandon one community after another. The Bank of Montreal, on the corner of Stradbrook and Osborne, closed. The Toronto Dominion Bank, in my honourable colleague for Wolseley's (Ms. Friesen) riding on the corner of Portage Avenue and Maryland Street, Sherbrook Street rather, closed. Royal Bank branches in the north end, closed. Banks of Commerce, closed. Banks of Commerce in Lynn Lake, closed. The bottom line for our chartered banking system is ever increasing profit, ever increasing return on equity, ever decreasing concern for smaller or marginal communities. It is a telling fact that the Canadian Imperial Bank of Commerce said: our branch in Lynn Lake is making money. We are not closing it because it is losing money. We are closing it because it is not making enough money.

It was not a losing branch. So when we repeal The Treasury Branches Act, let us remember that essentially we have given over our banking system for all intents and purposes to multinational corporations. Now they may say they are Canadian, but, if you examine the balance sheets of our big banks, they are earning increasingly large proportions of their very large profits on their offshore operations. If anyone is so naive as to think that by collapsing five chartered banks into three that we are going to get more competition, they must be mathematically challenged. That is the only thing that one could say for it. Where in a town there are two banks, there will be one. Does anyone seriously think that will be better for that town, to have one bank instead of two, to have only one place where someone could go for a car loan or a mortgage instead of two, or there is only one place where a small business person can go and ask for a loan to expand her or his small business instead of two? That is going to be an improvement?

The bottom line, Madam Speaker, the members opposite know it, particularly those from rural

Manitoba know it very well, the bottom line is job loss. The bottom line is choice loss. The bottom line is loss of competition. The bottom line is increasing concentration of the ownership of the financial resources of this country in the hands of the chartered banks. There is no possible rationale in terms of competition, jobs, service, choice, equity to these mergers that we are now facing.

The truth was spoken in the House of Commons standing committee which perhaps some people have watched on CPAC in the last little while, 20,000 jobs. That is the truth. Twenty thousand jobs will be lost. Hundreds of branches will be combined or closed all in the name of increasing concentration of capital in the hands of fewer and fewer national banks. Madam Speaker, when we repeal this act let us remember the history. The history is that from the 1880s onward in this country, the chartered banks have combined and combined and combined. We remember with some pride in this city, Alloway and Champion, a bank formed by two families and made very wealthy by Mr. Alloway, who is the founder of the Winnipeg Foundation by the way, gave the initial grant of \$100,000 and then on his death—he was a childless man—he left his estate largely to the foundation. His wife, when she died, did the same.

Does anyone remember Alloway and Champion's bank? They might remember Mr. Alloway. I do not think they remember the bank, it was on Main Street, just north of Portage Avenue.

The Toronto Dominion Bank, those banks are the product of a number of mergers, but at least the name still reminds us that there were two big ones, Toronto and Dominion; the Laurentian Bank, a relatively small bank, Montreal District and Savings Bank, the Canadian Imperial Bank of Commerce, three different big banks in one bank.

Of course, if you look back through the Canadian Imperial Bank of Commerce's history, it is actually more like 35 banks that have merged over the years. What we are looking at is the inevitable process of the concentration of ownership to the disadvantage and disempowerment of citizens and smaller businesses. I do not think—[interjection] Yes, if one understands economic history, it is inevitable within the system we work in. It may not be desirable, but it is inevitable.

* (1020)

Members opposite of the Conservative persuasion would do well to remember the '30s in this province and remember their history—and there are some over there who are old enough to do so—to remember that it was only the action of provinces, credit unions, determined communities that led to the ability to survive economically, Madam Speaker, through the creation of local instruments such as credit unions.

Madam Speaker, in closing my remarks in opposition, largely a symbolic opposition, but in opposition to giving up this piece of our history, this piece of solidarity on the part of this province with its citizens to ensure that the people, for example in Lynn Lake, would have the option at least of continuing to bank in a way that respected the needs of the local community and was not at the whim of a multinational corporation, it is with sadness, I think, that we see this moving into the history books, even though we recognize that we did not make use of this particular instrument to any great extent in Manitoba.

But I think it marks another passing, another resignation to forces which are not, in fact, beyond our control but which members opposite would like to say are. So they are prepared to lie down in the face of history and simply have it roll over them because they believe there is nothing constructive they can do about it, Madam Speaker, and that is very sad.

Mr. Gerard Jennissen (Flin Flon): Madam Speaker, I am very happy to be able to put a few words on the record regarding Bill 11, The Treasury Branches Repeal Act, and it was with a great degree of interest that I was listening to my colleague from Crescentwood speaking about this bill and particularly speaking about the value of treasury branches and credit unions and other more people-oriented financial organizations that hopefully are accessible to the people and give better banking service to the people than we have at present, because it is true, with reference to Bill 11, that there are some serious banking issues in rural and northern Manitoba.

I could bring up a very specific example of how when banking institutions become more global, become more centralized, they pull away from rural and northern

Manitoba to the detrimental effect of the people there. I could use the example of Cranberry Portage, Madam Speaker, where the Royal Bank pulled out I think it was the late '70s or early '80s, and it was really, really difficult on that town. In fact, when I look back on it now, we can pinpoint how the downward slide in Cranberry Portage started when the bank pulled out of our town.

Similarly, in January, the CIBC pulled out of Lynn Lake, left really nothing there for people to deal with in terms of banking institutions, forcing the people of Lynn Lake to drive I think it is roughly 210 kilometres on one of the world's worst roads to do their banking. Now, elderly people do not even have access to vehicles or do not have drivers' licences. They have to take a bus, and it is not unusual for them to have to spend three days to get their banking done in Leaf Rapids because the bus does not always match the banking schedule in Leaf Rapids. I think this is unacceptable to northern people, as it is unacceptable to rural people, Madam Speaker.

I read with interest the Finance minister's comments as he introduced the bill, and he was saying things like, and I quote: Few locations in the province are not adequately provided with banking services. I submit to him that one of those locations is definitely Lynn Lake because we do not have adequate banking service. We have very poor nonexistent banking services there at the present.

We have been asking the government continually to help us salvage that situation. One way to do that would be by bringing in a credit union, and credit unions are indeed willing to come there if there is \$12 million on deposit. One way of doing that would be for the government to help us put the Mining Reserve Fund in Lynn Lake. That would ensure that we would have that amount of money, because Lynn Lake itself is a community that has fallen on some fairly hard times, population down from 3,500 to 1,000. They cannot possibly come up with \$12 million in deposits; they can come up maybe with \$3 million. So we need help from the provincial government on this issue. It is a major issue.

Now the other thing that the minister said when he introduced the bill was—and I want to read this into the

record: "Banking services can be provided to all Manitobans through automated teller machines, the telephone and computer." Well, I hasten to add that many of our people in Lynn Lake are aboriginal people, are not rich, do not have computers, may not even have access to telephones. We have a lot of retired elderly people there as well. No, they do not have access to the services that the minister alleges. It is true that there are people looking at an automated teller machine, a white label machine, but again those machines charge not only for using the machine, because they are privately owned in a sense, but they charge a further fee because the bank charges a fee. In other words, it is not the bank's machine; it is a company's machine. So you are paying twice: once to use a nonbank machine, and once because it is owned by an individual or a company, not the bank. Those services could range anywhere from \$3 to \$10. This is not what Lynn Lake needs or what Lynn Lake wants. So, despite what the spin doctors are saying about all is well out there, it is not well; but the community of Lynn Lake certainly is not well served by what is happening.

I am further irritated when I watch television and see these really fancy ads by the CIBC, the fuzzy soft images about, you know, the CEO caring or the bank caring, wanting to deal with people, wanting to help people, caring about your individual need, when in reality they callously pulled out of Lynn Lake not because they were not making enough money—well, I guess, they felt they were not making enough money. They were certainly breaking even. They were certainly making some profits. So, on the one hand, they spend millions of dollars or hundreds of thousands of dollars, I assume, for propaganda, for imagery, for positioning, to tell people how wonderful they are, and on the other hand, they pull services out of rural and northern Manitoba. And it is not just Lynn Lake or Cranberry Portage, as I mentioned earlier on, it is also Baldur and Miniota and Whitemouth. It is also branches in the city itself. So they are not giving us better service; they are giving us the spin how much they care. They are telling us because of technology, they can do these wonderful things. It is a further irony that you would think that with technology you would be able to help people better, but the reality up North is the better the technology, the less service you get. That is not acceptable. Lynn Lake is a small community. It needs help, and this particular government could help

us, certainly if they moved the Mining Reserve Fund to Lynn Lake to a credit union.

The member for Crescentwood (Mr. Sale) talked eloquently about global competition, about banks merging, and at the same time telling us how good this is for us. This is the usual aftermath of people that talk about how good things are going, how great global competition is, how wonderful free trade and NAFTA is and never looking at the actual grass roots statistics of people that are hurt. Well, banks are getting richer and richer. The profits are \$6 billion or \$7 billion a year, but are we being served better? Madam Speaker, the answer is no. We are not being served better. In fact, service is continually getting worse for small and rural and northern communities. This is not a trend that we are particularly happy with.

We are questioning that this is necessary, and it is not just a member of the opposition questioning this. The CEO for, I believe, it was the Bank of Nova Scotia. Anyway, the bank that is not being merged was on the other day talking to his fellow bankers. It was on television, and I watched it with some interest. He was making the same arguments. Why do we assume this is more competition when all of a sudden, from five major banks, we are down to three major banks? That is not more competition. He was also pointing out very explicitly that when these banks merge, then they only need one head office; they do not need two of them. They do not need two banks in a town; they only need one. People will lose jobs. Service will be, I believe, poorer. Some of the smaller branches in rural and northern Manitoba will close as is happening right now in Lynn Lake. This is not acceptable. We want to oppose this trend. We cannot see anything progressive in this trend.

As the member for Crescentwood (Mr. Sale) has pointed out, as global capital concentrates, they will give us the spin that this is really good for all of us. You know, this is really good for all of us, the General Bull Moose theory, what is good for them is good for us, but we do not agree. It is not good for us.

Madam Speaker, I am speaking only from the vantage point of the North basically and basically from people in Lynn Lake and Cranberry Portage who have done without banking services for short or long periods of

time. We would like to see that trend reversed and we would like to see banking institutions available to all our people and not just in large urban centres. Thank you very much, Madam Speaker.

* (1030)

Mr. George Hickes (Point Douglas): I am pleased to add a few comments to this bill, because it has had a real negative impact on the constituency I represent, Point Douglas. I mentioned before in a previous speech the whole importance of banking for the constituents of Point Douglas, especially the seniors. It was the seniors that said to me that one thing that really bothered them in many ways was when the banks first started to come around and come in they sought our business. We took out loans, we invested our money. We did our banking at that bank, and we stayed very, very loyal to that bank, and now, in our need, where is that loyalty? That loyalty is not there.

What I heard many times was, it is not how good of a customer or how loyal of a customer you are, it is all about dollars and cents. The emphasis on bigger is better is for who? Bigger and better for more profit for the bank. That is what that means. A lot of those seniors relayed that to me. When I was with the seniors, when they closed the bank in Point Douglas, I met with them at their request, and they expressed those concerns. The other big concern they had was: those banks are comfort zones for us to walk into. We have been there banking for many years. We feel comfortable there, and in a lot of cases they are walking distance from our home.

As you age, transportation becomes crucial, the ability to walk long distances becomes harder. Those are the concerns they were expressing to me. I sympathized with them and felt very sorry for them, because what I saw was an institution that was not reacting as a good citizen to loyal customers but was reacting to pure greed. I heard that over and over and over. It is sad to say.

This is without even the whole merger aspect that we are hearing today. What will happen when the banks merge, start merging in rural communities, in northern communities? For example, you could take the

community of The Pas, where they have more than one bank servicing that community. If those banks merge there will not be more than one bank. There will be the one bank representing the companies that have merged together. So what does that impact have on smaller rural and northern communities?

It will have a devastating employment impact, a devastating impact, because a lot of those communities, if you remove five or 10 full-time opportunities, you are really disrupting the whole economy of that community. Now you have five to 10 people that do not have the purchasing power that they previously had. It might seem very little in a city of this size, but in a smaller community, those five to 10 jobs mean a lot for your local grocery stores, local corner stores, and even for the children's ability to be encouraged to participate and to develop to their fullest potential.

When I say that, if you look at children when they are growing up, a lot of the children that are very interested and very keen in recreation opportunities are so busy at times in most of their young lives that they do not have time to get into mischief and into trouble with the laws and stuff like that. If you take that ability away from those parents to fund those recreation programs, what are you doing? You are only helping destroy a thriving, strong community. So why should we be supporting bigger is better just for the greed of the banking system at the top level or the shareholders of the banks? That is all we are doing. Why not really, really share the investments from the banks for the whole community, not just a few who have the means to purchase the shares or the presidents, vice-presidents, where you read that—we walk into a bank and, no matter how we turn, we could turn left, we could turn right, we can turn in circles, every time you go to a bank now, there is a user fee for everything, user fee for everything. They nickel-and-dime you to death, and now it is even harder and harder for the people—

Hon. James Downey (Minister of Industry, Trade and Tourism): Could you tell me where you used to be able to get a free lunch, George? Where do you get a free lunch?

Mr. Hickes: You know, the Minister of Industry, Trade and Tourism says, well, where do you find a free

lunch? Well, no one is talking about a free lunch. We are talking about the services that people used to get. At one time, you could write cheques, you had an account there. Now you have to pay for the cheques. Every time you go and cash a cheque, you have to pay for that cheque. Before, it was services that were given to you to stay a loyal customer of the bank. You did not have to pay for every cheque you wrote. You could write a cheque, and the bank absorbed that cost to keep your business, but now it is—

Mr. Downey: They did not absorb it at cost, George. They charged you.

Mr. Hickes: They used to. It was built in on their profits of taking your money, investing it, paying you 5 percent and them investing it at a return of 15 to 20 percent. That is where the banks make—their major source of income for the banks is they use your money to invest to bring in a higher return than what they give you. That is the secret of bank successes. So they do not have to resort to nickel-and-dime the senior citizens and the people who suffer with these user fees.

So why have we allowed that? Because we agree—not we, I do not, but a lot of the citizens in Canada agree that bigger will be better. We have bought into that way of thinking. I do not understand that, because a lot of the members in this Chamber represent or, at one time or another, have lived in smaller communities, whether rural or north or whatever province. You understand, you fully understand—I do not have to tell you—how a small community functions and the importance of a small community and the difficulty it is to find employment opportunities in a lot of the small rural and northern communities. That is why a lot of our children leave. They are forced to leave their home for employment opportunities because of exactly what is going to happen in some of our rural and northern communities when the banks merge, where you walk—this side of the street you might have the Royal Bank, across that street you might have a TD Bank and over here you might have a Montreal. Whatever banks merge, there will be one, and those employees from one of the branches will lose their employment opportunities; they will lose their jobs. That is a given.

Mr. Downey: You do not want to pay service charges to keep them.

Mr. Hickes: The minister says: you do not want to pay service charges to keep them. The service charges, Mr. Minister, will still be there. We will still be paying those user fees, but you know what you will see? You will see a huger, a huger profit margin for the banks, a much, much huger profit margin.

So where does the greed end? That is the citizens of Canada's money that is being put into the banks and stuff like that, and here you see bank presidents and stuff make millions and millions of dollars and even bonuses. They are setting record after record in, say, third-quarter reports or whatever.

Here is an article, earnings leap at TD national. Big six banks appear to be headed for another banner year with two more reporting higher second-quarter earnings. Toronto Dominion said yesterday it made a profit of \$164 million for the quarter ended April 30, up from \$158 million. This is only in 1994. I do not have a problem with any company or a corporation getting a profit, but is there not a difference where a profit all of a sudden now becomes greed at the expense of ordinary citizens? That is what I have a personal problem with, because I see people on a daily basis who are impacted negatively from these huge, huge growths, and now they want to merge. So that \$164 million—and that is only in one quarter, \$164 million. So when they merge, what do you think that is going to grow to? Whose money is going to help that growth? It is people like you and me, and people that we represent, and if we cannot stand up for our own constituents and try and do something to help our fellow neighbours, I think we have a serious, serious problem in our country.

* (1040)

If you just look at my colleague from Flin Flon who just spoke before I did, he represents the community of Lynn Lake, and why can Lynn Lake not keep their bank? The bank was making a profit. They made it very clear. They did not close the bank because they were losing money. They were making a profit, but somebody in some other big centre, president or whatever, said, ah, you, Mr. bank manager, look at how much we made, \$164 million in this quarter, and your bank, your contribution was only, say, \$4 million, so you are not keeping up with our other real good managers, so we are closing your branch because it is not making enough money for our banks.

Now, instead of going up there and having a look at the services that the bank is delivering to the community that is in need of those banking services, instead of going up there and seeing the whole picture—you know, you see banks and corporations always trying to be good corporate citizens. You will see where they will cut a cheque for, say, \$10,000 for this organization or \$20,000 for that organization to portray to the public as being a real concerned, good corporate citizen of Canada. Well, I say, Madam Speaker, why does the bank not go to those small communities that they are looking at closing down such as Lynn Lake that is making a profit, maybe not as big a profit as other larger centres, but is making a profit and is delivering a valuable service to those individuals in those communities.

If you make a huge profit in one area and maybe a little less in another area, they do not have to compete. What they should look at is what are we giving back to the citizens who have been loyal to us for all these years? That is what I say. There has to be even a tiny, tiny little bit of a social conscience in the banking systems in our country, just a little bit. There has to be. It cannot all be based on total greed. There has to be giving something back. You see some companies that will go into a community, and they benefit from the community residents. You will see those communities that will hold a hockey tournament or a curling tournament. They give something back to the community, and they stay in a community. Now, that is what I like to see and not just based always on greed, greed, greed.

So I just gave you a couple of small examples. There is nothing wrong with profit. That is why people get into business, to make a profit. If the company did not make a profit, they would not be in business very long. I even know that much. That is common sense, but there is a big difference in a comfortable profit and when greed sets in. There is a line there, and I think that is where the banks are looking at—well, they have crossed that comfort line where people can say, yes, I feel comfortable banking at the bank.

You always heard people in the past, you always heard a lot of our seniors and elders, they used to say I am going to “my” bank. They always used to refer to “my” bank. Talk to some of those seniors and elders

today, you do not hear too often where I am going to "my" bank. I am going to "the" bank. Something has happened there, something has happened. I think it is because of the greed that has set in. The people feel like it is just a business now, they do not feel part of that business.

So I think when we talk about banks and stuff, my colleague from Flin Flon was talking about Lynn Lake. It is 103 kilometres from Lynn Lake to Leaf Rapids. It is not the greatest of roads. Yes, some of the cuts to the Highways budget in the North had to do with it. [interjection] Oh, the funding now is only about 7 percent of the total budget in the North where before it was 15 to 20 percent, so it has decreased in northern Manitoba. So the roads have not been maintained as they should be, even for the whole sake of safety.

The individuals that have to drive back and forth, never mind the user fees, now on top of that they have a time commitment. They have to pay gas to drive there, go back and, for sure, the maintenance of their vehicle because of the road conditions have risen. So now they have these additional costs.

The community knew they could not get the bank, so the community wanted to bring in a credit union. They went up there and met. It was kind of frustrating for me, being raised all my young life in the North, when I heard the Minister of Consumer and Corporate Affairs (Mr. Radcliffe) say, well, they had a chance, they had the opportunity of a credit union, but they chose not to. But he forgot to tell everyone that the credit union wanted a guarantee of \$12 million yearly. Well, the community of Lynn Lake, how can they guarantee \$12 million worth of business to a credit union?

An Honourable Member: Six from you and six from your colleague.

Mr. Hickes: I am glad he said "six from you." I hope he was referring to my party, because governments, I think, have a role to play in this. There have to be innovative ways to help communities. We have mining resources. We have other funds that are there to stabilize communities. The government has a role in some way; I do not know what that way is, but the governments should have a commitment and a role to ensure that banking services are available for

communities like Lynn Lake, Cranberry Portage and stuff like that. Those communities have extra costs. That extra cost sometimes becomes prohibitive for individuals, and you have to think about it because sometimes because of that extra cost and the unavailability to access banking services, it could create some danger in that community.

You have people in there, some are elderly that have a difficult time. They only can go there by bus, because they do not have vehicles or they do not drive or they do not have families with them. So if they go by bus, they take a bus in the evening. They have to stay in the hotel overnight, catch the bus back the next day, so here you have more expenses. Also, what I am sure is happening is that some individuals will start keeping large sums of money in their homes. I am sure that is happening, because of the unavailability of banking. So what are we doing? We are putting vulnerable elderly people into danger for what? Think about that for a minute.

You hear about home invasions in the city, and now you are hearing in the rural communities of a few home invasions now. To be totally honest with you, I have not heard of that happening in northern Manitoba yet, but that is going to happen if we do not do something about the criminal activity of the people involved in it.

So if people find out that in Lynn Lake there are individuals who are keeping large sums of money in their homes, it is only a matter of time. I hope and pray that it never, ever happens. That is why it is important for me when I talk about banking services not only in the inner city that I represent but rural and northern communities.

I just wanted to add those few comments, and, hopefully, we can get together and do something for not only the constituents we represent but all citizens of Manitoba--Lynn Lake, Cranberry Portage, other communities in rural Manitoba. They are all Manitobans, and I think we are here as elected members to represent the province as a whole, no matter who is in government. I think the government's commitment, no matter who is in power, has to be commitment to represent the province as a whole. That means south, north, city, all of Manitoba, and all the citizens.

* (1050)

With those few words, thank you for giving me the opportunity to put a few words on record. Thank you.

Mr. Leonard Evans (Brandon East): I would like to add a few comments to the debate on the legislation before us which is the repeal of The Treasury Branches Act, which has been in existence for so many years but never has been proclaimed.

I was directly involved in the formation of the ideas and the plans to develop this legislation back many years when I was Minister of Industry and Commerce. My friend, the present minister who is now holding that post, if he looks back in the files, he will see that we did a lot of research. In co-operation with the Department of Finance, we came up with this legislation. We were not necessarily original with this, because we had two provinces. In fact, I guess they were good Tory provinces, Alberta and Ontario. Both had developed a system. Whether you call it treasury branches or savings and loans—

An Honourable Member: Treasury Branch in Alberta.

Mr. L. Evans: Treasury Branch in Alberta, and I think it is savings and loans companies in Ontario, but it is a similar, same idea. As the Minister of Finance (Mr. Stefanson) stated, in introducing this legislation, at the time we brought it in we felt we were losing capital from Manitoba flowing out to other provinces and that this would be one vehicle whereby we could obtain some capital through deposits of Manitobans in this particular bank that would enable that bank to reinvest in business development—farm development, business development, whatever development within the province. Indeed, I guess the figures we had at that time showed this net outflow.

Times did change. There was a lessening of that outflow, and I guess a lessening of the need by government to implement this legislation. So it was never implemented, and the Minister of Finance has now deemed fit to eliminate it. As long as no action is taken on the legislation, I do not see what difference it makes whether it is on the books or not. In fact, I believe

there are many pieces of legislation that continue to exist that have no impact on our society because they are simply dormant.

At any rate, the minister also argues that we now have strenuous competition in Manitoba among the chartered banks, trust companies and credit unions and that most locations in the province have services. Well, I guess if you talk to people in many parts of rural and northern Manitoba, they would not be satisfied with the level of service being provided. But it was never the intention, in setting up a system of treasury branch, to set up a treasury branch in every community in Manitoba. That was never the intention. The intention was that it would act as a central financial co-ordinating agency for the Province of Manitoba.

Right now we are helping to make the Royal Bank rich. We deposit millions of dollars every year, collected by the Province of Manitoba from its citizens, put it in the Royal Bank, and the Royal Bank just loves that, make lots of money off it. We did the same thing. It has been historic. The Royal Bank has been used for decades. I am not necessarily singling out one bank for criticism. I am just saying that is a fact. But the point is you could take those deposits and put them in your own treasury branch system, even if you had one or two, three offices in key parts of the province, say, just in Winnipeg perhaps, and use it in a strategic way to collect deposits and to make those monies available for reinvestment in the province. That was my understanding of the original legislation, that it was there as a key, another economic instrument that the province could use if it wished. Now, we could go beyond that of course and have a wide range of treasure branches in various communities that were not getting adequate service. But mind you, when you do that, let us face it, there is a cost involved, and it may become really uneconomic in a narrow sense to do that.

Then, of course, there is the whole question of credit unions. Are the credit unions not available to provide banking services in many small communities in Manitoba? Indeed they are. It would seem to me that one move that a government could make would be to do everything possible to encourage the credit union movement to be even more aggressive in supplying financial services in those parts of the province where there are no services present.

As a matter of fact, this is happening now, Madam Speaker. As the banks leave, I believe a case in point is Miniota. I stand to be corrected, but I think Miniota has recently lost its bank or it is about to lose a bank, and a credit union is going to come in, hopefully, and replace that bank and provide the services.

Well, that is very good, but the fact, Madam Speaker, it is too bad that this legislation is being repealed, because it does provide and can provide a government with another tool. Now, we are living in times of fairly economic buoyancy, but this does not always occur. We have times of depression or recession. We have times of lack of capital. We have times of capital outflow. It seems to me that this is an instrument that government could very well maintain in its arsenal of economic development tools. It could be utilized at some future time. It may not be necessary now, but at some future time. So I do not see why governments should necessarily therefore go out and eliminate a potential valuable economic and fiscal tool that would benefit the people of Manitoba.

Having said that, I wanted to take the opportunity to comment on our economic situation very briefly. I know the Minister of Industry (Mr. Downey) is forever making speeches and writing articles bragging and boasting how great everything is, and things indeed are better than they were a few months ago—

An Honourable Member: Madam Speaker, we may have to call him on relevance here.

Mr. L. Evans: Well, the issue of treasury branches is very vital to what happens to the economy. The Minister of Industry (Mr. Downey) should not be so complacent, so self-satisfied, so laid back, because in spite of his news release that the population exodus was diminishing to zero, suddenly we get this explosion of net outward migration, 6,000 or 7,000 people, an outward migration even to Saskatchewan. I think Saskatchewan picked up 1,000 people.

An Honourable Member: What do you mean, even to Saskatchewan?

Mr. L. Evans: Well, even because in many years we are net recipients of people from Saskatchewan, and why, I ask the minister in this government and every-

one, in the year 1997, this is the year we are talking about, that you get this reversal, that you get this increase. This is one thing where this government outstripped us. We have lost more people under this government than were lost under our government. So that should be a concern to this minister and to this government. Why this sudden increase in outward migration?

Similarly, they brag about job creation. Indeed, we have had more jobs, but right now we are No. 9 on the totem pole. The rate of job creation in Manitoba is pathetic. We have got the first five months now, we have almost got half a year of 1998, almost half a year, and we are ninth out of 10 in job creation. I think only Newfoundland is in a worse position than Manitoba. I mean, how come? If it is so great, why are we not at least in the middle someplace? But, we are down at the bottom, No. 9

An Honourable Member: Look out your front window again and see that Maple Leaf plant being built.

Mr. L. Evans: In fact, I am talking about the province of Manitoba, Madam Speaker, talking about the province of Manitoba. Indeed, there are some pleasant exceptions, but they are the exceptions. They are the exceptions, not the rule. We should have a hog plant in every town in Manitoba.

At any rate, that has to be a concern. The rate of job creation is double—the national average rate of job creation is double the rate of job creation in Manitoba. So where is all this great boom for the province of Manitoba? Similarly, the statistics show that there has been a decrease in the take-home pay of average workers in this province, and when you look at the average industrial wage, and that includes—when we say industrial wage, we do not mean just manufacturing; we mean every single industry—agriculture, mining, utilities, the retail sector, other services—the entire industrial composite.

When you take that figure and you calculate the average weekly wage as Statistics Canada does and has been doing for years, you will find that, because inflation in this province has superseded the rate of nominal wage increases, the real wage, the purchasing

power wage, if I can use that, the purchasing power of wages has diminished under this government. People have less money today in terms of purchasing power than they had when this particular government came to office in 1988.

* (1100)

So there has to be a concern about the state of economy, so I am saying—and things could be worse in the future. We live in a capitalist society subject to business cycles. We are on a rise at the moment, but we can have a downturn. We are looking at Asia. It is not always honey and roses. You do run into financial and economic problems, and we could do, indeed, in Canada and North America. If we do, then this province can be in big problems, too. Therefore, I say: why not retain the Treasury Branches legislation as a possible tool to be utilized to supplement our fiscal and economic programs as a provincial government, as a province, on behalf of the people of Manitoba?

A lot has been said by my colleagues about the existing banking system. Indeed, the existence of treasury branches would add to the competition in various ways, but there is no question that there is very, very little competition in the chartered banking system of Canada today. In fact, the very nature of a chartered banking system is one that leads to monopolistic characteristics, unlike the American system of unitary banking where there are prohibitions from companies owning more than one particular bank.

Now, there are exceptions in some of the states. I believe the State of California allows branch banking within the state, but there is a very limited amount of branch banking that can occur throughout the United States. Canada, on the other hand, following the British tradition, has this charter system that we are all familiar with, which makes for very few banks, many branches, relatively speaking, but very few banks. So we have a chartered system as opposed to a unitary system in the United States.

But we do, therefore, have very little competition. The banks some years ago said they did not want interest rates controlled anymore. Back, I believe it was in the '60s, the federal government of the day said, okay, we will no longer regulate interest rates for

banks. We will let it free to the market. Well, what has happened to interest rates? All you have to do is pick up *The Globe and Mail Report on Business* or *The Financial Post* and see what the rates charged by the banks for mortgages are, for example, or other kinds of loans. They are all the same. They are identical. Take any bank you want and compare with the other banks, and you will see the rates are always the same. Very coincidental.

I think this is an example of how virtually there is no real economic or price competition. There may be service competition, you know. We have got nicer looking branch offices. We have better ads in the paper, or we give away little trinkets or little gifts, et cetera, but really that is of a service-nature competition. It is not real price competition, which is what we talk of when we mean price competition in the true marketplace. When we talk about functioning of the market and competition in the market, we are talking about price competition, not service competition. So what we have got is little competition and a concentration of ownership that seems to be increasing. It is increasing even though there is no evidence that that concentration will be valuable or would help the Canadian economy.

As a matter of fact, the information we have from the concentration that has been occurring to some extent in the United States shows that it has been to the disadvantage of consumers, that it has been to the disadvantage of communities that services have become less, that costs have increased to consumers and, generally speaking, the only people who have gained are the stockholders and the owners of the banking system.

In fact, what is happening, and I am reading from the *Economic Reform* magazine of May 1998. It is put out by a nonprofit organization called the Committee on Monetary and Economic Reform. It states, and I am quoting in this article, and they are talking about megabanks: "Significantly, in both the US and Canada, the bank mergers are being done without money changing hands. Instead shares are swapped, and the next day the market celebrates the event with an explosion of the value of the banks' shares. That means that instead of putting their money where their mouth

is, insiders are cashing in on their generous options and leaving their shares to outside hopefuls. That is an unfailing sign that Moby Dick is blowing off.”

This is what it is all about. As far as I can make out, Madam Speaker, the mergers that are being proposed in Canada now are essentially going to benefit a group, and that is this same group, the people who are the owners and, I would say, the senior executive personnel in those banks. It will not help the average worker in the bank. It will not help the average community, particularly small communities. It will not help the average consumer.

There is one argument that the banks are using. Well, we need to be big, because if we are bigger, we will not fail. We are too big to fail. This is sort of an unwritten philosophy or an unwritten position taken by many who support bank mergers. The fact is that banks do fail and even big, big banks fail, great banks fail or they are on the verge of failing and the governments have to bail them out.

There were a few instances a few years ago with banks lending tons of money, so to speak, millions of dollars for land deals and speculation and so on. Some of those deals did not materialize. Was it the Olympic, Olympia group? They had great difficulty and the banks had great difficulty, too, because they loan hundreds of millions of dollars.

An Honourable Member: Olympic and York.

Mr. L. Evans: Olympic and York. I thank the Minister of Industry (Mr. Downey) for refreshing my memory. Olympia and York failed and the banks received a big hit on that. The fact is that there are all kinds of examples of banks having to be bailed out. In fact, this is what is happening or about to happen in Asia now and in Japan. Look at the Japanese banks. These large Japanese banks are very—[interjection] Right, one trillion of uncollected debt. So just because you are big does not mean you are not subject to failure. It does not mean that you are not subject to problems. So I say that the argument that the Bank of Montreal and—is it the Bank of Commerce and the Bank of Montreal combined—at any rate, the Bank of Montreal and other large banks that are wanting to merge are using simply do not hold water.

The fact is, Madam Speaker, over the years, we have deregulated our banks to the point that they had become stock market driven, and they would be the first to go up in smoke if central banks happen to push up their interest rates to rein in stock market orgies. Well, at any rate, there is a lot of writing on this, a lot of literature on this, so we simply reject this argument that bigger is better in the sense that it will provide for less failure. It is simply not the case.

There is no question, Madam Speaker, that Canadians are against bank mergers. There was a recent poll done showing that the majority of Canadians opposed the proposed merger. There were only 6 percent that were strongly in favour. The fact is that we do have a huge concentration already of banks. I think their combined assets now are \$452 billion and they have 17 million customers. The new megabank that was proposed, the proposal of the Royal Bank and the Bank of Montreal, would control almost half of the total assets of Canada's big five banks and offering Canadians even less choice.

As I was indicating a moment ago, there has been a study of many U.S. bank mergers. There have been mergers of these small, unitary banks that I mentioned earlier in my remarks. There is no question that those mergers led to higher fees, led to closing of branches and less customer service. The fact is that surveys have also shown that Canadians' customer satisfaction—a study of Canadians' customer satisfaction with various industries found the banks near the bottom of the heap.

Now, there was one idea I might throw in while we are talking about treasury branches and the financial system and the whole question of competition. There was one idea that I read about, in fact it is not only an idea, it is an experience. In the United States they have experience with a 20-year-old Community Reinvestment Act. It is called the CRA, Community Reinvestment Act. This act requires deposit-taking financial institutions to help meet local credit and deposit service needs in a manner that is consistent with the safe and sound operation of the institution.

* (1110)

What that means is that the financial institutions had to provide certain services to the communities that they might not otherwise. They had to reveal financial

information; they had to disclose details about their loans, investments, and services. After reviewing the data, the U.S. government grades each institution's performance, and those who fail, corrective action can be taken against them. Any expansion, merger or takeover of that institution can be denied by the United States government.

So our own Bank of Montreal and Bank of Toronto own U.S. banks, Madam Speaker. They must comply with the U.S. laws. To use an example here, before the Bank of Montreal could expand its subsidiary in Chicago, it is called the Harris Bank of Chicago, in 1994, the Harris Bank had to correct its poor lending and service record revealed by disclosure of data under this CRA, this Community Reinvestment Act. To do so, it had to pledge—this is our own bank—\$327 million in credit and assistance for affordable housing and for small-business loans and other community needs in the Chicago area. That is thanks to the CRA. So the CRA, as I said, monitors, and it has pressured the financial institutions to the point that it is estimated that these institutions have invested something in the order of \$353 billion in response to public pressure and to these regulators. That is a terrific boost to those particular communities.

It is unfortunate that Canada does have no similar law. We could argue and should argue and this government should be pressing the federal government to enact, because it is federal regulations, federal jurisdiction, laws based on these positive United States models.

One example, there are at least 400,000 Canadian adults who have no bank account. Incidentally, that is due in large measure to the banks' excessive identification requirements. There was an informal survey done by the organization called the Canadian Community Reinvestment Coalition last fall which revealed that five of our big six banks still require photo ID, maintenance of a minimum balance or proof of employment to open an account. In contrast, in the United States, states such as the state of New York requires banks to offer basic banking services to everyone, regardless. So you have this built-in discrimination basically against poorer people, Madam Speaker, whereby, as I said, at least 400,000 Canadian adults have no bank account, in large measure because

of these very conservative requirements of the Canadian banking system.

At any rate, Madam Speaker, I would argue that we are at least a generation behind. We are at least 20 years behind the United States in banking accountability, and we see banks heading for another year of record profits. They have had exorbitant profits, sinful profits, as a matter of fact. [interjection] Well, in the Middle Ages, the church—it was the church, the one church—had very strong views and policies on usury and excessive interest charges and interest being gained, and the church would have said that the banks are usurious, and, indeed, it seems to me that they are. They are making record profits and are not providing the services to Canadian consumers, and the proposed merger, the Royal and the Bank of Montreal merger, is going to make matters worse.

So, Madam Speaker, I am suggesting that this Legislature—and I would urge this Minister of Finance (Mr. Stefanson) or this Premier (Mr. Filmon) to send a message to Paul Martin, our federal Minister of Finance, and to the M.P.s in Ottawa, urging them to not provide less regulation of banks but more regulation of banks, including this idea of a community reinvestment act that is so effective in the United States.

Madam Speaker, there is a lot of misunderstanding of how banks work. Even federal cabinet ministers do not understand how the monetary system works. Sheila Copps, who is a prominent cabinet minister in the present Liberal government, has said, well, governments just cannot print money. She says: "We have some financial responsibilities to the people of Canada. We cannot print money." This is stated by Sheila Copps.

Well, if the government is not supposed to print the money, then who is supposed to print the money? Somebody has to print the money. Somebody has to create the money, and the fact is the money is being created essentially through loans made in the commercial banking system, and the commercial banking system, thanks to deregulation which is carried on, is making more profits than ever before. The banks can loan money to the Government of Canada without a nickel of assets. They do not need any assets to loan money to the federal government.

The federal government can borrow a hundred million dollars, for example, if it needs it for some program or other. It gives the banks their IOUs, namely Government of Canada bonds, and the banks, in turn, write to the credit of the Government of Canada in their books a hundred million dollars which then is available to be spent on hiring people or purchasing goods and services, whatever the government wants to do. That is a process of creating money.

The problem with that process, Madam Speaker, is that the Government of Canada, which is engaged in this hundred million dollars worth of deficit financing, is then on the hook to the commercial banks and has to pay that interest back to the commercial banks, and this is where we get all the concern about how much of the federal spending is going toward interest.

The fact is it could be done another way, and that is the Government of Canada could sell its bonds to the Bank of Canada, which is owned by the people of Canada, and the Bank of Canada could, in effect, create the money, and, as I have indicated earlier or on other occasions, the Bank of Canada, because it is owned by the people of Canada, turns all of its profits back to the central Treasury. So virtually it is interest-free money that the federal government can achieve.

Instead of cutting back on social programs, because we have to reduce deficit spending, instead of cutting back on transfers to the provinces, I say how about cutting back on transfers of profits to the banks, these sinful profits that the banks are making, with no assets. They get the IOUs from the Government of Canada, here you are, they print the money and they collect the interest, and all Canadians pay that interest. Because, we are told, it is such a burden, we have got to cut back on health spending, we have to cut back on social service spending or whatever because we simply cannot afford these deficits. Well, Madam Speaker, I suggest that, if even a portion, not all, but say just a portion, say half of the government's lending requirements were conducted through the Bank of Canada, we would be much better off. We would be able to maintain a better health system, better education system, better social services that our people want. But this is not the case.

* (1120)

In fact, what has happened, the federal government's debt held by the Bank of Canada has diminished sharply. It is now hovering around 5 or 6 percent of the total Bank of Canada holdings, federal debt. The bank only holds about 5 or 6 percent; it used to hold, about 1980, 15, 16 years ago, about 20 percent of it. During the war and after the war, it held a great percentage. In fact I think during World War II and probably for about 30 years thereafter, the Bank of Canada produced about half of all the new money in Canada, and it maintained low interest rates in the process. But, since the mid-'70s, we see the bank creating less credit and the commercial banks creating more. Commercial banks are getting rich, as we go into debt, and we are cutting back on needed services.

What we have seen, therefore, instead of the Bank of Canada exercising its control which it can over the commercial banking system, it has really become a puppet of the private banks. It is like a wholly-owned subsidiary of the banks, and that is very sad. As I said, the Bank of Canada should become the primary source of money creation, and all government borrowing or, if not all, the bulk of it should be from the Bank of Canada. The problem that we have is that people would want this if they understood this, but the problem is that the banks are in a very privileged setup because there is a great deal of ignorance on the part of the public. When I say ignorance, I mean lack of knowledge. That is what ignorance means. They do not know what is going on and then, besides that, the banks put out a lot of misinformation.

In addition to that, I think it is political apathy because a very small number of people really become as involved in politics as they should and very few write or contact their M.P. or MLA, but particularly their M.P., about this type of injustice in our banking system. Also, another reason, it has been said, is our Canadian style of democracy, which Peter Newman once called as elected dictatorship. Politicians can promise one thing at election time and do quite another thing when they get in. So people do not have that control over governments in between elections.

Another reason, I think, is that the major political parties are lobbied by the banks and the financial sector to keep the so-called debt-based monetary system in place—[interjection] To say nothing of political

donations. Also, the fact is that the chartered banking system is very big, very powerful and anybody who stands in its way is either bought up or brought down. There is a long way to go to improve banking in this country. So, instead of mergers, we should have more competition, we need more competition.

Madam Speaker, I wanted to mention, before my time runs out, what is happening in B.C. I would like to make this as a specific suggestion to the government across the way. In fact, the Minister of Industry (Mr. Downey) would know this person, Mr. Ian Waddell, who is the Small Business minister of British Columbia. He has named a task force of lawyers and economists to go around British Columbia, three-person task force to go around—this is set up by the Minister of Small Business, Ian Waddell—B.C. and conduct public hearings about the proposed marriages of the Royal Bank and the Bank of Montreal and also the Canadian Imperial Bank with the Toronto Dominion Bank.

An Honourable Member: What are they going to do about it? What is he going to do about it?

Mr. L. Evans: Well, I think it is part of public pressure on Paul Martin and Mr. Chretien. That is all part and parcel of that. Let the people be heard. Let the people speak. It would not be very costly to do this. In my heart, I would disallow it. I would disallow the mergers, definitely.

We give lip service to competition. Well, if you reduce the number of actors in the marketplace, you would have less competition. If you want more competition—

An Honourable Member: If the banks move out, the credit unions are moving in.

Mr. L. Evans: Well, it does not work as easily that way. [interjection] Yes. But, Madam Speaker, it goes beyond the service to small communities—in response to the Minister of Highways (Mr. Findlay)—credit unions versus branches goes beyond that. It goes to what the banks can do with their power and also the policies to business development. I think they become more restrictive, more conservative—that is my view—not to speak of all the additional profits they will make.

But at any rate, the fact is that the banks are engaged in a big PR exercise right now. They are pressuring the government to accede to their wishes to merge.

Here we have the B.C. government, at least, giving the people of that province an opportunity to be heard, let the consumers to be heard, let the small-business people or the big-business people, everyone an opportunity to be heard and to obtain that information and make it available to the public and perhaps use it, at some point, in a formal lobby with the federal government. I believe that they are going to begin their work as soon as possible, and they will conclude by September. They will be offering their report to the federal government by September. So I make that as a positive suggestion to the Minister of Industry (Mr. Downey), to the Minister of Finance (Mr. Stefanson). They should look at that seriously and do the people of Manitoba a favour in this respect.

Well, Madam Speaker, as I indicated earlier, I was involved originally with the establishment of this Treasury Branches legislation. As a matter of fact, all the research was done—

Mr. Downey: By the way, are you supporting it or are you not?

Mr. L. Evans: Well, if the Minister of Industry had been listening, he would know that we are not supporting this bill. We are opposed to this bill, because we believe in more competition in the banking and financial sector. We believe that the government should have every instrument at its disposal to cope with economic and financial problems. I am not thinking just of today but thinking maybe five years from now, or whatever, when times may not be as good.

We do live in a market economy. It is a changing world, and we do have business cycles. We see the downside of the business cycle in Asia. The minister is very aware of that having recently gone to China and I am sure has lots of information on that. So we do not live in an economy that is always very stable and secure. It is very insecure at times.

An Honourable Member: Just when we are in government.

Mr. L. Evans: The minister says “just when we are in government.” The fact is, Madam Speaker, this is one thing that this government has outdone us. They have sent more people out of this province than we have. I mean, we lost some people in net outward migration, but there is far more—and I can show him the statistics—have left under this administration than under the previous NDP administration. So to that extent, they take the cake. They win the prize.

This can be an important instrument for government to use at some point. I believe it is in the public interest to maintain this legislation, keep it on the books in case, at some point, we feel that it would be in the interests of our economy, in the interests of our fiscal situation, to bring it forward. Unfortunately, we actually need more time to discuss this, more time to understand the potential of it.

But, Madam Speaker, I thought I would put a few comments, a little education for members across the way, about our banking system and how it works and how it is important that we have to pay more attention to it, that we should be lobbying the federal government to have the Bank of Canada loan money to the province at a preferred rate of interest. That is possible under the Bank of Canada Act, so why should that not happen? It could happen if we only had the will to do so. Instead of making the commercial banks rich, we could use the Bank of Canada and help us maintain social services, health services, agricultural programs, highways, build more highways, instead of putting billions of dollars into the coffers of the commercial banks.

So with those few words, I believe my time is up, so I will conclude. Thank you.

* (1130)

Ms. Jean Friesen (Wolseley): Madam Speaker, I would like to speak very briefly on this bill, and I want to thank the member for Brandon East (Mr. L. Evans) for the very informative instruction he gave us on the value of this bill, a bill which I gather, or at least an act that when it was passed certainly had a great deal to do with previous governments.

The member for Brandon East has, I think, summarized very clearly the issues that are at stake

here. They are the importance of having treasury branches or similar kinds of institutions to enable capital to remain in Manitoba to be available to the smaller communities and to the innovative businesses that we all want to encourage.

Secondly, he pointed out the dangers to that, the threats that are coming from the amalgamations and the bank mergers that are occurring even as we speak and the difficulty that this is placing on business people in Manitoba and certainly prospectively for all communities and businesses in the province.

A previous speaker from our side of the House spoke of the absence of any banking services now in Lynn Lake, and there will be other communities. I know there are ones in the member for Lac du Bonnet's riding which are similarly seeing the disappearance of their banking services.

I want to speak on behalf of the inner city and the way in which the banking services are being withdrawn from the inner city of Winnipeg. I think part of the responsibility lies with this government in the way in which it has treated and abandoned the inner city of Winnipeg. I notice that they are waking up to some of the disarray, disorganization, and social impacts of what they have done over the last 10 years, and they are now beginning to turn over a house to a community group to renovate. They have put \$4,000 into providing assistance for learning disabilities I think in the last week, and they have put some money, along with the Misericordia Hospital and along with the federal government, a small amount of money has come from the province for family centres.

This is 10 years into their mandate, 10 years of abandonment of housing programs, community development, core area initiatives, and it is visible everywhere you look in the inner city.

It cannot be fixed with pilot projects, it cannot be fixed in a year, it cannot be fixed with the kind of money and the kind of attention that the Tories are now giving to the inner city of Winnipeg. The impact that will be felt will not just be on Winnipeg, because Winnipeg is the economic engine for the whole province. It is not the only one, but it is of ultimate significance. When you abandon the inner city, when

you have got Portage Avenue boarded up, two-thirds of the stores on Portage Avenue, then you have a very, very serious situation for the economy of the province as a whole. How do you attract people to a city which has been abandoned? You cannot.

They draw comparisons to Calgary; they draw comparisons to Saskatoon. Both of those cities, similar size of population and in the case of Saskatoon a similar kind of ethnic makeup of the city, are booming. You do not see the abandoned neighbourhoods, the boarded-up shops, the boarded-up houses in Saskatoon that you do in Winnipeg. So I draw the government's attention to this and remind them that the withdrawal of banking services and the way in which they have abandoned any kind of leadership in that area I think is significant.

It leads to statements like the Minister of Finance (Mr. Stefanson) was able to make, that he believes that Manitobans are well served by their banks. Well, I do not know which route he takes into work. He must drive down Portage Avenue. Does he not notice that banking services stop at Arlington, that the last bank before you hit downtown is in fact at Arlington and Portage, the Royal Bank? I do not know how much longer that is going to last. This is mirrored on the other side of the street, on north Main and in the north end part of the city.

I look at my riding, and I think we have lost nine banks over the last few years. Let us just take the Bank of Commerce, a bank at which I used to do most of my banking. I used to bank at the corner of Arlington and Portage. They abandoned that one when they built an entirely new building, a large building, well-served, well-run bank at the corner of Broadway and Osborne close to the Legislature. They abandoned that one. They then went to the one at, is it Fort or Smith, down Broadway anyway. I do not know the exact cross street. For about a year, we could bank there. Then that one became a commercial bank and not open to the general public, and then it went further downtown. That is just one bank, a series of retreats from the inner city. All of those people now from Arlington, who used to bank at the Canadian Imperial Bank of Commerce, now have no bank except the one that is now downtown.

We can look at the Toronto Dominion, its withdrawal from the Misericordia Hospital. Why did they do that? Because the government itself abandoned the Misericordia Hospital. The bank knew that there were going to be fewer people in that area who would be banking on a daily basis, and so they moved to River Heights. They do not move downtown. They do not move to the inner city. They know where this government is going, and they know that this is a government that is not prepared to support the inner city. They follow that kind of leadership, and that is the impact on people of the inner city.

I am speaking on behalf of seniors, I am speaking on behalf of people who live—through no fault of their own—on social transfers, on pensions; people, many of them who lived at a time when high school graduation was not common and who have relatively low levels of literacy and certainly a great deal of unfamiliarity in dealing with the bank machines that the Minister of Finance (Mr. Stefanson) believes now serves them well.

As the Minister of Finance should well know, many banks have quite essentially high-entrance standards. I think the member for Brandon East (Mr. L. Evans) referred to that, that there are certain requirements for people in terms of literacy and the ability to use these machines, but also, in order to get an account, often there are requirements which are not possible to fulfill to get a machine account and a card if you are on some form of social service.

I notice that one bank in Toronto, I think it is the Royal Bank, is now experimenting with a fingerprint system, quite an indignity, I think, for those people who are on some kind of social service. I hope that we do not see that kind of attitude prevail in Manitoba. It comes at a time when the banks are making enormous profits and awarding their executives what to the vast majority of Canadians seem absolutely and utterly obscene salaries.

So there is no wonder that we are finding, as in British Columbia, I think the Minister of Small Business in British Columbia has said: what the banks are looking like now is rich guys, trying to make money at the expense of the little people. He said the little people want to be heard, and they will get the chance with this task force. So the Minister for Small Business

in British Columbia has put together a task force to go and listen to the people of British Columbia on the difficulties that they are having with banking and telecommunications issues, and this is particularly true for small businessmen in the interior.

He chose a committee that involved an economist from Simon Fraser University and the mayor of Dawson Creek, a man who is also a small businessperson, quite a different approach than the federal government. The federal government often puts together all-party commissions to deal with controversial issues, but it is interesting that on the banks issue, only the Liberal Party is represented. So the federal government, it seems to me, is not taking the broad approach that it needs to and it is not listening to the wide-range of people that I believe the British Columbia government will be hearing from, and I, as the member for Brandon East (Mr. L. Evans) did, will offer that to the government as an opportunity, as an interesting way of trying to put some pressure on, trying to bring some sense of social responsibility to the banks.

As the members opposite will know, we have raised this issue on behalf of our constituents many, many times. I have raised it with the Minister of Consumer and Corporate Affairs (Mr. Radcliffe). I have met with the vice-president of the Royal Bank. I have talked to the Toronto Dominion Bank on behalf of constituents when they moved out of the Misericordia Hospital. But it falls on deaf ears, and it falls on deaf ears because we have a government which essentially has shown no leadership on this and which itself has abandoned the inner city, to the detriment, I think, of the interests of all Manitobans.

Mr. Doug Martindale (Burrows): It is a pleasure to put a few comments on the record on Bill 11, The Treasury Branches Repeal Act. I think the original intent of this bill was a good idea. It was to be used by the government of Manitoba for economic development and other purposes. Today it may have been an even better idea, had it been enacted, than at the time that it was originally proposed.

What we are engaged in now in a globalized economy is known as deregulation for the rich and reregulation for the poor. Of course, all we hear about

is deregulation and that we need to deregulate all kinds of government legislation in order to improve competition and efficiency, but what right-wing governments never talk about is how there is reregulation for the poor. A very good example in Manitoba was Bill 36 of a couple of sessions ago, The Employment and Income Assistance Act, which imposed many more and new regulations on poor people.

* (1140)

Capitalism of course has a belief system, and it is a very interesting belief system if one analyzes it. For example, under capitalism there is only one master, and that master is the market. So we hear expressions like, the market is right, the market will correct itself, do not interfere in the market or do not interfere in the marketplace. Unfortunately, the people who say all those things, which I would consider to be shibboleths, do not talk about the times when the market does not work and corporations especially want governments to bail them out. A very good example is some of the problems that are being experienced by currencies in various parts of the world by banks, by economies, and even by whole countries. Then it is left to the governments of rich countries to bail them out.

I found a very interesting quote from a book by Linda McQuaig called *The Cult of Impotence*. Here is one example of what I am speaking of. She says: Of course, the irony disappears when we remember that the \$50 billion was not actually to help the Mexican people but rather to make sure investors, mostly from the United States, Japan, and Europe, did not suffer huge losses on their Mexican holdings. Essentially, western nations were spending their tax dollars, collected from all their citizens, to make sure their wealthiest and most powerful citizens did not suffer significant investment losses.

So not only is it corporations that are being bailed out, but it is the investors and shareholders of those corporations, and they are being bailed out by governments. So those shareholders and corporations and right-wing governments like ours believe in the market and they support the market and they talk about globalization and they talk about not interfering in the market until such time as the market gets in trouble, and

then they want governments to bail them out. I think this is a very good example, a \$50-billion bailout, which of course ultimately all of us end up paying for.

Capitalism has one goal, and that is profit, also known as the bottom line, black ink, serving shareholders, but nothing else of course matters other than profit. Capitalism has one strategy, and that is competition. It means the winner takes all, survival of the fittest, and at the same time they give lip service to co-operation and other values, but competition is really the name of the game.

Under capitalism there is only one value, and that is money. Money is the measure of everything. How much is it worth? Other values like community, sharing, co-operation are spoken of and given lip service to, and they will tell you that they believe in these values, but these are subsidiary or lesser values compared to money.

By contrast, Tommy Douglas, the former Premier of Saskatchewan, said: Humanity is not made for the economy, but the economy is made for humanity.

It should come as no surprise that a Baptist preacher would say that. It is essentially a paraphrase of Jesus' comment about Sabbath laws saying that the Sabbath is to serve people rather than people serving the Sabbath. I think that Tommy Douglas' comments are a very good alternative to the capitalist values, and values that I subscribe to.

Right now, bank mergers are in the news every day. The banks are essentially saying we have to merge in order to fight globalization, and if we do not merge, we will be gobbled up by foreign banks, essentially American banks. They are basically daring the federal government to say you cannot merge because if you do we will block foreign banks coming into Canada. But I do not believe that the federal government can block foreign banks coming into Canada because of the Free Trade Agreement, because of the North American Free Trade Agreement or because of the Multilateral Agreement on Investment.

So even though the banks are using this argument, that they have to merge to face this increasing competition, and are daring the federal government, I

think, to block foreign competition, I do not think it is realistic. I do not think the federal government is going to do it, and therefore they are probably going to approve the megamergers of our largest banks. I think ideologically they believe in bigger is better. They are not going to stand up to very powerful banks and their shareholders who are only going to make more money from larger banks, by doing what? Well, by providing better service to customers or worse service to customers. I think probably it will be worse service to customers but increased profits to the shareholders.

I found a rather interesting quote about mergers from Economic Reform of May 1998. Actually, this is a quote from The Globe and Mail. It says: "The Big Six bank stocks have been driving the Toronto Stock Exchange in recent months, rising 38% as a group or \$30.1 billion since the Royal-Montreal merger plan was unveiled on Jan. 23. 'If Finance Minister Paul Martin turned down the merger proposals it could wipe out millions of dollars of value off the TSE in a single day and cause a crash,' one banker speculated."

Well, there is no way that the Minister of Finance is going to precipitate a crash on the Toronto Stock Exchange, so that is an additional reason why the bank mergers will probably go ahead.

Now, I would like to concentrate on Manitoba and then Burrows constituency and then the alternative that customers have to large bank institutions. I would like to examine just briefly the Royal Bank and the Bank of Montreal. The Royal Bank has closed numerous branches, and since I am running out of time here, I will only mention one, and that is the Royal Bank at McGregor and College which closed in August of last year. Now we have the Bank of Montreal closing their branch on Selkirk Avenue.

Now, is it just coincidence that the Royal Bank closed at McGregor and College, and half a block away the Bank of Montreal at Mountain and McGregor stays open, but the Bank of Montreal on Selkirk Avenue, about 10 blocks away, closed? Well, in light of the pending mergers, it is surely no coincidence that banks that are now in competition with each other would close branches that are almost across the street from each other, giving people less choice and less service.

Now, all banks like to pride themselves on being good corporate citizens. That is why they become partners in sponsoring all kinds of nonprofit events, and they hand out money and they do all kinds of things to enhance their corporate image. A good example is the Bank of Montreal giving cash for computers in schools. I have a story from the Winnipeg Free Press of February 26, 1998, about this whereby the Bank of Montreal has donated \$100,000 to Winnipeg's 10 school divisions for the purchase of computer equipment. Now, it would never occur to the banks that maybe providing jobs in the community might be at least as important as donating money for computers, but, instead, they are closing branches and providing fewer jobs.

But, you know, the Bank of Montreal has a wonderful opportunity to be a good corporate citizen in Burrows constituency in the north end because they have a caveat on the North YM-YWCA building that is now closed but is still sitting there empty. Tragically, it is empty. The Bank of Montreal has a caveat on the title, and my understanding from reading it—although it is about 25 pages long and it is in lawyers' language, and I am getting one of my colleagues to read it and interpret it for me—is that the branches were used as collateral when the downtown Y, which some have called the Taj Mahal, was renovated. The Bank of Montreal has a \$4-million loan, and the suburban branches are used for collateral. So it would be my understanding, and I could be corrected, but it looks like nothing can happen, no one can develop that building until the caveat is lifted off the title.

* (1150)

The Friendship Centre of Winnipeg were given permission to reopen the North Y and to use that facility, and they tell me that they could not do anything because of this caveat. So if the Bank of Montreal really wants to improve their image and wants to do good things for people in the north end and for the former members of the Y and potential users of that building, they could lift the caveat so that some group, some nonprofit organization, could reopen the North Y and provide a much-needed recreation facility again in our community.

Fortunately, in Manitoba, there is an alternative to the major chartered banks, namely, credit unions, and more and more people are turning to credit unioning. They

have increased their market shares substantially, I think, because of concern about bank profits. I am just going by memory here, but I believe that we got a mailing from the credit union, from Credit Union Central, that said their market share had increased from 22 percent to 28 percent of financial institution customers in Manitoba.

In Burrows constituency, we have quite a number of credit unions. We have Progress-Vera Credit Union, we have North Winnipeg Credit Union, and I would like to thank North Winnipeg Credit Union for a very good program that they have. They give \$500 scholarships to Grade 12 students, and I would like to thank them for awarding our daughter, Tanissa, with a \$500 scholarship.

On Selkirk Avenue, in Point Douglas constituency, there is Holy Spirit Credit Union, which has an open membership. Anyone can apply to that.

The credit union closest to my heart is the one our family belongs to, thanks to my wife, Carol, who is of Ukrainian descent and thus we were eligible to join Carpathia Credit Union.

Are you fed up with outrageous bank profits? Are you inconvenienced because banks and trust companies are closing branches in the inner city? There is an alternative, and it is credit unioning.

I want to recommend, to all my constituents of Ukrainian descent, Carpathia Credit Union, which provides excellent services to all its members and not only keeps net earnings in Winnipeg, but returns them to its members. Carpathia Credit Union was founded in 1940, and now has three branches, over 10,000 members, with assets over \$120 million. It provides a full range of services including: 24-hour access to accounts, teller service hours during branch hours, small business services, ethical funds, securities and the labour-sponsored Crocus Fund investments. Carpathia Credit Union rebates surplus earnings to its members through its patronage refund program. Last year, Carpathia members shared \$500,000. When is the last time your financial institution paid you for dealing with them?

The members only control Carpathia Credit Union. At the annual meeting, they elect their own board of directors. Unlike banks and trust companies, all board

members of Carpathia live and work in Winnipeg. This makes them responsive to members' concerns. A close bond exists with Manitoba's Ukrainian community. The credit union actively supports the community's cultural and educational activities. Why wait any longer? Call or visit any of Carpathia's three locations and, if you have not already, become a member of Carpathia Credit Union. Thank you, Madam Speaker.

Mr. Gary Kowalski (The Maples): I would like to put a few words in regard to this Bill 11. As it says, The Treasury Branches Act was initially enacted in 1974, but was not proclaimed by the government of the day or any succeeding government. The financial climate has changed considerably since then and the act has become redundant.

It brings up the subject of bank mergers and bank closures, and I do not know if anyone remembers last year—I think, it was either in Estimates or concurrence—when I was asking a question of the Minister of Consumer and Corporate Affairs (Mr. Radcliffe) and I told a story of trying to cash a cheque one day and coming here to this building from The Maples, trying several branches, unable to find ones that were open because of a number of bank closures, leaving this building and driving all the way to The Maples, stopping at a number of former branches and not finding any that were open. I talked a lot about the effect of the closures of banks in the core area.

I think the member for Wolseley (Ms. Friesen) has put it very well on the abandonment of the inner city for bank services has not helped the inner city in any way. So far the only people that have received a benefit is the Money Mart cheque cashing services. It has opened up an avenue for them, and I just listened to the member for Burrows (Mr. Martindale) talking about the free market system, and if the free market system was working, then we would see that if there was profit to be made, you would see other services, credit unions, trust companies, moving in there. Well, yes, they have. Cheque cashing services have moved into those core areas, and there the poorest are paying higher for their banking services than anywhere else in the city, the people who can least afford it.

It is not a black-and-white issue, because here we often complain about bank profits, yet many of the

people who complain, if you look at where their pension funds are invested, many of their pension funds come from investments in bank shares. So they enjoy the benefit of the bank profits in their pensions, but they criticize them.

The other part is banks talking about the reality that there are certain services that they do not make a profit from. That is why we gave charters to banks originally. We said that, in order to operate as a bank, here are certain things you have to do. Now, by breaking those into small segments and saying that segment of the services we do, such as teller services, is not profitable, but you are making a huge profit in another area, and I think that is originally what government intended.

I think there are many analogies we can make with what has happened in the railroads or utilities, and government has given certain guarantees and certain monopolies to different business ventures, whether it was public utilities, railroads, banks. In profitable times, those companies enjoyed them, but now they do not want to have to do the certain elements that were a cost to them. They only want to have the profitable parts of it without giving the services. So that is a concern of mine.

But right now I am watching carefully to see if this competition amongst the banks, trust companies and credit unions is sufficient to let the market correct the lack of services. I am watching very carefully, but at this time I do not believe that this Treasuries Branches enactment from 1974 is really required. Once it has been identified that there is a strong need for this legislation, we can bring it back. So, at this time, I think the old legislation is redundant and is no longer required. Thank you, Madam Speaker.

Madam Speaker: Is the House ready for the question?

Some Honourable Members: Question.

Madam Speaker: The question before the House is second reading, Bill 11, The Treasury Branches Repeal Act. Is it the will of the House to adopt the motion?

Some Honourable Members: Agreed.

Some Honourable Members: No.

Voice Vote

Madam Speaker: No? All those in favour of the second reading of Bill 11, please say yea.

Some Honourable Members: Yea.

Madam Speaker: All those opposed, please say nay.

Some Honourable Members: Nay.

Madam Speaker: In my opinion, the Yeas have it.

Mr. Doug Martindale (Burrows): On division, Madam Speaker.

Madam Speaker: On division.

**Bill 26—The Teachers' Society
Amendment Act**

Madam Speaker: To resume adjourned debate on second reading of the proposed motion of the honourable Minister of Education (Mrs. McIntosh), Bill 26, The Teachers' Society Amendment Act (Loi modifiant la Loi sur l'Association des enseignants du Manitoba), standing in the name of the honourable member for Burrows (Mr. Martindale). Is there leave to permit the bill to remain standing?

An Honourable Member: No.

Madam Speaker: No? Leave has been denied.

Ms. Jean Friesen (Wolseley): Madam Speaker, there are only a couple of minutes left here, but I will begin to speak and complete it after Question Period, I guess.

This bill is a relatively straightforward bill, which deals with a number of changes to The Teachers' Society Act. The minister has, I believe, consulted with the Teachers' Society, and they may well have initiated this act with her.

I have spoken to the Teachers' Society about this bill. My understanding is that they are comfortable with it as drafted, and they may well be making a presentation to that effect. I have also spoken to the Manitoba Association of School Trustees who do have concerns about one section of the bill. I believe that the trustees have discussed it with the Teachers' Society and that there may be some amendment which they will be bringing to committee which will be acceptable to all parties and to the minister and to the opposition, and we will certainly be looking for that at committee.

Madam Speaker, I want to note that there is a relatively amicable arrangement on this between the minister and the teachers. I think that is something that is to be noted, because it has not been the hallmark of this government. The relationship between teachers, in particular the Teachers' Society, and the Filmon government has been one that has been marked by a great deal of hostility and an exchange of angry and often ill-considered words. We can remember the minister's remarks on real teachers. We have got the Premier's remarks reportedly on cutting the wages of teachers, and we have as well some—

Madam Speaker: Order, please. When this matter is again before the House, the honourable member for Wolseley will have 38 minutes remaining.

I am leaving the Chair with the understanding that this House will reconvene at 1:30 p.m. this afternoon.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 18, 1998

CONTENTS

ORDERS OF THE DAY

Debate on Second Readings

Bill 11, Treasury Branches Repeal Act	
Sale	4614
Jennissen	4616
Hickes	4618
Downey	4619
L. Evans	4622
Friesen	4629
Martindale	4631
Kowalski	4634
 Bill 26, Teachers' Society Amendment Act	
Friesen	4635