

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Friday, June 7, 1974

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to suggest to the gallery, we don't mind, in fact we like to entertain them as guests, but I would ask that they bear with us and be awfully quiet because we have business to conduct. If not I'm afraid we shall have to ask them to leave.

As well I should like to direct the attention of the honourable members to the gallery where I have as a visitor to our province, and a guest of CPA and myself, Mr. M. S. Whiting, who is the MP and Deputy Leader of the Country Party of the State Parliament of New South Wales. His wife is not with him unfortunately today because she's unpacking. It's a pleasure to welcome you here today.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills; Questions; Orders of the Day: The Honourable Member for Morris.

MR. WARNER H. JORGENSON (Morris): I would just like to ask the House Leader if he would consider adjourning the House for half an hour while we have a picnic and the Government buy some ice cream.

MR. SPEAKER: The Honourable House Leader.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, given the track record of some representatives in arranging social affairs, I would not want to risk it.

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

ORDERS OF THE DAY - GOVERNMENT BILLS - BILL NO. 64

MR. GREEN: I wonder, Mr. Speaker, would you call the Treasury Branches Act No. 64.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Thank you, Mr. Speaker. I hope that this bill and what I have to say will be of interest to the visitors that we have in the gallery today, and I'm afraid that I will not have anything as attractive to offer as the Honourable Member for Morris was preparing to arrange. However, if his suggestion is not acceptable to the Government side I presume they will have to be satisfied with what I am now prepared to offer.

Mr. Speaker, let me begin my remarks on Bill 64, the Treasury Branches Act, by quoting from a letter that I received today from the President of the Brandon United Credit Union Limited, Mr. Anderson. I use this letter because it came to my hands just a few hours ago, and it represents the thoughts of a number of writers and I have received over the past few days, as other members have, letters from various parts of the province from members of the credit unions expressing their concern about the intent of Bill 64. But, Mr. Speaker, let me just quote from Mr. Anderson's letter. He addresses it to me, and he says, "I know without doubt that the credit unions and the Caisse Populaire of Manitoba are fulfilling the financial needs of their members. And since this is so I fail to see the necessity for setting up of treasury branches in this province. And therefore", he says, Mr. Speaker, "on behalf of 700 Manitobans who are members of the Brandon United Credit Union, I as their President request an explanation for the need for treasury branches in Manitoba." Now, Mr. Speaker, he asked me for an explanation for the need for treasury branches in Manitoba, and I'm afraid that I cannot give him that information. I would rather hope, and I did expect that the Minister of Finance would have been able to give him the explanation that he asks of me.

INTERRUPTION OF PROCEEDINGS

MR. GREEN: Mr. Speaker, I gather that the honourable member is having some difficulty in continuing. It seems that some of the guests are in the process of leaving. I wonder is we can in fairness to the honourable member just perhaps wait a few moments and I'm not sure that the entire group is leaving, but on the other hand I see the honourable member is in considerable difficulty. I'm having considerable difficulty hearing him, and yet I don't know just how to deal with the question. The only suggestion that I've heard thus far is the provision of ice cream.

MR. SPEAKER: The Honourable Member for Fort Rouge have a suggestion?

INTERRUPTIONS OF PROCEEDINGS

MR. LLOYD AXWORTHY (Fort Rouge): Well, Mr. Speaker, I wonder if I just may have leave of the House to announce or to point out to the House that we do have distinguished visitors in the gallery, members of the Child Care Association who are here this afternoon to protest . . . and I would like the House to acknowledge their presence more so than they have up to this point, particularly the Minister of Health and Social Development might take notice of their presence.

MR. SPEAKER: The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Mr. Speaker, it would seem that these good people and their children are here for a purpose, and possibly the Minister of Health and Welfare could assist us in this way by meeting with these people outside of the Chamber.

MR. SPEAKER: I must request of the gallery that they conduct themselves quietly. They are disturbing the proceedings of the House. We have no objections to having guests but we certainly cannot entertain them making more noise than the members themselves. The Honourable House Leader.

MR. GREEN: Well, Mr. Speaker, may I first of all make clear that the sounds that we have heard for the last ten minutes are possibly the most pleasant sounds that we have ever heard during our Assembly. And I'm not intending that that should be a problem, but I think that the people who are here would also recognize that their presence now having been acknowledged, and their welcome certainly having been indicated, that they would now do the courtesy to the Honourable Member for Brandon to let him make his address to honourable members so that he too can be heard. If I can get that type of co-operation, if not then we'll just wait until it occurs that's all.

MR. SPEAKER: The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): May I on a point of privilege indicate that I am so happy today to hear the youngsters up in the gallery. Now somebody made mention of a delivery of ice cream. Today I happen to be celebrating the end of 21 years of participation in the Legislative Assembly of Manitoba. It gives me an opportunity, possibly to say to our young visitors no one has taken them up on the offer to provide the ice cream. And if it is not construed as being bribery on my part, on my 21st Anniversary I would be more than prepared to provide and pay for the ice cream if my honourable young friends would meet me outside and find somebody who had the ice cream.

MR. SPEAKER: The Honourable Member for Swan River.

MR. BILTON: Mr. Speaker, on the same point of privilege, never let the Conservative Party take second place. I'll pay half the bill.

MR. SPEAKER: Order please. Order please. Order please. I'm going to suggest to the gallery ushers I have no objection to young children making a noise but any adult that opens his mouth and starts shouting down shall be evicted. That's stright for the adults. Let me assure you I mean business. The children we cannot control, but adults should be intelligent and disciplined enough to control themselves, and if they will not then they have to be shown out.

The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, just speaking on a point of privilege. I think it is proper to point out to both the Minister of Labour and the Member from Swan River that the reason for the attendance of the people, both adults and children in the gallery, has nothing to do with ice cream but they would like some action on their concerns about day care proposals.

MR. SPEAKER: Order please. I am going to suggest to the Honourable Member for Fort Rouge he is totally out of order. If he wants to play games in this Assembly, he is not entitled to do that. That is not an Assembly for games. I'm going to suggest that the members of the gallery again conduct yourself like ladies and gentlemen. If not, out you go. The Honourable House Leader.

MR. GREEN: Mr. Chairman, I would take it that the presence of the people concerned and their children is a delight, and they have made their point. If the Honourable the Member for Fort Rouge is attempting to supplement his incapacity by actually trying to thwart the proceedings of this Assembly, not the people themselves, but he as some sort of accomplice, then, Mr. Speaker, I say that that is a matter of the privileges of the House. If he chooses, if he chooses to pursue that as part of his activities, then I say that that is contrary to his activities, and I don't refer to anybody else in this House. But if we are to sit and wait then we will sit and wait. We do want to hear the Member for Brandon West.

MR. SPEAKER: The Honourable Member for Brandon West

MR. MCGILL: Thank you, Mr. Speaker. I appreciate the problem that you're facing and I will endeavour to make myself heard.

The request from the President of the Brandon Credit Union for an explanation as to why Manitoba needs treasury branches was addressed to me but I think really it should have gone to the Minister of Finance. I looked carefully and listened carefully to his presentation when he introduced this Act and it was an unusual presentation in that it lacked the method and the arrangement that had characterized his previous presentation of bills. He in my view took very little time to explain the need for this Act, for the necessity in Manitoba for the establishment of treasury branches.

Mr. Speaker, I think it's been my position in a consistent way that if any agency could provide the financial services to this province and to the consumers of such services in the province that we do not now have, or provided such services that were more efficiently provided, or in some way added to the store of services which are now available to the consumers of such services in the province, then I would think that it would be reasonable to support that activity. But, Mr. Speaker, nothing has been included in the remarks of the Minister of Finance that would seem to me to indicate that he has carefully researched the need, and that he has come to the conclusion in an objective way that there is something to be provided to the people of Manitoba which they do not now have.

In this connection, Mr. Speaker, I'm reminded of something which I read some time ago in the Globe and Mail, it was in November of 1973. It's an article by Roger Newman quoting the First Minister on this subject of banks. And Mr. Newman, during the course of this interview quotes Mr. Schreyer as saying that his government is ready to become part owner of such an institution, meaning a Manitoba based chartered bank, as soon as Ottawa passes enabling legislation. And he points out that at the Western Summit Conference in Calgary last summer federal officials promised to amend the Bank Act so the provinces can hold 25 percent of the stock in a chartered bank.

Mr. Speaker, the First Minister said that Manitoba wants this done as soon as possible so that it can offer equity financing to the Manitoba and Saskatchewan credit union organizations which are jointly trying to raise enough money, 10 to 15 million, to start a new Prairie Bank. But, Mr. Speaker, he goes on to say that if Ottawa delays amending the Bank Act the Manitoba Government may unilaterally set up a network of treasury branches similar to those which have been opened for the past 30 years in Alberta.

Mr. Schreyer said that if the credit unions need some partnership, we would be inclined to do just that. We would be prepared to help with the banking plans of either the Manitoba credit unions, or the Manitoba and Saskatchewan groups together, but details haven't been fully resolved as yet. Well, Mr. Speaker, that indicates to me that the First Minister would not have made such statements unless there had been consultation with the credit unions, unless there had been some preliminary discussions into this matter. And I'm wondering how we got to the stage where we are now in a sort of confrontation with the credit unions from a few months ago when there was an active discussion of a joint effort, which seemed to be dovetailing very nicely with what the credit unions had in mind, and seemed to satisfy the First Minister as to what Manitoba should do in this connection. So some time between November and May of this year these consultations, if there have been, and indeed I would expect there have, must have fallen on some difficulty, and the province and the Government of Manitoba has decided to go its separate path. Either that, Mr. Speaker, or the Government of Manitoba is satisfied that they will not get an amendment to the Bank Act in order to enable them to proceed in the way in which they had originally planned.

Mr. Speaker, the Minister of Finance is asking me if I would permit a question. I'm so pleased to have the silence in here now that I hesitate to in any way destroy it. So if the Minister would wait until a few minutes have passed I will no doubt have completed and I would be pleased to attempt to answer his questions.

A MEMBER: Just on a point of order.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: I do think that the members of the House owe a gratitude to the Member for Brandon West for helping us out of a situation which was of some difficulty and persevering which apparently had the needed result. And I think that we should all give our gratitude to the member for proceeding under the circumstances under which he had. (Applause)

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MR. SPEAKER: Let me also indicate to the House that I have to take allowances for some of the time that was wasted and he will be entitled to extra time. The Honourable Member for Brandon West.

MR. MCGILL: Mr. Speaker, I thank the honourable members and the House Leader for having given his approval, not for what I am saying, not for what I am saying, but for what I am attempting to say. So that I do appreciate the comment.

Mr. Speaker, the point where I left off was one in which I had decided that either the negotiations had broken down between the credit unions and the government, the government having decided to proceed independently; or the Government of Manitoba felt that they could no longer wait for an amendment to the Bank Act that would permit them to, jointly with the credit unions, proceed with the western bank idea.

Mr. Speaker, I want to now just discuss briefly what I would feel would be the role of the treasury branches, if indeed this Act should pass and be approved by the Legislature, because I think there are many areas in which we as members of the Legislature and representatives of constituencies in the province would need to anticipate certain things happening.

One of the things which I think would have an impact immediately upon the economy of our province, other than the facilities of the bank for customers who would no doubt request such facilities, one of the things that would happen that this would become a financial agent for other activities of the government, and they've been mentioned, the collection of telephone accounts and Hydro accounts, and such other items that are now handled in other ways, and I'm sure in a satisfactory way. I'm not aware of the people who are complaining about the difficulty with the present agencies in effecting payments of these Crown agency accounts.

But there is another area in which I think the impact may not be anticipated as clearly. And I speak of the representation which is now given to the government for its Autopac agency by insurance dealers around the province. I can foresee that with the establishment of treasury branches that in due course it might be a convenient step for the government to take to establish departments of insurance within the treasury branches where they would sell Autopac policies, where they would offer advice on fire insurance and all of the general insurance needs which are proposed under another bill in front of this Legislature; and without discussing that bill it seems to me that agents who now in this province, as the Minister said, have been mildly interested in the new dimension that is proposed by his department, are not perhaps anticipating what can happen within the next few years, that they may become the agents for fire and general insurance of this province; but in due course it would seem to me that the step would be that not only would the fire insurance and general insurance be removed from their particular agencies but also the automobile insurance. So we have the possibility involved within this bit of legislation to see the business of the small independent insurance agents of Manitoba further eroded by the removal of these two representations.

I think this is something that is not appreciated by agents in Manitoba who have - and I'm prepared to indicate this to the Ministers that have said, "Well we've had trouble getting some types of high risk coverage and we think that this is a good area for the Government." They are not probably anticipating what treasury branches may do in the whole area of insurance and the independent agents who now serve this province.

The other area in which the treasury branches is intended to perform a function is, as described by the First Minister, to provide credit on a broader basis than is now available through either credit unions or chartered banks and to make credit easier in times of economic difficulty when the economy of the province is less buoyant than it is at present - and there have been times in the past where we've suffered some declines - it would be the intention of this Government to make credit easier in those areas.

Mr. Speaker, the point about this that interests me right now is, what effect this would have on the role of the MLA who is now in effect an Ombudsman in his own constituency, a role which the MLA plays for his constituents. If the experience of members opposite is anything like mine and of my colleagues, he plays a role looking after the problems of people with social assistance; and he plays a role particularly in working out problems in the field of unemployment insurance - even though this field is a Federal one, the provincial MLA has many calls during the course of his duties in his home riding on this problem.

Now, I wonder what would happen to the MLA's role when treasury branches are established. I'm suggesting to you, Mr. Speaker, that he might then become the Ombudsman for the

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(MR. MCGILL cont'd) applicant to the loans manager in the treasury branch who has turned down his loan because he feels that it does not meet the guidelines or the limitations set by him. Now you can conceive, Mr. Speaker, that there will be many situations where people in the various constituencies in which there is a treasury branch to be established will come to the bank, request loans for their businesses which even the treasury branch cannot accept on the basis of the proposals of the person making the application. So it is probably a reasonable thing for the applicant to do, if he feels that his case has been improperly dealt with, to proceed at once to his MLA and say, "I am a good supporter of yours, I've always supported you, now I want some help from you." The man down at the treasury union says, "I'm not eligible for a loan, and I think I am, and it's up to you to as my representative in Government to see that I get some action there." I can see this, Mr. Speaker, as becoming a pretty serious problem for members of the Legislature.

I'm wondering too what status a client of the treasury branch would have in an election. Would the Legislative Assembly Act make invalid the qualifications of any person in Manitoba who is enjoying the benefits of a loan or in some way had entered into a contract with the treasury branch? Now, I wonder if the Government has considered this area, whether in fact it would be legal for any member of the Legislature to seek a loan from a treasury branch; whether in fact it would be legal for any person who might like to be a candidate in some future election if they had obtained a loan from a treasury branch. Mr. Speaker, there has been no explanation of this point, and I think it's quite a serious point and quite a valid one.

Does any member of the government opposite feel that there might be a situation where there would be pressure applied by members of the Government to a branch manager to extend credit? Now if they don't think that that is a possibility, let me cite to you a practical case. We've heard many expressions of goodwill for the Province of Alberta, because they have a Treasury Branch system and because they have been providing this service for some thirty years, and if any Conservative Government of a province can do this why it should be absolutely acceptable from the New Democratic Party in Manitoba. But there was a situation, Mr. Speaker, which developed in the Province of Ontario in the mid 1950s, which I would like to relate to the members opposite because they may find themselves some day, hopefully you won't, but some day you may have reason to recall this case. This was known as the Lee Landeryou case, and it happened in late 1954 and early 1955. Two members of the then Government of Alberta pressured or were alleged to have pressured a branch manager of a treasury branch to extend credit to certain of their friends and it afterwards became public knowledge that this had occurred, and there was a general uproar in the province and was the principal point of debate during the ensuing election that occurred. And as a result of that affair, the Social Credit Government of Alberta had the most difficult time it had ever had up to that point, and there were 22 members elected in opposition in a province which had traditionally had very few if any opposition members during the heyday of the Social Credit Party.

Mr. Speaker, I mention this case because a Royal Commission was appointed to investigate the allegations, and it was uncovered during the investigation that even though there were technical prohibitions in their legislative Act to the seeking of services and loans from the treasury branches by MLAs, it was determined that some had in fact taken place and that there was uncovered a conflict of interest between members sitting in the Legislature and the activities and contracts which they had entered into with the Crown agency. Mr. Speaker, I see nothing in this Act as presented by the Minister of Finance that deals in any way with this problem, so I would expect that the Legislative Assembly Act, Clause 18, would apply, and I'm not sure that this covers any activities, any financial dealings between MLAs and treasury branches. It does specifically mention Manitoba Development Fund and it also mentions the Manitoba Agricultural Credit Corporation, but at the moment, failing any modifications of this, I can read into this - and again as a layman, I may be subject to correction - I can read into this no specific prohibition of an interest being established by an MLA in the treasury branch operations in the form of credit extension or loan application. It would also seem to me that the application of any current client of the branch to become a candidate in an election would be invalidated if he had in fact received services or was under contract for the repayment of a loan at the time that he became a candidate.

Well, these are the problems which I suspect the Minister of Finance has perhaps dealt

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(MR. MCGILL cont'd) with, has not covered in his original explanations - and you know, Mr. Speaker, it said that one shouldn't be critical of another person until they fully understand their problems. I think it has been expressed in this way, that one should walk a mile in the other man's shoes in order to appreciate and understand his problems. I haven't done that. I haven't been invited to borrow the Minister of Finance's shoes, and I doubt whether I could in any way fill them, but I perhaps am unaware of all of the problems that he faces in respect to this bill. But the implications of this bill are many, I think there are some areas in which there has been lack of explanation. There certainly has not been any concrete evidence that they have researched the need - and this has been mentioned by many of my colleagues on this side, and I am not going to pursue that line. But I do think that in the light of what has happened in other provinces, that some additional research should have been done. I have not walked a mile in the Finance Minister's shoes, but I would suggest that if he proceeds with this bill involving the apparent failings of some 230,000 Manitobans that he should make sure that those shoes are made for walking, because he may be on the campaign trail sooner than he thinks. Thank you.

MR. SPEAKER: The Honourable Minister of Finance.

HON. SAUL CHERNIACK, Q.C. (Minister of Finance) (St. Johns): Mr. Speaker, the honourable member agreed that I can ask him a question. I now have two. One is, he was referring to the MLAs acting as Ombudsman and having problems where they would be expected to deal with treasury branches on behalf of constituents. It would be of interest to me if he can inform me what he has learned from his colleague MLAs of the Conservative Party in Alberta and Ontario in relation to their problems in that respect.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Speaker, I attempted to relate some of the problems of the past in relation to this in the Province of Alberta. The Lee Landeryou case was the one where two MLAs were accused of exerting pressure upon the manager of a treasury branch in order for him to relent and to change his decision in respect to their credit applications, as a result of which a Royal Commission was established and a complete investigation took place - and as a result of which - I'm not sure that the election occurred as a result of this, but it was a major issue in the 1955 election in which the Opposition achieved a much larger standing than they had ever previously.

MR. CHERNIACK: I'm sorry, but the honourable member either misunderstood my question or I misunderstood his original statement. I understood he had been talking earlier, before this reference to personal involvement by MLAs, I thought he was talking about the problems of an MLA acting as Ombudsman for his constituents, who would be expected to appeal to the treasury branches on behalf of their constituents. If that is what he was saying, then I was asking whether he's aware of any problems in very recent years from his fellow Conservatives in Alberta and Ontario - such as I think he describes the problem. If I misunderstood him, he can correct me quickly.

MR. MCGILL: Mr. Speaker, the supposition and conjecture that I had with respect to the developing problem of MLAs was one that I anticipate to take place - and I fully expect that if treasury branches are established we will have unhappy applicants, and the first place they will turn as an agency of Government is to their MLA. Nothing could be more logical than that.

MR. CHERNIACK: Mr. Speaker, the honourable member was talking about expectations of the passing of legislation in Ottawa dealing with the Bank Act permitting provinces to become shareholders in a bank. In view of the fact that we are into an election, can he refer me to any written record of his own national Leader's stand on this very particular question?

MR. MCGILL: Mr. Speaker, none whatever. I was referring to the First Minister's comments, that when and if the present Government in Ottawa were to change the Bank Act that they would be able to proceed. Now from the tenor of the Minister's question, I would anticipate that he expects a change of government and in that I would completely support him, but I am not able to say what would happen. I'm sure he's right, that there will be another Government and this will make a difference.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I should like to direct the attention of the honourable members to the gallery where we have 68 students of Grades 7 and 8 standing of the Gladstone School. These students are under the direction of Mr. Cibula, Mrs. Sarginson and Mrs. Blair. This school is in the constituency of the Honourable Member for Gladstone.

On behalf of all the honourable members I welcome you here today.

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

MR. WALLY JOHANNSON (St. Matthews): Thank you, Mr. Speaker. I must say, Mr. Speaker, that the remarks of the Honourable Member for Brandon West were a rather welcome contrast to some of the speeches we've been getting lately from the Official Opposition. He attempted to be rational, even though it is a bit difficult considering some of the opposition he was getting from the Galleries. But while he was basically presenting pretty rational criticisms of the possible effects of treasury branches, many of the remarks of his colleagues have bordered on the lunatic over the past while. And consequently I thought that his remarks were a welcome change.

He did remark on the same theme that other members have stressed, and that is the treasury branches are unnecessary. He didn't raise the spectre raised by some of his fellow members like the Member for Morris, who yesterday I understand, invoked the beaches of Normandy. I imagine that he was one of those who stepped on the beaches of Normandy to defend the credit unions from the onslaughts of socialist governments.

Now, Mr. Speaker, Mr. Speaker--(Interjection)--yes, I thought that the members of our caucus who also walked the beaches of Normandy were attempting to destroy Nazism and Fascism and to preserve democracy.

The members of the opposition are very strange. During the Autopac debate of course, they attacked us for setting up a government monopoly in auto insurance and they said that we should, rather than go into a monopoly, we should go into competition. Now, when the government goes into competition they say, "You're nasty, you're being nasty fellows, you won't compete fairly." Mind you, the Member for Wolseley, the Leader of the Liberal Party, at least does admit that there is some necessity for some change in the financial system because he's been one of the great supporters for a Bank of Western Canada. So obviously he must feel that there are some inadequacies in the present system.

Now, I think the Mines Minister made the argument better than I can possibly make it, for the basic reason why we're going into treasury branches, and that is that we feel that the people of this province deserve to have some control, some little bit of control over the --(Interjection)--yes, the people of this province, the people deserve some control over the financial destinies of their province. And I can't express it like the Honourable Minister can, but I share his feeling in that respect. One reason why I'm in politics is because I want to further just a little bit, to what little bit I can help, I would like to further the people's control over their own destinies in this province - and that includes their control over financial matters.

The members have made a great fuss about the fact that treasury branches are unwanted. They say that we have presented no proof that the people want it. And they give us their proof, or they point out as their proof that the people don't want it, the letters that they're getting from credit union members. And I understand that the majority of the letters that have come into the Conservative caucus according to the Member for Fort Garry, have come from Rhineland, that bastion of socialism in the southern part of this province. I would hardly have expected that very many people from Rhineland would have supported treasury branches. I understand that my colleague from Gimli has received a good number of form letters--(Interjection)--form letters from credit union members in Gimli and they got 50 letters - that probably represents the whole Conservative Party in the town of Gimli. There were no NDP supporters sending him letters, the Conservatives were sending him letters.

Now, Mr. Speaker, the . . .

A MEMBER: He'll debate on everything.

MR. JOHANNSON: . . . The Leader of the Opposition argued very vehemently that the people of this province don't want treasury branches. And he argued that in the last election this party didn't get a mandate for treasury branches, it got a mandate for what he called social

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(MR. JOHANNSSON cont'd) . . . reform. Now I thought it amusing the way he defined social reform. Social reform doesn't include auto insurance.

A MEMBER: Doesn't it?

MR. JOHANNSSON: No, social reform doesn't include auto insurance. The people didn't say they wanted auto insurance. And apparently it doesn't include treasury branches.

Mr. Speaker, what the Leader of the Opposition was basically arguing was the case for plebiscitarian democracy, which is not conservatism. He was not arguing the case for parliamentary democracy, he was implying that every time the government wants to do something it should in effect hold a referendum or a plebiscite. Now, I would think, Mr. Speaker, that the Honourable Member for Morris, who I know is a great defender of the parliamentary system, would recoil in horror from such implications. --(Interjection)--I didn't say it was said. I said the implications of his position are plebiscitarian democracy. And of course the members of the opposition, every time we have introduced something - I won't say every time, but virtually every time we have introduced something that they detest thoroughly, they want a plebiscite, they want a referendum. They asked for a referendum on auto insurance. The members here can recall it.

A MEMBER: And they got it four years later.

MR. JOHANNSSON: Yes, they got it a few years later - in 1963, June 28th--(Interjection)--'73, sorry. They asked for a referendum on Bill 36, the City of Winnipeg Act and they got it in 1973, June 28th.

A MEMBER: St. Vital.

MR. JOHANNSSON: St. Vital - a few months after the bill was introduced. Now once again the members of the opposition say that the people don't want this. And, Mr. Speaker, I campaigned in the last election in my constituency, and one of the pieces of literature that I used - which apparently I understand was used by virtually every candidate in our party - this was our last piece of literature used by, I understand, virtually every member in our party, and I'm certain the candidates who were elected used this, or most of them did.

A MEMBER: It was a nice picture.

MR. JOHANNSSON: And, Mr. Speaker, we stressed about six new things, five or six new things that we would do. We were acting in a responsible manner, we weren't promising the moon, we were promising a few limited things that we would achieve. And what do you see on the front page? "Establishment of Provincial Banks seen as priority by NDP" - and I'll read the whole article, it's not that long, because . . .

INTRODUCTION OF GUESTS

MR. DEPUTY SPEAKER (MR. W. JENKINS): Before the honourable member starts reading the whole article - if I could draw the attention of the honourable members to the gallery where we have 30 students of Grade 9 standing from the Hartney School under the direction of Mr. Forsyth and Mrs. Maguire. This school is located in the constituency of the Honourable Member for Arthur. On behalf of the members of the Legislative Assembly I bid you welcome.

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MR. DEPUTY SPEAKER: The Honourable Member for St. Matthews.

MR. JOHANNSSON: Mr. Speaker, as I said, this pamphlet was used by the members of our caucus. It was distributed to the people in our constituencies, it was certainly distributed in mine and the Member for St. Vital's, and a good number of others. And on the front page it says: "As one of our priorities the establishment of a provincial bank seen as a priority by the NDP." And it gives the reasons. I'll table this, I don't want to read the whole thing. But among . . .

A MEMBER: Say about the banks.

MR. JOHANNSSON: In the article it states, and I'll table this for the members opposite: "At present provincial governments are powerless to correct the regional disparities in banking since they're prohibited from holding shares in any chartered banks. But through the establishment or support of a provincial lending facility the NDP hopes to correct imbalances and stimulate competition. This could be done through an amendment to the Bank Act to allow such provincial participation in a financial institution or by setting up a public financial intermediary

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(MR. JOHANNSON cont'd) along the lines of Alberta's treasury branch system." And it explains what this would do.

Mr. Speaker, the opposition members have been saying that we fooled the people; that we fooled the people; that we did not campaign on this issue; that we brought it in after the campaign, with the public knowing nothing about it.

A MEMBER: That's true.

MR. JOHANNSON: Mr. Speaker, who can you believe?

A MEMBER: Us.

A MEMBER: The good Johns.

MR. JOHANNSON: Well, Mr. Speaker, I know who the people in my constituency believe. They showed it on June 28th and they're going to show it again. Mr. Speaker, the honourable members opposite have also been raising the spectre of galloping socialism. It started as creeping socialism and then it became . . .

A MEMBER: You're all paranoid.

MR. JOHANNSON: . . . became galloping socialism. And I just thought for the benefit perhaps of the Member for Lakeside, I'd read him a little section from one other pamphlet that I used, and I gather that this one was also used extensively. This was the first pamphlet we used - and it has a very nice picture of the Premier - and it outlines all of the things we promised in 1969. And, Mr. Speaker, we delivered on every one of those promises. One of the things that we stressed in the last election campaign was the fact that when we promise something we deliver.

A MEMBER: Right on. Right.

MR. JOHANNSON: The opposition apparently doesn't believe that when you promise something you should deliver. That apparently isn't within their theory of political democracy. Well, it is within our theory of political democracy, and when we say we will do something, we do it.

I also stated in this particular pamphlet - and for the benefit of the Member for Lakeside I hope he would listen. This is my personal section, yes. I'll just read this for his benefit: "And I state that Mr. Johannson has always believed in the political philosophy of Mr. J. S. Woodsworth. Mr. Johannson considers himself a socialist." A socialist.

A MEMBER: Shame.

MR. JOHANNSON: "In the tradition of Canadian democratic socialism."

A MEMBER: Hear. Hear. Hear.

A MEMBER: Oh, dear.

MR. JOHANNSON: Mr. Speaker, that may scare the members opposite, but it didn't scare the people in my constituency.

A MEMBER: Right.

MR. JOHANNSON: In fact, they increased my majority, and over 50 percent of them voted for somebody who declared himself a socialist.

Mr. Speaker, the members opposite have spoken at great length about how we are threatening the credit unions, how we are going to destroy the credit union movement. In the old days - in the old days when anyone threatened to regulate large industry, the defenders of large industry always trotted out the innumerable widows and orphans who were stockholders; the widows and orphans who owned the stock in General Motors, in Standard Oil, the Royal Bank of Canada - the widows and orphans who were going to be destroyed by any regulation of large business. Today, the official opposition accuses us of destroying the credit union movement.

Now, Mr. Speaker, we've been in this House now for almost--I've been in the House for almost five years . . .

A MEMBER: Five years exactly.

MR. JOHANNSON: . . . and I can recall when we brought in a new credit union bill. I can't recall somehow, perhaps I'm mistaken, but somehow I can't recall great enthusiasm in the Conservative Party at that time for the credit union movement. Perhaps my memory is faulty. But I just can't recall that great fervor, that great enthusiasm for the credit union movement in those days. Now what's happened, Mr. Speaker, in the five years since we've been government? We brought in a new Credit Union Act. We brought in a Department of Co-ops, which for the first time has taken a really positive attitude towards co-ops and credit

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(MR. JOHANNSON cont'd) . . . unions, and positively promoted them. What's happened to the credit unions? Their deposits have tripled since 1969, their assets have doubled. And this has happened, in part I would say, because this government has taken a positive attitude towards them and has been aggressively trying to promote their welfare.--(Interjection)--Yes, we made it possible for municipalities, school boards, government departments to deposit moneys in credit unions. Apparently the credit unions have forgotten this.

A MEMBER: Oh, no way.

MR. JOHANNSON: The opposition certainly has. Now, Mr. Speaker, it's obvious that the credit union movement is opposing our treasury branches. There's no question about that. The central organization and a lot of the branch organizations are opposing our bill. But, Mr. Speaker, I don't think they consulted with all of their members. I happen to belong to two credit unions, and in fact my young daughter even has a trust account in a credit union. And she hasn't been consulted. And here she is, a potential supporter of the credit union movement of the future. I haven't been consulted. I belong to two credit unions. There are many members of our caucus who belong to credit unions, and as far as I know none of them have been consulted by their credit unions. They may have been instructed, yes, but not consulted.

A MEMBER: I had a fight with my chairman.

MR. JOHANNSON: Mr. Speaker, members opposite - including the Leader of the Opposition and including the Leader of the Liberal Party - have accused us of setting up a dangerous political weapon. The treasury branches are going to be a dangerous political weapon which we will use against, to favour our friends and to threaten our enemies. When, Mr. Speaker, somebody makes an accusation like that, I really start to question their sanity. There are members opposite who seem to be suffering from paranoia. Judging by the speech made by the Member for Lakeside on the Fire Insurance Bill, I think he has problems; he thinks that the Government is persecuting him. The members make accusations very easily, and they've done this ever since 1969. I'd like to have some proof of political persecution that occurred within Autopac.

MR. SPEAKER: The Honourable Member for Lakeside state his point of privilege?

MR. HARRY J. ENNS (Lakeside): I always listen with interest to the Honourable Member's speeches. I can't recall having suggested, or having indicated, or having heard any suggestion of persecution with respect to Autopac by any particular member.

MR. SPEAKER: The Honourable Member for St. Matthews. The Honourable Member for Lakeside.

MR. ENNS: . . . but I did suggest that the kind of society that this Government is putting me into, imposes a degree of . . .

A MEMBER: A personal problem.

MR. ENNS: Yes indeed a problem with myself sometimes with respect to how I approach members opposite and Ministers opposite.

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

MR. JOHANNSON: Well, Mr. Speaker, what I was talking about was problems of the mind in some members and that hasn't been dispelled.

A MEMBER: Don't be so mean.

MR. JOHANNSON: You know, Mr. Speaker, we've had a lot of accusations, that we're going to reward friends and we're going to punish enemies, and yet, you know, I would like to see the evidence of what we've done in institutions which we've set up. I would like to see evidence of political persecution in Autopac. I would like to see evidence of political persecution in other organizations that we've set up. You know, Mr. Speaker, I can recall in 1969 just after the election when this government hired Eric Stefanson, who was a defeated candidate in the constituency of Gimli, Progressive Conservative candidate. I can recall Buck Witney, Buck Witney who was the defeated candidate in the constituency of Flin Flon. Both men were hired by the Centennial Corporation which operated under the Minister of Cultural Affairs --(Interjection)-- with our knowledge and consent as the Minister of Finance points out. That's the definition of political persecution. That's the definition of political persecution. Well, Mr. Speaker, when we get definitions like that, again I begin to wonder about the state of mind of some members.

The members opposite have said that we've been guilty of dishonesty in that we've brought in a permissive bill. They say that we're trying to deceive someone. I don't think we

(MR. JOHANNSSON cont'd)are. I think it's clear that we're going to go ahead with treasury branches, but as the Minister of Mines pointed out I think it's also clear that members of our caucus may have different priorities. We may have different motives for supporting treasury branches. I would assume, for example, that the Member for Churchill . . .

A MEMBER: He'd rather be home with his wife.

MR. JOHANNSSON: Mr. Speaker, I'm getting some heckling from the Member for Radisson.

A MEMBER: As usual.

MR. SPEAKER: The honourable member should appeal to his Whip.

MR. JOHANNSSON: If I do that I'm in trouble, Mr. Speaker. The Member for Churchill may be concerned about providing service to some parts of his constituency like Leaf Rapids or Wabowden, places like this. Now, Mr. Speaker, the free enterprise system is not a system that usually welcomes competition. In fact the logic of the system is usually to eliminate competition. In the oil industry, in the oil industry in the late 1880s and 1890s John D. Rockefeller didn't try to encourage competition, he drove it out, he killed his competition. If you look at the history of banking in Canada, the bankers didn't welcome competition. By gentlemen's agreements they eliminated it. Now, Mr. Speaker, I think that the Minister for Finance, the Minister of Finance, Mr. Speaker, I think, generally has the - and I don't want to be unfair to him, but I think he has the temperament of the bankers, he would prefer to operate by gentlemen's agreements. I think that I have more the instinct of John D. Rockefeller, although I don't have his finances and I never will approach them, but my instinct is to drive out competition. --(Interjection)--He says that I will never have John D. Rockefeller's killer instinct. I don't think I will, but generally I favour an aggressive policy. Now the policy that we eventually decide upon will be a policy that's arrived at after discussion and consensus in caucus.

Mr. Speaker, the Opposition have also claimed that we will lose money. And they've claimed that our track record is bad, that everything we've started, everything the Government has gone into has lost money. Yet, Mr. Speaker, at the same time that they say that we've lost money in everything we've gone into, that our operations are going bankrupt, they also raised the spectre of government control. Now for the life of me I can't reconcile the two things. How can you have operations that are going bankrupt, that are on their heels financially, and at the same time have complete control? The two are not compatible. Mr. Speaker, a good number of our enterprises haven't been making money but I'm pretty confident, Macey Foods has, McKenzie Seeds has, and a number of them will shortly be making money. Generally when you start an enterprise it takes a number of years before it does make money. And the question is, exactly when?

In Alberta--(Interjection)--the Opposition has used the Alberta treasury branches to prove a number of things. They've attempted to use them to prove that we will subsidize our treasury branches, that there will be hidden subsidies. And the Leader of the Opposition spent a great deal of time attempting to prove this. I'd like to examine that. He stated that there would be a question of hidden subsidies and accountability, and I quote from his speech. "I want to talk about the question of accountability. Now I want to talk about the question of a hidden subsidy. Now I'm going to talk about how the Government will fuzz this up as they're fuzzing up some of the other operations to hide exactly what they're doing. I've indicated before the danger lies" and I'm still quoting him, Mr. Speaker, "I've indicated before that the danger lies in government absorbed costs, which is the hidden subsidization of government, often in superfluous ways, costs which should be properly assessed against the saving plan. As an example, Mr. Speaker, I offer for the record the same example chosen by the Government itself, which is the Treasury Savings Office in Alberta. And listen carefully. My data from the official Government of Alberta publications and the Treasury Branch of May 31, 1974, states, and I quote, 'Prior to March', and I'm quoting from the Alberta Savings Office document, 'Prior to March 31, 1970, the expenditures for the operation of the treasury branches were charged to the General Revenue Fund of the province.' Mr. Speaker, I want to restate this position because the honourable members have been referring to the Conservative Government in Alberta. 'Prior to March 31, 1970, expenditures for the operation of treasury branches were charged to the General Revenue of the province.' I wonder if the Minister of Finance is prepared to accept this statement and agree with it. 'Prior to March 31 in Alberta the expenditures of the revenue of the operation of the treasury branches were charged to the General

(MR. JOHANNSON cont'd) Revenue of the Province;'" The member believes in repetition. "In other words they were paid by the taxpayers of the province."

And again he quotes, "'With the exception of an amount of 481,000, representing consumer bonuses for the months of February, 1941 to April 1945 inclusive, and the required provisions for losses regarding loans and advances, the former may be financed by contingent liabilities, while the latter has been provided from revenues of the treasury branches under the authority of the Ministerial order dated March 31, 1960.' I want to make the point again, Mr. Speaker," and I'm still quoting the member, "that the Alberta treasury branches were paid for insofar as their costs were concerned by the Provincial Government's General Treasury Fund, General Revenue Fund. And in effect the degree of subsidization that I talked about existed and the hidden subsidy that I talked about was there.

"And I quote again, 'The Alberta Government assumed costs which properly belonged to the Treasury Savings Branches.' Again I quote, 'In those years their general expenses were charged to the province and the taxpayers supported it.' In addition other and more discreetly hidden subsidies were involved in allocating costs between treasury offices and other government operations when sharing space with other government departments. Under this bill," it's still a quote, "Under this bill, Mr. Speaker", now he's making a statement, "Under this bill, Mr. Speaker, as it stands, virtually unlimited cross subsidization of this kind would be possible, and would tend to become the norm."

Now, Mr. Speaker, I have here the annual reports of the treasury branches and I read through them, and I saw the same statement that the Leader of the Opposition quoted, and I didn't quite understand the implications of it. But, Mr. Speaker, I didn't stand up in this House and shoot off my mouth before I knew what the implications of that statement were. I had this statement, Mr. Speaker, checked out, I had it checked out with the Alberta, Province of Alberta Treasury Branch, and I had it checked out with the Provincial Auditor's office in Alberta. But do you know what I found out, Mr. Speaker?

A MEMBER: What did you find out?

MR. JOHANNSON: What did I find . . .

A MEMBER: Educate him Wally.

MR. JOHANNSON: I found that the use of the General Revenue Fund to finance the treasury branch system was simply an accounting procedure. Prior to March 31, 1970, administrative costs were paid out of General Revenue, the General Revenue Fund and the General Revenue Fund was reimbursed by the provincial treasury branches, and the reason for this was that they were regarded for purposes of procedure and accounting as part of the treasury. The approval of expenses had to be accepted by the Legislature through this procedure, and both organizations stated emphatically that there was no subsidy involved, both stated that there was no subsidy of the treasury branches involved.

A MEMBER: How many times has he repeated it?

MR. JOHANNSON: Yes, I'll repeat it once again for the members of the Opposition. Both the Provincial Auditor of Alberta and the Alberta treasury branches emphatically stated that there was no subsidy of the treasury branches out of the General Revenue Fund. Now, Mr. Speaker, I can only assume one of two things when something like this happens. Either the Leader of the Opposition was lying to us . . .

MR. SPEAKER: Order please.

MR. JOHANNSON: . . . or he was guilty of--(Interjection)--Well, Mr. Speaker, . . .

MR. SPEAKER: I'm sure the honourable member is totally aware that that's unparliamentary. I'm sure he can rephrase his debate. The Honourable Member for St. Matthews.

MR. JOHANNSON: You're correct, Mr. Speaker, I'm guilty of unparliamentary conduct, and I'll withdraw that. If he didn't lie, he was simply guilty of gross irresponsibility and stupidity.

A MEMBER: Ah, that's more like it.

MR. JOHANNSON: He says not. He didn't have enough respect for this House to bother checking out his statements. And, Mr. Speaker, to me that is simply gross irresponsibility. Particularly for a man who pretends to the office of the premier of this province.

Mr. Speaker, in the years since the treasury branches opened up in 1938 there's been a pattern. For the first seven years, seven years, they lost money. They lost \$2 million over the first seven years 1938 to 1945. It's at the tail end of the depression and during the Second World War. They lost money, \$2 million. Up to about 1960 or 1962, they made very small profits. After 1962 they started making pretty good profits, and since 1969 the branches have

(MR. JOHANNSON cont'd) been making roughly \$3 million a year.

A MEMBER: Who hasn't?

MR. JOHANNSON: Mr. Speaker, who hasn't? What better argument for going in now, into the treasury branch business. What better argument. Who hasn't been making money in recent years?

MR. SPEAKER: The Honourable Member has five minutes.

MR. JOHANNSON: Mr. Speaker, the treasury branches have been making money. In fact not only, Mr. Speaker, has that \$2 million early loss been paid off but the pattern over the last decade has been that a million dollars a year has been put back into the General Revenue Fund of the Province of Alberta. When you total it up, when you total it up, Mr. Speaker, over \$10 million in excess of the early losses has been pumped back into the General Revenue Fund.

A MEMBER: Very good.

MR. JOHANNSON: So the treasury branches haven't been subsidized by the government. They haven't been subsidized by the government, they have been pumping money into the General Revenue Fund of the province.

A MEMBER: They can't stand the truth, Wally.

MR. JOHANNSON: Mr. Speaker, not only has Alberta made money, the Ontario savings banks have made money; the Bank of North Dakota has made money. I don't think if we . . .

A MEMBER: The Royal Bank has made money.

MR. JOHANNSON: . . . I don't think if we start treasury branches that we'll make money right away. It may take four or five years. And I expect during those four or five years every year the Opposition will stand up in the House when we present the financial statement and they will give us hell, because the treasury branches are losing money; every one of those years. And I expect it, and I'm willing to take that. But I favour, Mr. Speaker, I personally favour an aggressive policy with regard to treasury branches. I would favour going after the most lucrative business. I don't favour going into areas where we lose money. I favour going into areas where we're going to make money. I would go after the best people in the banking business, pay them more than they're making in their current positions, the Member for Minnedosa will be happy to hear. I would go after the best people in the banking business and hire them by paying them more than they're getting now, and giving them a better deal. --(Interjection)--

MR. SPEAKER: Order please.

A MEMBER: Hear. Hear. They'll be lining up.

MR. JOHANNSON: But, Mr. Speaker, I don't really have the same expectations as members opposite about this proposal. My hopes are very modest. After 35 years, after over 35 years the Alberta treasury branches have less than 10 percent of the banking business in that province. They have followed a very aggressive--pardon me--a conservative policy. Even if we followed an aggressive policy I don't think that we could hope for a substantially larger share of the banking market in this province for many years. The banks are well entrenched; the credit unions are entrenched; so my hopes are modest. But at least we can make a beginning. We can make a beginning in setting up an institution that is owned by all of the people of this province and which will have a little bit of influence, just a little bit in determining the directions of the finances of this province.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK Q.C. (Leader of the Official Opposition) (River Heights): Mr. Speaker, I intended to enter the debate after I heard the first few remarks of the Honourable Member for St. Matthews. And for the Honourable Member, for the Honourable Member for Ste. Rose, if it takes a little bit longer than the normal 40 minutes, I apologize. But on the other hand I think that the legislation that we're dealing with is serious, requires debate, and I think that the manner of presentation of the members opposite, warrants from our point of view the kind of review and discussion that may inconvenience some who would like to be out of this Legislature in the next day or two.

I want to talk about what the Honourable Member from St. Matthews has indicated in his presentation and I would say with respect to one item, and that was the reference to the treasury branch matters particularly, and the reference to the hidden subsidization, that I do not have my documentation here, nor do I have the treasury branch portion here. I will debate that with him. But I should assure him that the information that I have is that there was a hidden subsidization, that employees' benefits were paid, Mr. Speaker, were paid by the

(MR. SPIVAK cont'd) government. And in my presentation there was no intention to mislead but to indicate the facts were as represented to me, and, Mr. Speaker, by those who have some knowledge of the operation.

Having said that, and I'm prepared, and I acknowledge that I will be debating that with him further, although there may be limitations in terms of second reading. But there will be an opportunity to debate it further and I'm prepared to do that.

I want to deal with the basic proposition presented by the Member for St. Matthews, and I want to indicate, Mr. Speaker, that this is the problem we have in the five or six or seven pieces of major legislation delivered here today. The proposition that is presented is that they went to an election and promised something - in this case a provincial bank - and that means that they have the right to come into this House to stand up--(Interjection)--Well, the Honourable Member for Radisson says, "Yes, that's right!", to stand up here and to say here's the Act. You can argue all you want about it; you're against it in any case. We're going to pass it and then we're going to do what we want. There is no obligation in some cases to be able to justify their action. Their action is justified simply because it was an election promise. There's no necessity on their part to present facts or details of how they intend to operate. They simply say we'll setup a Task Force, and we'll do it, or we'll take Cabinet discretion by way of regulation, and we'll execute whatever we want.

Mr. Speaker, the Honourable Member for St. Matthews and the members opposite, including myself, have a very different idea of what democracy is all about, and have a very different idea of what this Legislature's all about. And in the remarks that have taken place, not only on this debate but on a number of others, we've been presented with this kind of proposition. If we oppose something, we oppose it because we're against it in principle. If we oppose a section, we're not really opposing a section because we're against it in principle. Therefore, realistically for the members opposite this Legislature is irrelevant. What we really require, Mr. Speaker, in the terms of the Member from St. Matthews, and the members opposite, is an election once every four years, and then every four years they can come back to the people and ask for a mandate, yes or no.

Mr. Speaker, we would save considerable money. Certainly we would save wear and tear on yourself, on the clerk and the deputy clerk and the media, and certainly, Mr. Speaker, we may be able as a result of this procedure to allow the newspapers to be filled with items other than that of what takes place in this Legislature. But you know democracy and parliamentary responsibility is not to work the way the Honourable Member for St. Matthews has suggested.

Mr. Speaker, I want to now deal with the honourable member, and deal with what he suggested. He said that the advertisement for the election said that there'll be a provincial bank. There was a Western Economic Opportunities Conference following the election in which the Premier, along with the other three Premiers, asked for permission for change in legislation, Mr. Speaker, that would provide for a provincial bank. But the government, Mr. Speaker, said they would proceed to do it but with certain limitations. There would be a 25 percent share in capital for the province to be reduced to 10 percent. And the Honourable Minister of Agriculture says, ridiculous. But that proposition was the Federal Government's proposition.

Mr. Speaker, the Provincial Government tried unsuccessfully to buy its way into the proposal of the credit unions for a Western Canada bank, and the credit unions said they didn't want any part of the NDP government, and as a result, Mr. Speaker, they're proceeding in this direction.

Now, the Honourable Minister of Finance and the other ministers literally, you know, who are supposed to be parliamentarians, who are supposed to have some understanding of this Legislature, literally have been prepared to stand up and say absolutely nothing of what their intent is other than to say, here's the legislation, you deal with it, you respond, and you know if it passes it's your fault and essentially sit down. They don't have any obligation to tell us how many treasury branches are going to be formed, where they're going to be formed, where they're going to start first, what limitations there are going to be contained--(Interjection)--Who knows? Well, Mr. Speaker, if the Member for Ste. Rose as a member of the government doesn't know, then I don't think that we in this Legislature, notwithstanding the fact that a provincial bank was mentioned in advertising during an election, I don't think, Mr. Speaker, that that gives them the right to believe that it passes automatically, or that carte blanche is given to the members opposite to do whatever they want.

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(MR. SPIVAK cont'd)

Our resistance, Mr. Speaker, is to the manner of presentation and to the principle. Now, I'm sorry the Honourable Minister of Mines and Natural Resources is not here. Because his basic position is that because we are against it, and we would never approve of it in the first place, therefore, Mr. Speaker, most of what we suggest has to be ignored. I have to say to the members opposite that your course of action is obvious. When you say you want competition, you don't want competition. When you say you just want a partial control, you want full control. When you say you're entering to try and offer some additional service, you're not entering to offer any additional service, you're entering to try and take over. Yes, Mr. Speaker, whether it be this, whether it be the fire insurance, let's be honest about it. Let's now start talking realistically about what the intention is. The honourable members opposite say, we did not, and we're not prepared for competition in auto insurance.

Well, Mr. Speaker, we argued right from the very beginning that regulation was required. We argued that the regulatory function of the government, particularly in the insurance industry, which is one of the most significant of the industries that is regulated, was capable of providing all the benefits. But having said that the government was committed to go on it, we felt on two bases it would be important. One, because you would disrupt an industry; and secondly, Mr. Speaker, it would be a control on the government to be efficient. And so we suggested competition. But the Honourable Minister of Mines and Natural Resources said, no, no, you don't want it in the first place, therefore everything you say, everything you say is against it. Well, I say, Mr. Speaker, that's hogwash to suggest that the members opposite really want to only enter the treasury branches to offer a service to other communities and to try and make a profit. They essentially would like to get control of the financial and the economic production in this province for one good reason. They want to be able to create the redistribution of income that they themselves believe is important. I say, Mr. Speaker, they were never given that mandate

I would say, Mr. Speaker, if they had argued on that purpose--(Interjection)--No Siree. If they had been arguing that purpose that their mandate was to get control of the economy of this province and of the financial institutions to do whatever they want and they succeeded, then, Mr. Speaker, we would argue the questions of ideology. But they were not given that mandate. They, Mr. Speaker, campaigned in the last election as a moderate government, as a moderate government. They are far from moderate. All one has to examine is the control that's being exercised in every one of the Acts, the little clauses that are slipped in, which provides the opportunity for them to do whatever they want. And once they get the treasury branches formed to be able to take money from one area and funnel in another without any accountability to this Legislature or the people . . .

Mr. Speaker, let me talk about McKenzie Seed for one second. You know, a night ago the Honourable Minister of Mines and Natural Resources had before the Standing Committee of Economic Development, you know, McKenzie Seed. And the Honourable Member from Brandon West cross-examined him - we had him for one evening - I want to suggest to you that we know nothing of what's happened in McKenzie Seed. You know, Mr. Speaker, it is inconceivable that the farmers who are having at this time the best opportunity in their lives in terms of the flow of funds to themselves, in terms of the sale of their products, at this point the McKenzie Seed, the great conglomerate conceived by the Minister of Industry and Commerce, has made \$8,000.00.

I mean, Mr. Speaker, you know, it's a question at this point of asking, you know, what are we talking about? I would say, Mr. Speaker, if that financial statement is stripped, and if the Provincial Auditor would be given an opportunity to deal with us on that matter, that it's not \$8,000, it's substantially different, and I would say, why, because, Mr. Speaker, involved in this is the constant effort on the part of the government to get control, in this case, of the industry itself.

A MEMBER: Would the Leader of the Opposition permit a question?

MR. SPIVAK: Afterwards, yes, surely. Mr. Speaker, what I'm suggesting and, you know, the whole question of the honesty and truth of what has been said was happening has come into play. But, Mr. Speaker, I say this, and I've said this before, if the government had campaigned on the guidelines that had really been prepared to be published, but were not, and said this is our program and it received the mandate, then the question then could be raised in

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(MR. SPIVAK cont'd) this House as to means and to purpose. But they did not campaign on that. But it's so obvious in everything that they have done. It is so obvious in this legislation, in the Development Corporation Act, or the Trading Corporation Act, the Northern Affairs Act, the Fire Insurance Act, they are on a course, Mr. Speaker - and the Mining Royalty Tax Act - they are on a course that was predetermined by themselves, but was not announced.

Mr. Speaker, it may be difficult for the Honourable Member of St. Matthews to understand, but you know we still feel that certain basics have to be met. One, there has to be some basis for understanding the actions of government, and there has to be some reason presented, and there has to be some substantial information presented so that we and the members of the community will understand.

Now, the credit unions have some fears and those fears have not been allayed. The members opposite, including the First Minister, have not said to them how they're going to compete, in what way they're going to compete.

Now look at the kinds of things that can happen. The Manitoba Trading Corporation will be enacted. The trading corporation can have a \$5 million line of credit. The trading corporation can borrow money from a financial institution. That's all authorized in the Act. The moneys will come from the Manitoba treasury branches. Their money into the trading corporation - there'll be a provincial auditor, but it's not accountable to this Legislature. The actions of the trading corporation in terms of the financial transactions will be the actions of the trading corporation. The degree of accountability is almost minimized. Mr. Speaker, the Northern Affairs will allow the Minister to be able to work with . . .

A MEMBER: Take notes in a convoluted way.

MR. SPIVAK: Yes. They're not so convoluted. Mr. Speaker--(Interjection)--Yes. I understand it very well, and so does the Minister of Finance. You know, he may try and feign ignorance at this point. But I don't at this point, I don't give him the benefit of any ignorance at all, Mr. Speaker, and the amazing thing is that, you know, the moderate group of people here are pushing this through and I want to follow through logically what's going to happen.

Under the Northern Affairs Act the incorporated communities are going to be able to engage in business. They are going to be able to borrow money from the treasury branch. The treasury branch is going to give them money to go into business to compete. No one's denying that. The Honourable Member for St. Matthews is shaking his head in approval. And what we now have is the treasury branch used as a means of development within the province in the control of a government at this point, in the control of the government who have already demonstrated, and I suggest in a very significant way, their course of action. If we look at the Communities Economic Development Fund, which is a financial organization, who is to loan money for high risk and for situations in the north in which money may not normally be available for the people involved, what do we find, Mr. Speaker? All you have to do is examine the loans made in April, May and June of the CEDF and compare them to the number of loans made in July, August, September and October. One has to look at the loans and the date of the loan offers being made to recognize the problems. There was no justification for R & M Construction to be maintained after April of 1973 except the impact that it had on the Town of Wabowden. And so, Mr. Speaker, the CEDF allowed that company to be pumped up, and as a matter of fact took the Manager, or the owner, out of that community for a period of a month. The Pas-Metis Development Corporation which was in the constituency of the Minister of Northern Affairs received a loan three days before the election of \$55,000 for six months, and went bankrupt right after. You know, who are we kidding? Who are we kidding? You know, the CEDF which is supposed to be a financial institution, Mr. Speaker, loaning money in the north, maintained loans that without question could not be justified at this time except on the basis of the political implications that it had prior to an election. --(Interjection)-- Yes.

Now, Mr. Speaker, that's the track record of the Government. And they're saying to us we should put faith in them to allow them to set up treasury branches all over, to be able to draw savings, and to be able to then invest the money as they see fit, invest the money with whom? Under what conditions? What limitations? Mr. Speaker, the kind of significance to what I'm suggesting is important because I examined the Act, and I examined the Alberta Act, and I tried to find out the significant differences. Let me point you out one which I think is significant and which indicates to me the kind of concern that we have on this side. In the

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(MR. SPIVAK cont'd) Alberta Act, and I'd like to be in the position if I could to be able to quote directly from the Act because I think this would be important.

The Alberta Act and, Mr. Speaker, I'm going to have to read without referring to the section but it was the only way I can make the comparison. In the Alberta Act it provides that the Provincial Auditor shall at least once a year and at such times as he considers necessary make an audit of the books, accounts and vouchers of the treasury branches, and to report the results of the auditor or audit to the Minister.

Mr. Speaker, what does the new Act of the Minister contain? The Provincial Auditor shall at least once a year, and at such other times as the Minister may direct. Now I want to talk about this very simple principle. It's common knowledge that banking and branch banks, and the Honourable Member from Minnedosa can verify that, will have audits conducted of their branches by auditors coming in unannounced. That's the way the matters are checked, Mr. Speaker. They come in unannounced and they make their check, and then they ask the bank, the bank manager and the staff, for all the documentation that's required. What is the Minister proposing in his Act? That the auditor cannot go into a branch bank unless he has the approval of the Minister.

A MEMBER: You're full of hot air.

MR. SPIVAK: I'm full of hot air. The Provincial Auditor shall at least once a year and such other times as the Minister may direct. The Alberta Act says, "The Lieutenant-Governor, the Provincial Auditor shall at least once a year, and at such other times as he considers necessary."

So, Mr. Speaker, let's talk about the difference. Let's talk about control. Let's talk about accountability. Let's talk about direction. In almost every case, Mr. Speaker, in the Treasury Branch Act of this Province it is a direct copy of Alberta's but it has some significant differences, and where should one of the differences be in the question of accountability, and the question of the action of the Provincial Auditor.

Then, Mr. Speaker, the honourable member and the Honourable Minister, the Honourable Member for St. Matthews says, well there's a paranoia on our part. There's a paranoia because we are concerned. Well, Mr. Speaker, we have every right, and the people of Manitoba have every right to be concerned. Well the difference from the Member from Ste. Rose and myself. --(Interjection)-- You know, if you say that you're elected, and you have the power, and that you can do it, and that this can be enacted, that there is no comment to be made from this side here, that there are no questions to be asked, that there's no criticism to be levelled, that there's no facts to be presented, that there's no argument to be provided to support the position, if you say that that's the position then you don't know what democracy's all about. Democracy did not give you a mandate to come in here as you have in the last few days and to simply stand up and say in many cases, we're going to present this, and this is what it contains, and then we look at the bill and we find that it doesn't contain that, it contains a lot more.

WOMAN FROM THE GALLERY: I have something to say to the . . .

MR. DEPUTY SPEAKER: Order please. There will be no interruptions from the gallery please.

WOMAN: What would you do if I won't, shove me?

MR. DEPUTY SPEAKER: Order please. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, --(Interjection)--

MR. DEPUTY SPEAKER: Order please.

MR. SPIVAK: I ask the Honourable Minister is there an obligation on his part to indicate to this House before he asks for approval, and I ask the Member for Ste. Rose as well to indicate what the treasury branches are going to be able to finance and what are the limitations of what it's going to be able to finance. I ask the Honourable Minister whether if he's supposedly now going to set up a task force to deal with all the matters, whether there wasn't an obligation on his part to have had that task force first and to have then provided this House with the details to ask for specific legislation. I'm not sure that the Honourable Member for Ste. Rose wants to ask me a question or not. If he did I'm quite prepared to allow him.

Well, as I indicated before to the honourable member, you know, the problem that I have on this side is understanding your concept of democracy; the problem I have is understanding exactly what you intend to do; the problem I have is, you know, to question your motives, and

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(MR. SPIVAK cont'd) the problem, and it's supported by both the documentation that was prepared in your working papers and by your action. You see our problem essentially is this: The working papers that some have called the NDP Manifesto which--(Interjection)-- Well whatever they called it, those working papers have been denied, you know, as being the significant documentation on the part of the Government. I think the Premier said that it really isn't policy. Well, Mr. Speaker, they denied, the Government denied this being policy. Then the honourable members come in, in this bill and all the others, and say nothing as to why they're introducing the bill, and you know, get very concerned when we question it, and when we look at the documentation and we find that in this documentation we have almost the complete story, now I say to the honourable members opposite we have a right to question.

Now, Mr. Speaker, let's talk about our problem. There doesn't appear to be here a check and balance that will indicate that the Government in going to the treasury branch business, and going into the savings business will in fact make money as suggested. There's nothing, Mr. Speaker, that would indicate that the kind of research that should have been done was done. Now if I was wrong on the information supplied with respect to the treasury branch it's interesting, because the Minister of Finance from his seat at that time indicated, well so what, they made money in the other end, or words to that effect, because, Mr. Speaker, he didn't know it himself at that time.

A MEMBER: I knew the net . . .

MR. SPIVAK: Yes. Well, Mr. Speaker, he knew the net, he knew the net. Now the interesting part, Mr. Speaker, is the question of how much research was really done by the members opposite before they proceeded with this. In the case of the fire insurance the Premier said there would be a second check. You know, Mr. Speaker, there doesn't appear to have been a first check, there doesn't appear to have been any research done. They are now on a program which they claim is their mandate and, Mr. Speaker, all we have to do is acquiesce. The Honourable Member for St. Matthews sees our function, Mr. Speaker, as being one to simply give approval to the Government for whatever they want to do. Mr. Speaker, you are asking for the vote, you're asking for the vote because the bill has been introduced.

Mr. Speaker, there are serious questions to be raised now. How much understanding does the Government really have of what they intend to do? What limitations will there be for the investment of the savings with respect to the whole range of government corporations and government involvement in business? Mr. Speaker, are those undertakings to receive the investments or moneys from the treasury branch under the same conditions as a private enterprise, and will there be any question of hidden subsidization in the money that will be loaned? What limitations are there to be, Mr. Speaker, in terms of the degree of protection so the hidden subsidization and cross-subsidization, that I suggest will occur, will be protected? Are, Mr. Speaker, the treasury branches going to be subject to any control by anybody other than an annual report to be undertaken by the Provincial Auditor, or a particular situation in which the Minister directs the Provincial Auditor to go in? Who, Mr. Speaker, and under what condition will the reserves be set up with respect to it? What operating costs are anticipated by the Government? How does the Government expect to compete with credit unions where the directors are not paid, where the loan committee is not paid? How does the Government expect to compete in those areas with the credit union where they are going to have to pay the employees who are working for them, Mr. Speaker? If they don't expect to compete, then what's the point of them entering into it? Mr. Speaker, what government services are going to have to be paid only at treasury branches? Are utilities going to be paid at treasury branches only - in which case there'll be a flow of people through.

You know, there are a lot of questions, Mr. Speaker, that have not been answered, and the Honourable Member for Brandon West indicated that one problem with respect to the members of the Legislature, particularly in those cases where people will come to the member of the Legislature and complain about the way in which he's been handled or that some unfair treatment has taken place. I think, Mr. Speaker, that has to be answered as well. And there's a whole series of questions that flow from that. And what I'm saying, Mr. Speaker, that a government who considers that they should get one clause passed is not good enough. I want to tell you what the one clause is, Mr. Speaker. If the Honourable Member for St. Matthews would have his way, we would meet and we would have one clause which

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(MR. SPIVAK cont'd) would say that the Lieutenant-Governor-in-Council can do whatever the Cabinet does in furtherance of the good intentions of the Government, and if we had that omnibus clause then we all could go home for four years and come back. You know, Mr. Speaker, that's all the honourable members opposite really want. The permission. Enabling legislation. And the Minister stands up and says enabling legislation, that's all he wants. Well to the extent that every piece of legislation is enabling, that's all. --(Interjection)-- Yes.

Mr. Speaker, over a period of time the Honourable Minister and myself have had our disagreements, but I, you know, reached the point where I recognize that his criticism of myself, and his attitude to me, is personal and has nothing to do, Mr. Speaker, with the differences in philosophy, and so therefore, Mr. Speaker, when I listen to the Honourable Minister, and I'm prepared to say that to him directly, I have to disregard, you know, a great deal of what he says and the comments from his seat. I don't think that anything we could possibly do would persuade the Government because they're on their course of action. I don't think there'll be very much that they'll listen to from us. They're not going to listen to the credit unions as well, they're just going to proceed. So to that extent the Honourable Minister of St. Matthews is correct.

But on the other hand there is a function that we have, and that function we'll perform. It may be difficult for the members opposite, and from the point of view of the Honourable Minister of Finance and myself it may be difficult for him, as it is difficult for me. But we are going to go through that procedure and that unfortunately is a burden that I have to bear, and from his point of view he may consider it a burden that he has to bear.

Having said that, Mr. Speaker, I say, quite frankly, that if the Government felt it had a mandate to do what it is doing in this particular item, as well as the other, then I think they have the obligation, the moral obligation, the traditional obligation, the parliamentary obligation, to present themselves in a way that would support their position and support the arguments for the kind of proposal that they are undertaking. They have not. They have basically said, here it is, we'll respond to whatever you say, and then having said that, Mr. Speaker, we're going to pass it anyway. And that's the course of action they've taken. Mr. Speaker, that's a very different kind of proposal than the kind of proposal that we suggested.

Many speakers have spoken, Mr. Speaker, and the Honourable Minister of Finance is in a position to speak again, speak now before he closes debate because we're on the hoist. There are questions that should be answered; there are facts that should be presented; there is information that the public are entitled to be supplied, not in the late stages of a committee meeting which is, you know, to furnish a minimum amount of information to sort of pacify the mood of the time, or the mood of the people at the time. The fact is we should know before we are asked to pass this Act exactly how the Government intends to operate. If the Minister says, no, we can't do this until the task force is completed; if the Minister takes the position that it can't be handled until we have all our studies completed, then we shouldn't have to pass this bill. The six month hoist that we gave which would have killed the bill in this session, whatever our ideological differences are and we disagree with them, is right, Mr. Speaker, because the Government by their own case have proved the reason for this bill to be killed, simply by suggesting that they have to now set up a task force having studied the treasury branches in Alberta and in Ontario, they have to now study a task force to determine what they are going to do. If they don't know what they're going to do right now then we shouldn't have to pass the bill. We shouldn't even have to deal with it.

And, Mr. Speaker, the justification for the position that we're taking is borne out, Mr. Speaker, directly by their own presentation, and directly by the kind of comment that the Honourable Member for St. Matthews suggested. And I close with the one thought. They may say to us that we would oppose the bill from the very beginning. We say to them, when you talk competition you're not talking competition, you're talking ultimate control. What you want is not just a piece of the action, you want all the action. That's what you as a government want. And, Mr. Speaker, you will get it, but in order to get it you have to do a number of things, a number of things, Mr. Speaker, and, Mr. Speaker, this Government is capable of doing it in the most unfair and unusual way. That's been demonstrated, Mr. Speaker, that has been demonstrated. And, Mr. Speaker, for that reason the fears that we have on this side are such that, you know, we cannot in all conscience suggest, you know, that we can proceed

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(MR. SPIVAK cont'd) with this or with any other pieces of legislation because of the very fact that as a combined package they would essentially give the opportunity, not for the convoluted way in which the Honourable Minister of Finance would sort of suggest will be used, but for a practical application which will draw the savings of people, allow the money to be invested in government enterprises, allow for both un-fair competition and for cross-subsidization, and allow the government to proceed in those areas in which they believe they have a mandate.

I've had an argument already with the Minister of Mines and Resources, and I'll close with this, as to whether the government as a representative of the people really talks for the people or not. The public policy that's being determined in this piece of legislation and the others, is the public policy of the New Democratic Party; it is not the public policy of the people - and I want to make that very clear. That doesn't mean that the government does not have the legal ability, as they do in this House, Mr. Speaker, with the numbers that they have, of being able to enact the legislation. I am not quarrelling with that. I'm not quarrelling with their ability as a government to be able to present something here and to marshal enough votes to be able to carry through their action, but I want it very clearly understood in the arguments that are advanced, that the public policy that is being enunciated as law and becomes the law of the land, and becomes the law which the people will have to abide by, is not the policy of the people. By no means is it the public policy of the people. It is the public policy, Mr. Speaker, of the New Democratic Party as a government. And let that be understood so that insofar as the argument is concerned there is no suggestion that somehow or other the mandate that was given to them is a mandate which provides them to be able to do whatever they want and say that represents the actions of the people.

Mr. Speaker - and I say this very clearly - when the people voted in the election of last year, while there were indications of a bank, the over-all, economic structure that was proposed in the working papers of the funding priorities document, which basically said that the government wanted control of the economic and financial matters of this province to be able to create and to provide a redistribution of income, that, Mr. Speaker, was not presented to the people, and that mandate was not given to them. And, Mr. Speaker, that mandate was not asked for.

And so, Mr. Speaker, I'm not spinning wheels because I'm suggesting that the members opposite, in the legislation that's been presented in the aggregate, are asking us to approve something that they never went to the people with, and they are not given that mandate, Mr. Speaker, because in total it gives them the kind of power to be able to provide what they said they were not prepared to do. That can be documented over and over again. When that document was produced, you know, Mr. Speaker, the First Minister said, "That's only a working paper. There's nothing to this. We're not going to proceed. You know, it's just a working paper." And I unfortunately do not have the actual press references to it but I'll have other opportunities to debate that. But I want to suggest to you, Mr. Speaker, straightforwardly, that that proposal is in fact the government's proposal today, and that mandate was not given.

So, Mr. Speaker, we'll listen to the Minister of Finance. We'll find out how much information he's prepared to give us. We'll find out whether he's prepared to tell us what he's going to do, and we're going to find out, Mr. Speaker, whether he's going to persuade us to do it. We're going to find out, Mr. Speaker, you know, how he intends to compete, and we're asking now, Mr. Speaker, for ourselves as members of the Legislature, for the credit union people who asked us - and that, Mr. Speaker, includes those people who've wired and have written and for the people who've contacted us - we're asking for the other financial institutions and we're asking for those who are concerned about the intrusion into the business affairs by the New Democratic Party, and we would hope that we would get some answers. But, Mr. Speaker, I would say, based on the performance so far, I doubt that that will happen. The members opposite have wanted to debate around the issue, have picked up minute points or points that are of no significance whatsoever and have tried in the debating skills that they have to elaborate on them and to try and develop them as a means for argument.

Mr. Speaker, there is no substitution for honesty and the truth, and that, Mr. Speaker, is all we've been asking for.

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

MR. GEORGE MINAKER (St. James): Thank you, Mr. Speaker, I beg to move,

(MR. MINAKER cont'd) seconded by the Honourable Member from Minnedosa, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Bill No. 71, Mr. Speaker.

MR. SPEAKER: Proposed motion of the Honourable Minister of Consumer and Corporate Affairs. The Honourable Leader of the Opposition.

MR. SPIVAK: . . . this matter stand.

BILL NO. 75

MR. CHERNIACK: Bill No. 75.

MR. SPEAKER: Proposed motion of the Honourable Minister of Northern Affairs. The Honourable Member for Roblin.

MR. J. WALLY McKENZIE (Roblin): Well, Mr. Speaker, I would like to speak briefly on this bill this afternoon. I have been waiting for the people from my constituency to communicate with me regarding this bill, and I again would like to express my concern with the way this government handles the business of the people of this province. Bringing a bill in this late in the session where they've had the regulations for this bill since 1972, the regulations were printed, and they hold a bill like this until the dying days of the session and expect me to stand up and speak on behalf of my people.

I sent these bills out last week to the people and they're only meeting this afternoon on it to try and get their people together so that I could hopefully express their concern or their approval of the legislation, and here we're sitting three sessions a day and the government and the people of my constituency expect me to express their views with regards to this legislation. So, Mr. Speaker, the comments that I'm going to read this afternoon are not on behalf of the people of Roblin constituency, who I represent, who are interested in this bill because they live under the jurisdiction of it, the comments will just be what I think of the bill myself, and I regret very much to have to do that in this Legislature. I'm one of the members of the Legislature when I do stand up to express my sentiments, I try to express it on behalf of my people, and before I express those sentiments I want the people from my constituency to tell me what they want in the form of legislation, how I should debate it, and the comments that I should raise on the various issues. So with this speed-up session and the way this government has handled the legislations they've brought before us the last while, well I again repeat, the regulations for this bill were printed in 1972, and why this bill is withheld till this late in the session I do not know, nor do the people in my constituency know.

A MEMBER: The Minister's not present.

MR. McKENZIE: Well, I know the Minister is not present, but I'm sure some of the other members will express to him my concern about it. But anyway, Mr. Speaker, I've checked this bill out myself to the best, and hopefully by Monday the people from Camperville, who are part of my constituency, will have some comments to express, but I don't know how I can possibly express them at that late date when I've spoken already.

Mr. Speaker, my main concern lies in the area of Camperville, which as I said is part of my constituency and comes under the jurisdiction of Northern Affairs. So I think that basically what these people would want me to do, while they haven't told me as yet because they haven't had time, I'm sure that they want me in this legislation to stand up and try and defend their human rights, to stand up and defend their civil rights, to stand up and hopefully defend their economic rights and the right of franchise under such legislation. And of course the danger of this bill, Mr. Speaker, as I opened it and have read it, is the fact that it's loaded with NDP philosophy, who again are determined, not through only this bill but other legislation that's coming before us, to take over and control the destiny of as many people as they can in this province. So I say that I will try in my few comments to scrutinize the bill as best I can on behalf of the people.

Mr. Speaker, it seems to me that this government regards the people of Northern Manitoba and its people as sort of infants. I just can't understand the NDP philosophy where they don't understand that people in the North, the same as the rest of this province, are grown people and they're able to do many things themselves. The people in the North are not infants, they're not children, and they don't deserve to be treated like children such as we have in this legislation where this big bureaucracy and this big government and this big Minister is going to shepherd all these people and carry . . . and guide them around this province. Mr. Speaker,

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(MR. McKENZIE cont'd) I would again say to the Minister of Northern Affairs, to treat the people of the North as full-grown people and honest everyday citizens, hard-working and that have a lot of initiative things they can do for themselves. But no, don't give me the philosophy that you've got to treat them as children, such as we find in this legislation.

I say, Mr. Speaker, that they're trying to snow them under with government policies, with government bureaucracy, socialist brainwashing and doctrinaire NDP philosophy. The honourable member stood up in the House here yesterday and said that all the people in the North have been filled in on the details of this bill. That's not true. That's not true in my constituency. They were not. There was a meeting held and they paid the people five bucks apiece to come there, but these just weren't the grown people, the people that have some part of the community; they were the young people of the community who are basically not interested in these matters as yet, but people in Camperville were paid five bucks apiece to come and attend the meeting so some bureaucrat could come there and hopefully fill them in on what they thought they should have under this type of legislation. And I say, Mr. Speaker, through you to the Minister of Northern Affairs, that the people of Camperville don't deserve that kind of treatment. They'd like to be asked to come to a meeting and be given an equal chance to express themselves just the way as we do in this Chamber, by democracy and free debate, but they don't like to have this back door tactic which is going on with the bureaucracy of this government, being bribed with their own money, given five bucks to come to attend a meeting, and say, "this is what you're going to get through this legislation of this Northern Affairs Act.

Mr. Speaker, I say today, I found that out already with one phone call, that they are not happy with the way you've handled this type of legislation with those people of that community. You should have gone in there and asked the people, the senior people of that community that know something about their problems and their affairs, the people that have some understanding of democracy, and treat them as ordinary citizens, not as infants where you have to go and give them candy and suckers to have them come to a meeting.

Mr. Speaker, we know some of the experiences of this government's intention into the people's affairs. We have examples of this: the co-op at Southern Indian Lake, how they handled that one. A beautiful little co-op being run by people with a little bit of profit on the side, doing well. Big government moved in; what happened? And that's my concern on basic matters such as that, where people can do a heck of a lot of things in this province by themselves. They don't need all the government control and the exercise of power and bureaucracy such as is asked for in this legislation. I'm sure, Mr. Speaker, the Minister of the NDP and the supporters of the New Democratic don't realize that a great deal of Northern Manitoba's development has come out, not by big government's intervention, but it's come out by the frontier spirit of the people that live there. Their own individual initiative. (Applause) The private initiative of local people, Mr. Speaker, not big protectionist groups of government and bureaucracy and bribing people with their own money.

So I say there are doubts in the North today as to where this government is leading the people. There's certainly doubts of the people in my constituency that are part of the Northern Affairs Department, as where are you leading them? Where are you going to take them with all this brainwashing and all this legislation, and the fact that you said, the member said yesterday that they were aware of this legislation and they had been filled in, is not true. Therefore I say, where are we going? There's five members from the North over there and they all smile. I wonder if they've checked the legislation on it, Mr. Speaker. So there are, no doubt, there's areas in the North, there's certainly areas in my constituency, whereby the government can get involved with the affairs of people. But I'm not certain that all those controls, Mr. Speaker, should be in the hands of the Minister's office such as asked in this legislation, nor should he have all those controls in his hip pocket. I think that the people should be able to control their own destiny up to a point, and if they get in trouble then they should have the help of the Minister and the government of the day.

Nor, Mr. Speaker, do I believe that the North can develop itself. I think it needs help of government in certain situations. And I would welcome, Mr. Speaker, the government's intention, if their intent is serious, when they say that they are going to allow more local autonomy. I failed to see, as I went through that bill, where there's going to be any more local autonomy. In fact, I suspect there's going to be less local autonomy in this bill than there was in the old bill.

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A MEMBER: . . . check, you haven't read it.

MR. McKENZIE: I've read it backwards and forwards and inside out, and I've even read the regulations on it, so I'm quite familiar with the legislation. But certainly, Mr. Speaker, I am opposed, and the two phone calls I've had back from the Camperville already, those two people are opposed to this government, and the Minister running the North and the people of Camperville as if it's their empire, that is the NDP new empire of Manitoba.

A MEMBER: Rupertsland.

MR. McKENZIE: Well, with the bureaucracy, and they say that people that's coming in there continually, they don't like that part. They want to call their own shot on most matters and those areas where they can't handle it themselves, then they're pleased to have government helping them.

So, Mr. Speaker, that's the danger that I see in this legislation and that's the warning that I'm proclaiming this afternoon on behalf of the people of Roblin constituency. More autonomy to the people? I say yes, Mr. Speaker. I'm completely in support of that. The sooner it happens the happier I will be. But, Mr. Speaker, more government control and less autonomy of the people, I do not support.

I'm satisfied, Mr. Speaker, as I stand here, that the people of Camperville and Duck Bay have all the qualifications and the talents and skills to handle most of their own affairs, but read some of the things that the Minister is asking them to give up, the rights that they're asked to give up in this legislation, where we're supposed to be giving them more government and more control of their own affairs. They're not infants and they don't want to be tied to the skirts of a horde of bureaucrats who are promoting socialist philosophy and running around supporting the New Democratic Party of this province.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: I wish to move, seconded by the Member from Wolseley, that the debate be now adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable Attorney-General.

HON. HOWARD PAWLEY Q.C. (Attorney-General) (Selkirk): Did you call No. 77, Mr. Speaker?

MR. SPEAKER: The honourable member is not in his seat.

MR. PAWLEY: 74?

MR. SPEAKER: The honourable member is again missing; 74.

MR. PAWLEY: No. 74. The Honourable Member for St. James had adjourned it, and I believe the question was asked on 74, when the Honourable Leader of the Opposition, he asked it to stand, I believe. It was right after he finished speaking on Bill 71.

BILL NO. 83

MR. SPEAKER: Bill 83. The Honourable Leader of the Liberal Party.

MR. I. H. ASPER (Leader of the Liberal Party) (Wolseley): Mr. Speaker, I rise to put on the record the position of the Liberal Party on the proposal to inject the government into the general insurance business, Bill 83. Rising so late in the debate I suppose much of what has to be said is more official than new, but we do want our Party recorded as expressing very very considerable disappointment and a sense of betrayal that the First Minister of this province seems to have backed away from the commitment, from two kinds of commitment that were given to the people of Manitoba. First of all it is an offence against the parliamentary system that at a time when we are in Speed-Up, a time when we are sitting lengthy hours and a time when members are exhausted after a six month marathon sitting, or five months marathon sitting, that legislation of such complexity and novelty is put before us so late in the session. Mr. Speaker, that's a protest we want recorded. We want to record as well the protest against the First Minister, in our judgment, having backed away from the commitment that he made to the people of Manitoba in 1969 when he first assumed office. And that commitment was, as certainly was well understood across this province, that there would be no unwarranted government intervention in the economy unless certain circumstances existed. First, that there be a need. Second, the private sector be alerted to the need and having been unable to fulfill the need, or the private sector being unwilling to fill the need, then and only then should government begin the operation of business.

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(MR. ASPER cont'd)

Mr. Speaker, we believe: (a) that the First Minister's commitment to the people of Manitoba in that sense was broken by the introduction of this bill; and, (b) the representations to the public that were made during the election have also been broken. And therefore this government has no mandate to proceed with this bill. Because this bill is not a bill to go into the fire insurance business, this bill, which was alluded to in the campaign and certainly therefore the Government can assume it has a mandate for that, subject to some conditions, but it's a bill that permits this government to go into all insurance whatsoever except life insurance at this moment. And that is a breach of faith. Worse, Mr. Speaker, it is a bill that has 40 pages of law crammed into some, I'm not sure how many sections, 58 sections, and we in the Opposition are without research, without funds for research, without time to solicit advice and to become informed as to public reaction to the bill and we are requested to vote on it, we are required to vote on it.

If it were just this Bill, Mr. Speaker, there might be some justification or there might be some excuses, although I can't think of any. But it isn't. This is the famous trilogy that will hallmark this session. This is the third corner of the triangle. Perhaps it's a square. But we have treasury banks, we had the export trading corporation, we have the insurance industry intervention and we had a very unique Bill 82, the Mining Corporation Tax. Mr. Speaker, we are unable in the time available, having regard to the length of time members have been here, having regard to the fact that it's summer and people on whom we would want to rely for advice, or want to see come to Committee and speak on this aren't available. I think there has been an abuse of power here. I think the Government has proved to me once again, all my concerns that I have voiced for three years in this Assembly, two years. That being that this system isn't working well. That the public is not being well served by this kind of thing that's happening with the Insurance Bill, the Treasury Banks, the Mining Bill, the Trading Corporation Bill, and I suppose you might say the Northern Affairs Department Bill. All of which have a kernel of good, all of which has some very serious implications, but when put together, Mr. Speaker, paint an unshakable picture, an unmistakable picture of - I hate to use it because the Government snickers whenever we say it, but it's true - state intervention, state control, state monopoly, state takeover of those functions of the economy of our lives which are not required to be operated by the state.--(Interjection)--Yes, yes, Mr. Speaker, the member from a rose, is a rose, is a rose, and still smells the same as a rose, says that it's self-control versus state control. You bet it is, you better believe it is. Because people of this province didn't cry out for any of these bills, didn't express a need for these bills and this government has put nothing before this House to warrant these bills, except one man, one man has consistently put forward a government view, which must be the only explanation for Bill 83. I'm referring to the comments often made by the Honourable Minister of Mines. Because he is at least honest. He at least says to the people 10 percent is better than zero, 20 percent is better than 10 percent, 50 percent is better than 30 percent; but best of all is 100 percent. And what the Mines Minister says is that he wants, it isn't service oriented, what he wants is to inject the public, the Government, into operating businesses. And that thing's about the most profound debate that has ever taken place in this Chamber because we have never had that debate. We've had the camouflage of the First Minister coyly saying that only when the private sector fails to fulfill a function will his government intervene. We are not socialists, we are social democrats. We don't aim to take over the economy. But the Mines Minister is honest; he says we want the Government, the people, whatever euphemism he wants to use for state control, we want to be in the banking business, we want to be in the insurance business, we want to make profits; because through the tax system we get X percent but if it's owned we get 100 percent. That that at least is a philosophy with which we can come to grips. There's no sham, there's no charade, there's no camouflage, there's no cooing, it's a straightforward position. That is what we should debate, because no one, and I'm sure the Honourable Mines Minister won't stand up in this Chamber and say, we have evidence, we have studies, we have a consensus in the public mind that this is required, this is good. He won't even say that because he can't, because they have no studies. There is no evidence to warrant this other than the Mines Minister's position which is, I want to inject the public into business because I want to make money.

And that brings up the question what is the function of government? Now if the function

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(MR. ASPER cont'd) of government is to go into business, to operate businesses, eventually government must obtain a commanding position in all businesses, and you would have state capitalism, you would have state takeover, you would have everyone being a civil servant. It's a question of degree. If it's the auto insurance business, if it's the fire insurance business, if it's the banking business, if it's the mining business, if it's the bus building business, if it's the airplane building business, eventually you get to a point when somebody say, how much? And we're saying now, how much? Because as I started my comment, the public was not asked to give a mandate on this bill or the kind of thing this bill envisions. There was a casual discussion that the Government would certainly look closely at going into the fire insurance business if they were returned. I would like to see NDP campaign material that said vote NDP because we will go into the fire insurance and the aircraft insurance and the marine insurance and every other insurance operation possible. Let me see what you've got, because I'd like to know what distribution it had whatever it is. --(Interjection)-- Yes, Mr. Speaker, it says, here's a campaign piece of material of June '73 and it says "NDP Plan to Implement Public Fire Insurance." Not marine insurance, not aircraft insurance, not bonding insurance. Well, Mr. Speaker, the Mines Minister says that's incidental, that's incidental.

Mr. Speaker, let the Mines Minister go on to the street and ask the first hundred people he sees whether they understood in the election that the Government would be going into the plate glass insurance business or the guarantee insurance, livestock insurance, crop insurance, hail insurance, flood insurance. No, Mr. Speaker, "NDP plan to implement public fire insurance," that's what was said. Mr. Speaker, I consider this a dishonest misrepresentation and I'm sure the public will too. The time that is required for us to bring this to the attention to the public is denied to us because of the conditions under which the bill is brought to the House.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, would the honourable member not agree that every homeowner who has a fire insurance policy generally has some general insurance attached to it, virtually every policy of fire insurance has some general insurance provisions attached such as, boiler, sometimes property liability but the public regards that as their fire insurance policy?

MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, I'm speaking as one who has probably in professional work put through several thousand home ownership transactions, and most ordinary home insurance covers fire and some incidentals, not boiler. I would say a modest minority--(Interjection)-- No, no. A very small minority. Mr. Speaker, the Mines Minister doesn't know the first thing about what he's talking. If he thinks that the average home in Winnipeg carries public liability insurance, he's mad. And most carry a very minor, if any at all, personal property insurance. But they don't cover boiler insurance, and they don't insure plate glass, because they don't have plate glass windows in most homes. --(Interjection)-- Well, Mr. Speaker, the Mines Minister has an income of 20 or 30 thousand or 40 thousand dollars a year I believe so maybe he insures his plate glass windows. But the ordinary home doesn't have plate glass, and that isn't what we're talking about in any event. What we're talking about is weather insurance. We are now going to go and insure rock festivals against having to refund tickets for open-air concerts.

Mr. Speaker, I'm not quarrelling so much with the elements of insurance that the Government intends to issue, I'm quarrelling with the big lie, I'm quarrelling with the deceitful way in which the Government has behaved inasmuch as this was not put before the public and obviously was considered by government.

Now, Mr. Speaker, those betrayals coupled with the way in which the bill is brought in at a time when the Opposition does not have an opportunity to deal with it effectively - I could refer you to sections, Mr. Speaker, that are void, are vague, are ambiguous - and I know that's not the function on second reading - but that's how hastily conceived and speedily drafted this document is, Bill 83.

Mr. Speaker, what bothers me more, and this is not an ideological quarrel unless there is an ideological quarrel between the Mines Minister and ourselves, because the rest of the government benches won't admit what the bill's objective is. They'll say that there are people who can't get insurance and we're going to look after them. There are people who are

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(MR. ASPER cont'd) overpaying for their insurance and we're going to look after them. That's the big lie. The truth is what the Mines Minister says; that is worth a genuine debate. Because he believes the state should carry on as many businesses as it can carry on profitably, and that's a worthwhile computation. That's the only one that's worth dealing with because everything else is like a pillow; you push it in one place it comes out another place. There is no time for us to really debate that. There is no time for the public of Manitoba to consider this.

But what's worse, Mr. Speaker, is that the Government shows through introducing a bill of this nature that it has no sense of priority. That is the honest truth, Mr. Speaker. It can be demonstrated time and time again. Let me give you an example. Let's take it as a given fact that any government, no matter how brilliant, no matter how talented, no matter how much revenue they have, any government has a certain parameter to its energy, its ability, its skill, its talent, and it has to shepherd that energy very carefully. We saw how debilitating, how absolutely destructive it was of the Government when after the auto insurance debate in 1969-70 - and I wasn't here for it but I understand it had a tremendously debilitating effect on the Government, that the Government wallowed, wallowed for three years and did very little else.

Mr. Speaker, I'm not proposing that this bill be debated with the ferocity of the Auto Insurance Bill but I am saying this, that the Government has a definable limit to its energy, any government. Now it says it's going to use that energy setting up a multiple line insurance corporation. Mr. Speaker, we know the chaos that Autopac created, we know the problems it created, we know how long it took government to get it operating. That's one branch of insurance where they had a monopoly. To set up 15 lines more of insurance will sap its energy. Now take that and couple that with the treasury branches. That's going to take government energy, it's going to take time, it's going to occupy Cabinet discussion time, going to occupy management committee time. And then take the Trading Corporation and take all the other entrepreneurial ventures the Government proposes to go into, much less the fact that it's got a CFI on its hands, it's got failing MDC-sponsored companies, it's got a Saunders on its hands. So the Government proposes to add to its list of things that it's going to try to do. Run the insurance, run the banks, run a series of other businesses that this session has been asked to approve.

Mr. Speaker, what that means to the people of Manitoba is that that energy, whatever it is, will be expired, it'll be used up on those things and the real things, the real things that Manitobans need and want will be ignored because the Government's attention will be focused on making sure these foolish, unwise, unwanted things become successes.

Mr. Speaker, what is more important? Should the Government concentrate its talent on setting up a fire insurance industry or a plate glass industry, or should it concentrate that energy on bringing down the cost of land for houses. Which is the more important objective? Those are the kind of things we're saying to government. If you have nothing else in the world that commands your attention more than this, my God you don't know what's going on in this Province. Let me ask why the Government doesn't expend the energy that it will require to set this thing up on finding a way to reduce rents for people living in apartment buildings. Really reduce them; because they're going to face a 20 percent increment this year. That isn't a function of government, that isn't a goal of government. This is.

And one can go through the community and point to problems in fishing, problems among the poor, costs of living increment, potential energy shortages and a host of things. Jobs, roads, any number of things that government could use its energy to cure. But instead of curing those things, consumer protection right through to taxation, review of sales tax, any one of these things should commend itself to government to becoming a priority issue as opposed to wasting its time in Cabinet, spending hour after hour after hour fighting about the new plate glass insurance rates, or receiving 400 letters from the people whose boats turned over in the Whiteshell and they're now the insurers. That's what government should do in the view of this Government. It should sit there running fire insurance, handling claims, being politically blackmailed by constituents who want a better settlement. Well, Mr. Speaker - Mr. Speaker, I hear the chuckle from the Minister responsible for Autopac. Mr. Speaker, I want to put on the record that the settlements that Autopac has made in order to prevent political flak are stupid, and I can prove it. There are cases where people go in and are paid hundreds of dollars for wrecked cars, and the government, Autopac, rather than offending

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(MR. ASPER cont'd) anybody--well, you know what the proof is, Mr. Speaker? Even the Minister can understand this, that he has a monopoly, that he has a compulsory requirement that you've got to buy the insurance; he has the right to set the rates at any time; and he loses \$10 million, because there's nobody going to get refused Autopac in the year preceding an election. And that's what happened. --(Interjection)-- Well, Mr. Speaker, I don't want to be drawn into a from-the-seat dialogue. I'm saying that if government thinks that this is what it should be doing with its time, and after the Autopac experience - for which I'm sure in their hearts they're sorry, but if they're not yet they're not as wise as I thought they would be - then they haven't learned anything.

Now, Mr. Speaker, if the Government is bound to go into the fire insurance business, then even though it's a ridiculous waste of government effort at a time when they have shown no cause, then there are only two bases on which it can go in with any kind of sense of justice or equity. I know that those words are strangers to government thinking, but they pay lip service to the idea that what's wrong with us going into the insurance business if all we're going to do is compete. "I thought they"--I'm paraphrasing their speeches--"that the private sector wanted competition, wasn't afraid of competition; they shouldn't mind." Well, Mr. Speaker, I'm sure the private sector doesn't mind one bit. I mind. As a taxpayer, I mind, that this government is going to spin its wheels and waste its time running insurance corporations, and thereby detract from its ability to tackle other problems. We all mind. But if they are bound to go in then they have to observe two basic ingredients.

First, the competition must be fair. Now, in order for it to be fair, Mr. Speaker, the pricing of the insurance must be such as makes the government (a) a return on invested capital; and (b) sufficient to pay income tax. Because, Mr. Speaker, if you tell me that it's fair competition, that I should compete against someone who does not have to make a profit, that does not have to pay income tax, that is ludicrous. Because we all know that the banana republics of this world, the tax havens of this world, have become the home ground for all the corporations that want to compete with an advantage against Canadian, American, British, French, Japanese companies, because you cannot compete, you cannot compete against someone who does not pay taxes, because they have a five percent to 10 percent advantage on price, and you cannot compete against someone who does not have to show a return for their shareholders on invested capital. Because that's another five to 10 to 15 percent on invested capital and therefore your prices come lower, and if your price comes lower eventually you put your competitor out of business. You take away all his business.

Mr. Speaker, this could be seen as a very diabolical, insidious plan to compete with the insurance industry, not pay any income tax, not show any return, but drive the price down and put them out of business after which--If a corporation did this, Mr. Speaker, they would be capable of being prosecuted under the Combines Act for unfair competition. That's what Rockefeller did, the Mines Minister has assured me, and I feel now very comfortable; it's Friday afternoon and I can see we're going to have a bumpy afternoon yet. Mr. Speaker, we put people in jail who do that.

A MEMBER: That's right.

MR. ASPER: We have a thing called the Unfair Competitions . . . where one lowers his price so that he sells below his true cost. That is restraint of trade, Mr. Speaker, and the courts, if the case is proved, will put in jail that person who commits that offence against fair trading. So, Mr. Speaker, if that's what the Government of Manitoba intends to do, then it's unfair competition and it does not meet their own yardstick. So if they price their product, their insurance, in an amount which will show the same return that the private sector must show, then they'll have met the first test, and if they don't, they will be dishonest when they say "we are prepared to compete fairly."

Second; there is a second facet to the fair competition and that is that there will be no sweetheart accounts, that there will be no sheltered accounts. Now, we have some undertaking--we have none yet, Mr. Speaker; as a matter of fact we have perhaps indications to the contrary, because the Mines Minister did say in this House how he admired the State of North Dakota, who compelled all of their state buildings, or municipal buildings, to be insured by the state auto insurance. Well, Mr. Speaker, that's not fair competition. It's state insurance.

So, Mr. Speaker, if you then, if you say that it will be a requirement of any grant by the province to a municipality that all municipal buildings or school buildings are insured with the Government, if you say that it is a condition of your getting a flyer coach bus grant, that you

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(MR. ASPER cont'd) insure the extended coverage through government insurance, if you say that you will not be allowed to move into an MHRC housing project if you're a senior citizen unless your floater policy is taken out with us, and so on, you are not allowed to have an MDC loan unless your insurance is taken out, your fire insurance, your business interruption insurance, and all the normal insurances a business requires is taken out with us, then, Mr. Speaker, you do not have fair competition. You remove in this city alone, in Winnipeg, approximately 20 percent, somewhere approximately 20 percent of the assessment is government buildings, and therefore the cream of the trade, the best built buildings, the ones least likely to burn, the ones who have the least claim rates, state buildings, we, the government, will arrogate to ourselves, and the private sector will be not permitted to bid on that insurance.

Well, Mr. Speaker, if that's called fair competition, then, Mr. Speaker, what will happen--and this is true, this is what's going to happen.--(Interjection)--Well, the Member from Churchill said, "That's good business." Yes. Yes, Mr. Speaker, yes. It's good business. Mr. Speaker, I think the Finance Minister was understating the case when he said that his voice and my voice should be insured. There's one more voice that requires insurance. I can't hear it.

Now, Mr. Speaker, Mr. Speaker, the Member from Churchill said, "That's good business." I agree with him, it is good business - if one is in business. But they're in the business of governing, not in the business of running businesses. When government becomes the protagonist, when government becomes a member of the governing force as well as the private sector, it loses its ability to act as the umpire between contending interests within society. Mr. Speaker, if this is fair competition - and the honourable members opposite are indicating that to cream off the best accounts is fair competition, and they're indicating to compete against taxpayers while they are untaxed is fair competition - then, Mr. Speaker, there's no room for dialogue, because anyone with an ounce of brains, an ounce of honesty, knows that that is unfair competition.

MR. GREEN: That's the kind of competition that's been going on for years.

MR. ASPER: Well, Mr. Speaker, the Mines Minister's paranoia keeps coming through at this late hour in the afternoon. Mr. Speaker, I say this government has no mandate to do this. The Premier gave a commitment in 1969. He made a promise and that promise is unfulfilled; it's broken. I'm sorry to say he's not in the House to hear it, but the First Minister made a philosophical commitment to the people of this province.--(Interjection)--Well, Mr. Speaker, the Finance Minister says, "Did he say it forever?" And I say, Mr. Speaker, when the First Minister is cross-examined and interviewed by Chambers of Commerce and newspapers, and clearly states his position, then if he changes his mind - which he's entitled to do - then he should give as much publicity to the change of mind . . .

A MEMBER: Well, he has. Where were you?

MR. ASPER: Mr. Speaker, there was a campaign and nowhere in the campaign did it say that we're going into business. No, it didn't.--(Interjection)--Well, Mr. Speaker, when it came out in the Guidelines for the Seventies, when the government was considering, or the Guidelines recommended the government consider going into fire insurance, when the government was questioned in this House and the Premier, because he's the front man - everybody does it but he covers them - he said, he said--Well, Mr. Speaker, the Member for Radisson must know who's our front man. We don't have a front man. We say what we believe . . .

MR. SPEAKER: Order please.

MR. ASPER: Mr. Speaker, the election came and the government was put to the test on guidelines, and the government repudiated guidelines. And if you don't think they repudiated it, read the material around the election when the First Minister kept running around saying, "Oh my goodness, that's not policy. That's what was recommended. Some of it's good, some of it's not bad, some of it will change, some we won't take at all." But nowhere in the election material did they say they were going to arrogate the government the right to the exclusive monopoly of certain parts of the insurance business, which is what you would do if you say that no public building can be insured by anybody but the state insurance corporation. Nowhere did it say we're going to insure boats, and nowhere did it say in your material anywhere you were considering anything but fire insurance. Mr. Speaker, nowhere in this House yet has the government stated its commitment to go into fair competition.

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(MR. ASPER cont'd)

Now, in a last minute appeal to the government to reconsider, I ask them, anyone but the Mines Minister, because I know why he wants to go into this business, but I ask somebody else to stand up and tell me, why are you going into the general insurance business? Because if it is a consensus that the Mines Minister speaks for the party and the government, then at least we know, then at least we are not purveyors of gloom when we tell the public, "Stop these men, because it isn't just necessity that they seek to cure gaps in, they seek to go into business as a thrust of government." Now if that is the truth, that the Mines Minister speaks for the government, then we know, because I want it very clear so that we're not called terrorists, or whatever insults this government throws at us, when we say and we try to warn the public that there is a genuine "who's next" syndrome in this province.

Now somebody should answer him. At the same time, somebody should either repudiate that or show us the defects in the industry that should be cured. And if they do find defects, then, Mr. Speaker, we get to a legitimate debate: how do you cure the defects? Well, the defects can be cured, if any, by regulation and I'll deal with the presumed defects later. There are things in the bill, there are things in the bill that are of deep concern. There is a provision that a member of this Chamber, a member of the Legislative Assembly, will be on the board of directors of the new insurance corporation. Mr. Speaker, where are the conflict of interest rules in this Legislature? How can we take a member of the Legislature and put him on the board of directors of the insurance corporation?--(Interjection)--Yes and that's no good. And then bring him into this House and expect him to be the independent arbiter, to be the person who will question honestly and examine and criticize the insurance report?

A MEMBER: It should be a member from the opposite side.

MR. ASPER: Mr. Speaker, that will be the Member of Cover-up. That will be his job: to prevent the Legislature from tearing apart the corporation. Well, Mr. Speaker, almost every ministry is the Ministry of Cover-up in this government.

But there is a distinct--well, Mr. Speaker, I only respond to the catcalls from the nickel seats.

A MEMBER: That 's the dime seats.

MR. ASPER: Mr. Speaker, those front row seats are the most expensive seats this province has ever seen. They are costing this province more money than can be dreamed of.

In any event, Mr. Speaker, we would oppose the principle of any member of this Legislature being on the board because we think it limits his objectivity and his ability to perform his service to the people who elected him, and that is to scrutinize and criticize and make better all government action as a member of this House and not just someone as a person who has a duty to protect his corporation.

Now again, Mr. Speaker, we object to the fact that there will be no time, there will be no time for clause-by-clause study, because it is not the only bill before us. There are several complex pieces of legislation before us and it is inhumane and unfair to expect members of this Chamber to work the kind of hours that will be required and to then be ineffective after working those hours to study bills like the Northern Affairs Bill, which is lengthy, the Credit Bank Bill which is a very complex arrangement; so we would be saying to the Government that there is no urgency, there is no rush, no requirement, no need to fill, and so therefore, Mr. Speaker, the bill has been presented. I would suggest to the Government that they withdraw the bill for inter-committee, inter-session study. They can't possibly be ready to go into this business for at least a year, eight months, and it is a valid comment to say: You have the majority. You know that. You can pass the bill whenever you want. Go ahead, set up your machinery, and come back next year with you bill when we can debate it having had more time for consideration, or give it to inter-committee, inter-session committee study.

Mr. Speaker, before Autopac was brought in, there was such a committee and the government responded to the Committee reports by bringing in Autopac because they discerned a need. The Committee didn't recommend Autopac but the Committee did point up the areas of problem in the auto insurance business. And after the Committee reported, this government chose to respond in a given way - which is its right as a government. But at least there was proof, at least there were hearings, at least people came in and made their submissions, and at least the issue of auto insurance was well researched and compared with other provinces.

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(MR. ASPER cont'd)

Now, Mr. Speaker, if the Minister responsible for Autopac would only go back to Hansard, he would see the position that the Liberal Party took and will take on this bill too. And that is this: This bill is being brought to the House without any background study being presented that warrants a bill. There has not even been a private study that we know of that this Government is responding to in bringing in the bill. So the Government is bringing it in not because it has discerned or discovered a need, not because it's put a need to this House that's been debated or to the public of Manitoba that's been understood; it's bringing it in because it wants to bring it in and nothing else. Nothing else. And it lends tremendous credibility to what the Minister of Mines said, that he wants to be in business; and that is the number one issue before this Session of the Legislature this year. Because the bills that have produced the most controversy are bills which further advanced that philosophy that government should be in business. Not government should be in essential services but government should be as the Member from St. Matthews said, in the most profitable business. To make as much money . . . Mr. Speaker, that is not what governments exist for. No. Well, Mr. Speaker, sorry. Mr. Speaker, . . .

MR. SPEAKER: Order please.

MR. ASPER: . . . if the Government will accept the label socialism, yes. But they don't accept it. --(Interjection)--Well, Mr. Speaker, maybe we'll have the roll call. Because I understand that. I understand that under the philosophy of socialism, the political science of socialism, that state capitalism is the expected norm.

A MEMBER: No.

MR. ASPER: Yes it is. Well, Mr. Speaker, I only know from what exists in China, in Russia, in Czechoslovakia, in Yugoslavia, those are socialistic countries. --(Interjection)-- In where? Sweden? No, no, just a minute. Just a minute the - I wish the Member from Winnipeg Centre would say on his feet what he just said. What country did you say I was referring to?

A MEMBER: You mean to the House?

MR. ASPER: Yes.

MR. SPEAKER: Order please. Let's not start that. The Honourable Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, there are certain nations of this world which are described as following the philosophy of socialism. Some are called communists and some are . . . and whatever it may be socialism, democratic socialism, communism, I don't care what you call it, but the point is that under those philosophies --(Interjection)--Yes. What have you proved now? Well, Mr. Speaker, that is . . .

MR. SPEAKER: Order please. I'm going to ask the Honourable Leader of the Liberal Party not to engage in a conversation across the floor. If he wants the floor for debate he's entitled to it but the interjections and the crossfire are not conducive to good debate, and if he's not aware of it, I have to remind him. The Honourable Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, I want to humbly apologize to this House for disturbing the debate in the Chamber. It's with a sense of shame that I carry on. Mr. Speaker, we would ask the Government to declare itself on that issue really. Because if the Government is adopting openly socialism, which it has repudiated in the past, denied in the past, then at least we have a clear issue. But it is socialism for government to go into business, to operate businesses not for the sake of remedying defects in the marketplace but rather for carrying on business for its own sake. Then, Mr. Speaker, that is a socialistic view which the public of Manitoba may or may not want. And that's a fair argument. But certainly I know of no . . . --(Interjection)--Mr. Speaker, I'm inspired to change direction. Air Canada has been mentioned, CNR has been mentioned as being state run operations. Mr. Speaker, absolutely. And those are operations which are introduced by governments from time to time, like the Manitoba Telephone System was brought in by a Liberal Government I think, Hydro, and so on, where the private sector cannot afford to render the service that the community requires or desires. That's when they're brought in. Not to make money. Because, Mr. Speaker, Air Canada doesn't make money. CNR doesn't make money, and in fact --(Interjection)--

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, this question the honourable member permitted no doubt is

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(MR. GREEN cont'd) so I won't interject. Would he not agree that most telephone systems, most hydro systems, most airlines in North America are privately run?

MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. ASPER: That's probably true, but not in Canada. Not in Canada, Mr. Speaker. And I would hope incidentally, I would hope we arrive at the state of density of population in Canada and regional distribution of population in Canada some day when state ownership of those things is no longer required. But the reason we've had to do those things in Canada is that we are not, we have not been and are only becoming an economically viable one-nation unit. That's why we've done those things. That's why we did the St. Lawrence Seaway because the private sector couldn't do it, couldn't make it. And that's why we did Air Canada. That's why we did Canadian Arsenals, that's why we did Crown Assets Disposal and a whole series of . . . Polystar, and so on. But none of them, none of them were in competition, Mr. Speaker. The competition came later. When Air Canada was established there was no CP Air. When the CN was established there was no CP. --(Interjection)--Not of one nation no. Not as a national railway. You had a series, you had a series of dislocated--Mr. Speaker, if the members will go back to the terms of union of British Columbia, to Confederation, if they'll go back to those terms of union they'll discover that the . . .

MR. SPEAKER: Order please. I wonder whether the Chair should supply the pean uts and crackerjack and let you people have a party, because you're not entertaining me as legislators at the moment. The Honourable Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, --(Interjection)--I'm not going to be back tonight. I can't.

MR. GREEN: . . . the honourable member that I won't call the bill again until he's back in the House. He'll be back tomorrow morning. We'll call it 5:30. He has unlimited time and he'll be able to . . .

MR. SPEAKER: The House is now adjourned and stands adjourned until 8:00 p.m. The Honourable Deputy Speaker will be in the Chair this evening.