

THE LEGISLATIVE ASSEMBLY OF MANITOBA

9:30 o'clock, Friday, June 26, 1970

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees.

MR. BUD BOYCE (Winnipeg Centre): Mr. Speaker, I make the suggestions that we go to Standing Committee on Municipal Affairs.

MR. CLERK: Your Standing Committee on Municipal Affairs beg leave to present the following as their third report. Your Committee has considered Bill No. 99, The Thompson Charter, and has agreed to report the same with certain amendments. All of which is respectfully submitted.

MR. SPEAKER: The Honourable Member for Winnipeg Centre.

MR. BOYCE: Mr. Speaker, I beg to move, seconded by the Honourable Member for Flin Flon that the report of the Committee be received.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I recall the meeting of the Municipal Affairs Committee and there was a subject matter left open for discussion I think between International Nickel. Is this the bill that --(Interjection)-- yes. Has everything been brought to a satisfactory conclusion on this?

MR. BOYCE: Yes, Mr. Chairman, and was agreeable to all people involved.

HON. SIDNEY GREEN Q.C. (Minister of Mines and Natural Resources)(Inkster): Mr. Speaker, I want to make it quite clear that nothing was held back for International Nickel. The motion was, that any person wishing to make an objection would have two days to do so. We have received no objection in the two days.

HON. SAUL CHERNIACK Q.C. (Minister of Finance)(St. Johns): Mr. Speaker, not only was there no objection, there was a phone call from a solicitor for International Nickel saying quote: " we can live with it," And in further discussion he indicated that he had consulted with his superiors in Toronto, discussed the whole matter with them, the change was acceptable to them and there was no problem at all.

MR. FROESE: Mr. Speaker, I was interrupted ...

MR. SPEAKER: Is the honourable member debating a second time?

MR. FROESE: Well I was interrupted.

MR. GREEN: If the honourable member was interrupted, he should have said so. I got the distinct impression that he concluded his remarks.

MR. FROESE: On a point of order, Mr. Speaker. The Honourable member should have made a point of order when he got up and spoke when they were interrupting me.

MR. GREEN: Mr. Speaker, I waited until the honourable member sat before I got up to speak.

MR. FROESE: No there was another member in the back who got up ...

MR. GREEN: I waited.

MR. SPEAKER: I have the impression that the Honourable Member for Rhineland could have rightly assumed that he was interrupted. The Honourable Member for Rhineland may proceed.

MR. FROESE: Thank you, Mr. Speaker. In rising to speak on the motion to accept, all I wanted to be assured that everything was in order and that things had been finalized properly. This is all I was intending to do. I don't see why the House Leader has to be so particular again this morning when I rise to speak. I felt that this was a very important matter.

MR. SPEAKER: Order, please. The honourable member does have the floor. He has the opportunity to proceed without reflecting on what may have transpired prior to his resuming debate.

MR. FROESE: I felt, Mr. Speaker, that this was a very important matter that we were discussing in committee on the bill, I felt that there should be an amicable agreement between the parties concerned to the agreement and I am very happy that a satisfactory conclusion has been reached.

MR. GREEN: Mr. Speaker, once more, is the honourable member finished now? Mr. Speaker, I want to make it quite clear that there was no agreement...

MR. SPEAKER: Order, please. I take it then that the Honourable House Leader did

(MR. SPEAKER cont'd.) interject the first time.

MR. GREEN: Mr. Speaker, that was your fuling and I would not argue with your ruling. I didn't feel that I did but it was your ruling.

MR. BOYCE: On a point of order. It was I that interjected first.

MR. SPEAKER: I believe the honourable, the mover of the motion would have the right to close debate. The Honourable House Leader.

MR. GREEN: Mr. Speaker, . . .

MR. SPEAKER: My apologies, he will not, but the Honourable House Leader does have the floor at this time.

MR. GREEN: Mr. Speaker, I'm quite particular about this point and therefore the honourable member having spoken again and talked about agreement being reached, I want to make it abundantly clear that no agreement was a condition to what we have done and no agreement has been reached. The motion was that the bill would be reported subject to no objection being received for any person for a period of two days after the committee had met. I am pleased to advise that no objection has been received by any person; but there was no intention on the part of the mover, and it was particularly said so in committee, that the bill would be reported subject to some agreement being reached between the government and International Nickel and that has not been done.

MR. SPEAKER put the question and after a voice vote declared the motion carried.

MR. SPEAKER: Notices of Motion; Introduction of bills. The Honourable Member for Rupertsland. (Stand?) (Agreed)

INTRODUCTION OF GUESTS

At this point I should like to direct the attention of honourable members to the Gallery where we have 13 Grade 8 students of the Crystal City school. They are under the direction of Mr. Neufeld. This school is located in the constituency of the Honourable Member for Rock Lake. On behalf of the honourable members of the Legislative Assembly, I welcome you here this morning. The Honourable Member for Birtle-Russell.

ORAL QUESTION PERIOD

MR. GRAHAM: Mr. Speaker, my question is for the Honourable Minister of Agriculture. Could he inform the House of the results of the Canadian Ploughing Championships at Portage la Prairie?

MR. USKIW: Mr. Speaker, I don't have the names of the people in question at hand but I can get the information for this afternoon's sitting.

MR. GRAHAM: Mr. Speaker, may I then give the information to the Minister? It's with a great deal of pleasure that I would like to inform the Minister that a member of my constituency won the Canadian Ploughing Championship.

MR. SPEAKER: The Honourable Minister of Health and Social Development.

HON. RENE E. TOUPIN (Minister of Health and Social Development)(Springfield): Mr. Speaker, I got a question the other day from the Honourable Leader of the Liberal Party, the Member for Portage, regarding salaries being paid to correctional officers. I must admit that there is a difference being paid to correctional officers between men and women; they're called differently. One is called a "correctional officer," that is, for the men and the women are called "Institutional superintendents." There's a difference and we are looking into the problem. I do hope that this difference doesn't last too long.

MR. GORDON JOHNSTON (Portage la Prairie): Would the Minister mind telling us which party is being discriminated against?

MR. TOUPIN: Unfortunately Mr. Speaker, if we look at the salaries being paid I guess it is the women.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I wish to direct my question to the Minister of Labour. I wonder is he aware or he knows that there has been some 50 employees laid off in a bus manufacturing plant in Winnipeg - in Fort Garry?

MR. PAULLEY: No, I was not aware of it, Mr. Speaker.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: I wish to lay on the table the return to an address to an order for an address No. 9 dated June 22nd, 1970 on the motion of the Honourable Member for Roblin.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, while I'm on my feet the Member for Rhineland asked with regard to the Commonwealth Parliamentary Association. I am advised that the conference this year will be held in Ottawa. The Manitoba branch is allowed one delegate at the General Annual Conference. The delegate is usually the speaker chosen by the Executive Council - that's usually, I don't know whether that's a rule, Mr. Speaker.

With respect to the Canadian Annual Area Conference, in the past, four delegates attended, two nominated by the government, one nominated by the official opposition and one nominated by the other recognized Party. I have no knowledge as to whether the same procedure will or will not be followed this year.

MR. SPEAKER: The Honourable Member for Ste. Rose.

MR. GILDAS MOLGAT (Ste. Rose): Mr. Speaker, I'm not quite sure which Minister is responsible for the question, but possibly the Minister of Mines and Natural Resources. Could he inform me whether the level of the Red River is presently being held at an artificially high level?

MR. GREEN: Mr. Speaker, this is one that I'm almost certain that the answer is no and therefore I'll try that out. If I'm wrong, I'll let the member know this afternoon.

MR. MOLGAT: Mr. Speaker, if I may on a subsequent. The problem is that the river is presently some six feet or so higher than normal. Now I'm told this is a very dangerous situation for future problems of bank slippage and erosion. Has the Minister looked into the situation as to whether any corrective measures can be taken now?

MR. GREEN: Mr. Speaker, I'm not aware as to whether or not the department has looked into the situation. I'm certainly not apprised of the facts personally.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, a supplementary question to the question put by the Honourable Member for Ste. Rose. Does the government expect further flooding on the Red this year because they have flooding conditions at Fargo, and I'm not sure whether this will cause flooding in Manitoba. Does the government expect any flooding?

MR. SPEAKER: Order, order, please.

MR. GREEN: Mr. Speaker, I'll take the question as notice.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): I am told by many that the largest forest fire of the year is burning - or is in the McPhail Lake area. I'm wondering if the Minister can give us any indication of how bad it is or if it's under control, or ...

MR. GREEN: There are some forest fire problems Mr. Speaker, but the locations and the names are a little difficult for me to remember. I'll take the honourable member's question as notice.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, a question to, I guess the First Minister. I wonder if he's in a position to confirm that the Fish Processing Plant has been now decided on for Selkirk by the Federal Government?

HON. ED. SCHREYER (Premier)(Rossmere): No, Mr. Speaker, I'm not.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Mr. Speaker, perhaps in the absence of the Minister of Cultural Affairs, I direct a question to the First Minister. It's with respect to the Royal visit and the question has been asked several times. Is there any hope of getting an itinerary of Her Majesty's southern itinerary to us as members of the Legislature very shortly or Monday - if not so much for my sake, for the sake of my wife and friends who would like to make certain plans?

MR. SCHREYER: Just to demonstrate how accommodating we can be Mr. Speaker, I would hope that this could be put in the hands of my honourable friend by - what's the date he suggested, Monday? Monday it is.

MR. SPEAKER: The Honourable Leader of the Official Opposition.

MR. WALTER WEIR (Leader of the Opposition)(Minnedosa): Mr. Speaker, seeing as how the First Minister is so accommodating this morning may I ask him when he's prepared to live up to the commitment of having all of the legislation in our hands by last Wednesday.

MR. SCHREYER: Mr. Speaker, I said I hoped it would be in the hands of honourable members opposite by Wednesday. I really don't understand what the problem is. I must confess I haven't checked into it personally, but I will this morning.

MR. SPEAKER: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Speaker, I'd like to correct an error in Hansard Page 3139 where it is reported that the Honourable Member for Brandon spoke in the debate and now that I've had a chance to peruse the part of Hansard I find that it's quite likely my remarks, not the Member for Brandon.

MR. SPEAKER: I believe that correction was noted yesterday if I recall, the Honourable Member for Brandon West was referring to the same matter. The Honourable House Leader.

MR. GREEN: Mr. Speaker, relative to the Parliamentary Conference, apparently my information is out of date and that the Speaker may be able to provide the Member for Rhineland with additional information.

MR. SPEAKER: The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Mr. Speaker, my question is for the Minister of Cultural Affairs. Some time ago we received an invitation to be at Lower Fort Garry and there was something on there, that we'd be given further information about what part we were to play, because the Cabinet Ministers were going to be there and probably going around the province, and at present we haven't heard anything on it. Has he anything further to report?

HON. PHILIP PETURSSON (Minister of Cultural Affairs)(Selkirk): Mr. Speaker, the Honourable Member from Swan River was asking a somewhat similar question and I suggested to him that I would have the information within a couple of days. If I don't get it today then I should have it on Monday; that the members will have the instructions and information that will be necessary for it.

MR. WEIR: Mr. Speaker, might I have a supplementary question to the Minister of Cultural Affairs? He can assure us that we can have it by Wednesday, can he? July the 1st is the day that's in question. . . .

MR. PETURSSON: I did say Monday. It's early in the morning, people don't hear quite as well after having sat up till midnight and after.

MR. SPEAKER: The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): My question is directed to the First Minister. Surely the First Minister doesn't agree with the lack of information on such an important occasion for all members of the House. We at this side know nothing what's going on or what is intended and I wonder if it's his agreement.

MR. WARNER H. JORGENSON (Morris): That's probably deliberate.

MR. SCHREYER: Mr. Speaker, I must say that I resent the interjection of the Honourable Member for Morris, but then I shouldn't be surprised at some of his irrelevant interjections. May I say to the Member for Swan River - that I must say to the Honourable Member for Swan River that I do not quite understand why there has not been a more full dissemination of information relative to the Royal visit and that, too, I hope to correct today.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I wish to direct my question to the Minister of Youth and Education. I wonder if he can advise the House how many students were able to secure jobs and how many applications he still hasn't filed through the provincial system?

HON. SAUL A. MILLER (Minister of Youth and Education)(Seven Oaks): I don't have that information this morning. If the member will remind me, at the afternoon session I'll try to have it.

MR. PATRICK: I would appreciate very much, Mr. Speaker, if the Minister would take it as notice.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, my question is directed to the Minister of Mines and Resources. In view of his having now located the letter from the Ombudsman with respect to the water levels at Pelican Lake, can he now tell us what the recommendation will be on that problem?

MR. GREEN: Mr. Speaker, the problem is still being dealt with; there has been no change. There is to be some discussion with the municipal authorities but otherwise there's no change.

MR. SPEAKER: The Honourable Leader of the Official Opposition.

MR. WEIR: Mr. Speaker, I understand there have been several people appear this morning with briefs ready to make presentation to Public Utilities. I wonder if the House Leader would be in a position to say that if all briefs aren't heard on Saturday, will the committee

(MR. WEIR cont'd.) continue on Monday so that there might be an opportunity for some publicity ahead of time; over the weekend I'm afraid there might not be very much unless an indication was made today.

MR. GREEN: Well, Mr. Speaker, I'm not able to say just when the committee will meet after Saturday but it will meet tomorrow I believe all day. That's the last information that I am able to give the House on this matter.

ORDERS OF THE DAY - MOTIONS FOR PAPERS

MR. SPEAKER: The Honourable Member for Ste. Rose.

MR. MOLGAT: Mr. Speaker, before I move the Order that I have, I wonder if I could ask - I don't know if leave is required - but there is one standing that we discussed yesterday. I've discussed it with the Minister; it's agreeable to the Minister and myself if we could simply pass it. It's been moved yesterday, I don't intend to speak on it, could we pass it?

MR. SPEAKER: Is it agreeable then that the question be put on the first order for return standing in the name of the Honourable Member for Ste. Rose? (Agreed)

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. MOLGAT: Mr. Speaker, I beg to move, seconded by the Honourable Member for La Verendrye that an Order of the House do issue for return showing the following information with regard to the Manitoba Crop Insurance Corporation at the end of each of the fiscal years 1968-69 and 1969-70.

1. The name, address and occupation of all agents who sell Crop Insurance.
2. The name, address and occupations of all part-time adjusters who are employed by the Crop Insurance Corporation.
3. The name, address and responsibility of each of the full-time field employees.
4. The total number of other employees on staff.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: I see no problem here, I think we can accommodate the Order.

MR. SPEAKER put the question and after a voice vote declared the motion carried.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Bill 43, Mr. Speaker.

MR. SPEAKER: Adjourned debates on second reading. The proposed motion of the Honourable First Minister. Bill No. 43. The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, the bill we're discussing, 43, has to do with amending the Legislative Assembly Act and while there are a number of matters contained in the bill, I can go along with certain things contained therein, but I also have to take exception to others. Probably it is already needless for me to discuss some of the provisions because they have already been discussed by the members and I do not want to repeat necessarily what already has been said. But it seems to me that we're circumventing an increase in members' indemnity. I can't see it anything else. This way we are satisfying most of the members on the government side, but as far as the members on the opposition side there's nothing coming forward and I don't subscribe to that. I feel that if the indemnities were set at a proper rate, I don't think there would be need for this, and then certainly the First Minister I think would have a right to call on some members for assistance without too great a reimbursement. I certainly would think that that would be more proper, because our sessions are lasting longer, we have more of them; last year we sat from early in the year and then until the election was called, then members were occupied during election time, after that we had another session of two months, so this takes up a major portion of the year. This year we've been sitting in the House for a very lengthy time and we don't know yet how long we will be in session. It could still be quite a bit longer depending naturally on the outcome of the representations on Bill 56, and a few other bills that are presently before the House. So I feel that some increase would be justified in that respect and also because of the increased work of the committees of the Legislative Assembly. If it weren't for that, I don't think members on this side would take so much exception to the additional appointments as legislative assistants as provided for in the bill.

The matter of remuneration of assistants is left up to the Lieutenant-Governor. In a way this might seem correct because if it is payment for services, this would be the case. However, since they also are members of the Legislature, I'm questioning this. And then, too, will the items appear separately in the estimates when they're brought forward? The way I feel, or I

(MR. FROESE cont'd.). . . . see it, that it will just be included in the other expenditures and will not show up separately in the estimates when they are brought before this House.

There are other provisions here, I feel that some of these can be discussed probably more properly in committee when we'll be dealing with this bill in committee. I'm just wondering, is this bill going to go to Law Amendments or will it go to the Committee of the Whole House? May be the First Minister can inform us on this matter when he closed debate. I don't know whether people outside the House would have any inclination to appear before committee on this bill. I know that some of the matters like remuneration and so on has been discussed by the House Rules Committee and they made a report which contains recommendations that an outside committee be set up to assess the matter of indemnities for members -- whether this report should receive discussion and concurrence first before we finalize this bill. Certainly it wouldn't hurt to have some discussion on that particular resolution prior to the passage of this bill.

I will qualify my support on second reading, certainly that I'm not completely satisfied and I'm certainly not giving it complete or wholesale approval. I certainly have very considerable reservations on Bill 43.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, my leader has already spoken on this bill and indicated the reservations that those of us on this side have about the bill and I don't really have that much more to add to it, but I'd like to pay particular attention to a few additional clauses within the bill. Certainly I, too, have to view with some suspicion the motives behind the bill before us, but those have already been enunciated.

I would like to pay particular attention to Clause 2 of Section 19 which is being amended, that's making it permissible for members of the Legislature to - I gather the intent here is to be able to be involved directly with various agencies of government such as the Manitoba Agricultural Credit Corporation. I certainly may have personal feelings about the advisability of the clause. It's no secret that I am a borrower of the Manitoba Agricultural Credit Corporation; was so before - entered into well before - prior to my becoming involved in the Legislative Assembly, and I see nothing wrong with that not being any disqualifying factor or that one shouldn't happen. . . .

But, Mr. Speaker, I do suggest that whether or not the broadening of this, I've always imposed upon myself, at least I think this is the reason why the amendment is being made, that while it need not be out of order in any way to have had business dealings with the government that you are technically involved with, or agency that you are in supervision of, particularly when you're government, as I was for the period of time, that is it really advisable to open it, to extend it to the case where direct dealings of this nature are to be encouraged, where borrowing money from your. . . .

MR. SCHREYER: Would the honourable member permit a question? He's dealing with an important point but one which I indicated when I introduced the bill at second reading that there would be an amendment moved in committee on that very point, because I accept the argument that this should apply only to those who had prior contractual arrangements.

MR. ENNS: Mr. Speaker, I'm pleased that the First Minister did choose to interject at this time. I'm not always pleased when he chooses to interject but I'm pleased that he did so on this occasion because certainly it prevents me from wasting any more time of the House to dwell on this particular point. Suffice to let me say that the kind of borrowings that we're talking, that are possible under the Act, particularly under the expanded Act of my friends opposite. You know, we're talking in pretty large sums of monies that can be available, where certainly with direct assess to it's a consideration or concern that we should be expressing ourselves to and I'm happy to hear the First Minister indicate that perhaps some restrictive amendments will be entertained at committee stage.

Then, Mr. Speaker, let me just turn briefly to the clause dealing with remuneration of legislative assistants. I won't add to anything what has been said about the principles of legislative assistants per se but I'd like to further suggest this thing with respect to the - not so much the salaries to be fixed by the Lieutenant-Governor-in-Council for these legislative assistants - but the "reasonable expenses" incurred by the legislative assistants in assisting the member of the Executive Council, which is his Cabinet Minister, and as approved by the Provincial Auditor. Now, Mr. Speaker, I have the greatest amount of respect for the auditing work that by and large goes on in the various government offices that attempts and does a reasonably

(MR. ENNS cont'd.). . . . sound job I think in making sure for and on behalf of the people of Manitoba that their dollars that are spent in this manner by government officials, by particularly the senior and the many civil service people that have and are eligible for incurring expenses, the procedure is fairly strict and well regulated and laid down. Whether it's the ag reps out in the country - I can recall one particular situation where an ag rep that I was aware of had a continuing battle with a department for some three or four months during one of our re-occurring flood situations in Manitoba as to whether or not a pair of boots that he felt he was forced to buy to wade in and out of flood stricken farms could be legitimately called an expense item and chargeable to the public purse as such. I think in the final event he lost out and he had to buy the boots himself insofar as the department deemed that it was a matter of personal apparel that every good ag rep should have in the first instance - a pair of rubber boots.

Now, Mr. Speaker, I'm not that sure, and I'm sure the treasury bench members opposite now, having experienced a year in the Treasury Benches, that there's perhaps an exception to this general good scrutiny - and I want to choose my words very carefully - but it becomes very difficult to challenge you know, say the members of the Cabinet or any members of this Assembly. We are in, and quite correctly, in the position of being top men in the ladder relatively speaking in the whole government structure and while the system of cheques and balances and what have you I have no concern about within the ranks throughout the departments and such, the expansion in this area -- I quite frankly as a Cabinet Minister with the privilege of having an expense account, did not have too much difficulty in simply saying this is a legitimate expense and who's going to question me. Not too many. You know, this is fact. Nobody's going to question the Premier of this province or the Finance Minister of this province and nobody will question his integrity or his honesty in this case, simply of saying these are my legitimate expenses for the month and they're looked after and they're passed, as they should. But I am suggesting, I am suggesting that that kind of an expense does not fall under the same kind of normal scrutiny, the normal hard look that the departmental accountants have been accustomed to giving to all matters of public accounting on these kind of expense accounts. So that this base - you know, at the moment this kind of thing only happens at the Cabinet level of which we have 10 or 12 honourable men representing Treasury Benches. Now we're going to expand this area, because I would assume very much the same kind of a deference, if I can use that word, will be shown to legislative assistants, particularly if they're members, as should be shown, to any member of this Legislative Assembly. This is our privilege, this is our right as the legislative leaders of government that when we make certain statements and claims that we certainly expect the people that are carrying out our policies, that is the Civil Service, to take them at word and certainly they would be done so.

So I have some reservation here in being for a moment the watchdog of the public purse about what possible doors are being opened under Clause B of Section 61 or Section 2 here, "reasonable expenses occurred by the legislative assistant in assisting the member of the Executive Council." You know, the language is nice - that means anything that my honourable friend the Member for Osborne or my honourable friend the Member for Wellington, whoever happens to be appointed as - or from St. George - who is appointed as a Legislative Assistant to my friend, the Minister of Agriculture, so really it's between the two of them that they decide which are reasonable expenses, and if part of the reasonable expenses are not too unreasonable in the eyes of somebody else who is there to question the situation, who is there to question the procedure.

So I have some reservations Mr. Speaker, about the opening up of this particular area. Now maybe we've advanced to that case; we're dealing now with large budgets and maybe I'm talking peanuts here and I shouldn't be concerned about it, but Mr. Speaker, I am concerned about this kind of an opening up of the largess - if that's in fact a possibility that could happen. I would like to indicate to you one step further on the same, further down in the Act we talk about the life of committees - I don't quite know, I can't quite read the sections numbers here properly, it says 66(2), I guess it's section 1 - but anyway each committee of the Assembly whether Standing, Select or Special. Now Mr. Speaker, again the terminology here worries me. I'm not worried about any arrangements made for expenses paid for a Standing Committee of this Legislature because it's a committee that's been usually set up in a due democratic process in this Chamber, but when you start talking about select and specially appointed committees, then that control is taken out of this session. I don't know when the First Minister or somebody else decides, well, now, who haven't I looked after in my back bench, and I'm going to appoint the Honourable Member from Wellington, the Honourable Member from Logan and

(MR. ENNS cont'd.). . . . the Honourable Member for St. George to a Select Committee to sit for a period of five months, and twiddle their thumbs for which they will do X number. . . . Now I know, I don't want to -- (Interjections) -- Well then why not leave it at Standing Committees appointed by the House where we all ourselves, we can't even suggest something like this happening.

However, these are some of the areas which I feel compelled upon to draw to your attention, Mr. Speaker, that certainly open up the avenues, open up the avenues to cleverly use this device to circumvent what has already been mentioned, and I think bears mentioning again, a possible consideration of a member's indemnity as a whole, but to look after the members of the government that are just as deserving, or more so than any others in this House, but still avoid the rather ticklish question of indemnity as a whole. I think this really has to become more apparent to us as sittings of the House become longer and duties become more onerous and heavier and we seem to be proving that this session.

For those few comments Mr. Speaker, I know the objections will be raised that again I, on a fine Friday morning, imputed all kinds of motives, dark motives, to members of the opposite side. It really wasn't that, Mr. Speaker; it was merely showing them the ways of life, showing them the paths of righteousness, the things that could have happened, that can happen, because you know, gentlemen, you will not always be there; there may some day be a Liberal Government there or a Social Credit Government. I would have no concern about a Progressive Conservative administration coming back to administer this kind of an Act, but I could be highly suspicious of my friends here to the left or to the right in the event that they should come into this kind of

INTRODUCTION OF GUESTS

MR. SPEAKER: Are you ready for the question? Before the Honourable Member for St. Boniface proceeds, I'd like to introduce our guests in the gallery. We have 66 Grades 9 to 12 students from the McFarland High School from the State of Wisconsin in the United States of America under the direction of Mr. Dvorak. On behalf of the Honourable Members of the Legislative Assembly, I welcome you here this morning.

Does the Honourable First Minister intend to close debate?

STATEMENT

MR. SCHREYER: Mr. Speaker, I was wondering if I could have leave of the House to make a very short statement relative to a question asked me this morning. It was asked this morning as to when members could be informed more precisely about arrangements for July 1st and again for the Royal visit in detail, and I would like to advise members so they can tell their colleagues that later today there will be some more detailed information statement relative to July 1st, and that the role of the Assembly and that by Monday evening there will be a detailed statement relative to the Royal visit.

MR. ENNS: I thank the First Minister for informing us.

GOVERNMENT BILLS (cont'd.)

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

MR. LAURENT L. DESJARDINS (St. Boniface): Mr. Speaker, I think that I should say a few words in this debate for a number of reasons, one reason being that I, myself, say that I have mixed feelings on this. Probably the most important reason is that I'm directly involved, and thirdly because the last speaker said that he is not worried about the New Democratic Party when in power, nor the Conservatives but he's a little leary of the Liberal-minded people, so I feel that maybe I should defend myself and say a few words.

I might say first of all that I certainly don't fault the members of the Opposition for scrutinizing this bill very carefully. This is a bill that should be scrutinized and this is exactly why you have members on the opposition, and you have to keep the government and the House honest and it is certainly well taken too, to have reservations about a bill such as this. I know that if I was sitting on the other side, I would probably feel the same way. I could see the possibility that every member of the winning side could be taken care of and this could be dangerous indeed, if the work that is being done by the members of this House, that it was felt that they should be a - I'm talking about for equal work now - there should be an increase in indemnity. Well, maybe this should be done, so I understand the feelings of the members of the Opposition.

(MR. DESJARDINS cont'd.)

On the other hand I think that I can believe, and I know that I believe in the integrity of the First Minister, and also - talking on now about the expense account - I think that there is as much integrity in every single member of this House as there would be in any former Ministers or present Ministers; the last who spoke of it seemed to think that the integrity, that it was all right for the Cabinet Minister while there was no doubt about that, he was an honest man and the Premier was an honest man, but maybe the executive or a legislative assistant wouldn't be. This is the feeling that he left with me, and that I certainly don't agree with him.

Mr. Chairman, as I said, I believe in the good intention, in the integrity of the Premier. I know by talking with him and discussing this with him that he has in mind just the idea of creating jobs to keep his backbenchers happy. The last spokesman talked about the expenses - maybe I should start by talking about the expenses. Now he was talking about the expense on the selected and special appointed committees -- on the standing committee, but not on the special and selected committees. Well, I don't know what you would class the secretary on the Dominion-Provincial Cultural Affairs; I guess it's only a selected or some kind of a special appointed committee. If he feels that there's not work being done there I would like to invite my honourable friend, or I would like him to look in, expecting that maybe somebody would ask certain questions in this House, I have kept a very complete, very good diary of what I've been doing since September 1st, and I can tell my honourable friend that first of all I didn't receive a single cent; secondly, that I have worked practically a full-time job; I can say a full-time job. Any other time that I've done to my own business was certainly extra hours; I've had to increase certain salaries of the people working for me, and I've had to make appointments to hire more people. Now I feel that I've worked hard at this; as I've said I haven't received a single cent. Not only that I've made -- Monday I'll be going to Ottawa to represent the province again - it'll be my sixth trip. I paid for my transportation at all times; I paid for my reservation in the hotel; I paid for my meals and I paid for any other expenses, taxis and so on, and I think that this is going a little too far.

During these visits I think that I was, I might say, maybe directly or very very involved anyway in obtaining grants from the Federal Government of \$75,000 to make certain research in the field of bilingualism, and \$17,500 again from the Federal Government to promote our Ethnic Mosaic Congress which we'll have some time in the fall, and I've had meetings with different people, different committees; we've had luncheon meetings - I've paid for this - not only for mine but for the other people, then there was no way that I could charge it.

Now, I'm not crying the blues here, Mr. Chairman, but I know that in the back of the minds of some of the people on the other side, they are concerned about the Honourable Member for St. Boniface, they're worried maybe, maybe the pay-off and the kick-back, especially while we're dealing with this Bill 56 and I want to assure everybody that this is certainly not the case. I would, if this bill goes through, I certainly will accept the \$3,000 or \$2,500 and certainly the expenses, but I can tell anybody that if I were going to sell myself it certainly would be for a hell of a lot more than \$3,000.

Now, having said this -- (Interjection) -- I beg your pardon? -- (Interjection) -- It's not "depends on whether I'm worth it," it depends on what I think I'm worth, and I think I'm worth a hell of a lot more than \$3,000; and to earn that \$3,000 I think I'm spending an awful lot more than \$3,000. Being so directly involved I don't intend to vote on this bill, so maybe some of my colleagues will be disappointed, but I think that this is the attitude that I've taken in this House in the past and I must do what I think is right and it will be up to the members of the Opposition, if they feel that this is too much, this is wrong and if they vote against this on second reading well, it'll be unfortunate but I certainly don't intend to take part in this vote. Thank you.

MR. SPEAKER: The Honourable Member for Ste. Rose.

MR. MOLGAT: Mr. Speaker, the House Leader of my party has already indicated that we had reservations on the bill but that we were prepared to let it go for second reading and see what amendments we might make in it at the committee stage. I want to add my own words of the gravest reservations about certain sections of the bill.

Mr. Speaker, I think we have to look upon the whole question of payments to members as something that should be totally open and that there should be no payments to any members of this House that the public of the province are not fully aware of, and when I see, for example, a section like Section 17 that permits anything to be done, whether by way of indemnity, any indemnity, allowance, salary, reimbursement for expenses and so on, for any kind of activity, not necessarily activity approved of by this House, but activity determined by the

(MR. MOLGAT cont'd.). . . . Lieutenant-Governor-in-Council, I fear that this is not sound legislation. I don't think that the government should have that kind of power. I think that the government is leaving itself open, in any case, to the accusations of favouring its own members. I'm not saying that that's what the government would do, but I certainly suggest that that kind of a very open-ended statute leaves it very much open to that consideration, and I don't believe that there should be that sort of an arrangement in this House. I think that the members of this House on all sides would question giving this sort of a structure to a municipal government, for example. We have set up rules and regulations as to what municipal governments can pay, set out very clearly what they can and cannot do and here we are giving to the government I think a power that is far beyond what is reasonable.

The House Leader of my group has indicated that we felt that five legislative assistants - and the First Minister indicated that he was going to reduce that to four - is not really necessary, that two in our opinion is ample. In fact, Mr. Speaker, I wonder whether at the provincial level, whether legislative assistants are in fact necessary - and this is with due respect to the two individuals who have been appointed and without questioning in any way the work that they have done, and this is not a criticism of their work or of the individuals concerned, but it seems to me that when we're dealing with provincial matters with the size of the problem, the population we're dealing with - less than a million people - and the budget that we have to deal with, that we have to watch what kind of a superstructure we establish at the government level. And to say that Ottawa does this and therefore it's right for us to do it, I think is open to question, because while this year the session seems to be going on, normally our sessions are not of this length. Normally the Ministers are in the House throughout the course of the session, are there to answer for themselves. At the Federal level Ministers travel across the country from one end to the other, frequently cannot be in the House to answer for their departments, and there is a reason then for legislative assistants who is a legislative assistant to act in the Legislature in lieu of the Minister, but I don't think that the idea of a legislative assistant is someone who becomes in a sense another Minister or a junior Minister or an executive assistant or a Deputy Minister. I see a danger in this course of action, that the members of the Legislature will become involved, a large number of them, in executive functions or in non-legislative functions as such, and I think that this is perverting the purpose of the Legislature. The Cabinet Ministers are the executive group, but the whole of the Legislature cannot become an executive body, and if we continue to act, constantly do it, I don't think it's the proper structure.

Quite frankly I think that 13 Cabinet Ministers are ample to run the affairs of Manitoba, and the Cabinet Ministers have available to them, not only Deputy Ministers and Assistant deputy Ministers, but now in the past few years, executive assistants and special assistants, and I don't think that the Members of the Legislature should then become in that category. They should be legislators, dealing with the legislative functions, and no large numbers of them should become members of the executive so I question very much the course of action, and I question whether this is the right approach to legislation in this province. I submit that the Cabinet yes they have a clear responsibility as the executive but we should not extend that beyond that area, so I would suggest to the First Minister that he reconsider the principles behind this, not just the fact that maybe it's done in other jurisdictions, and so on, but the principle behind it, is it the correct principle of legislation? I have some reservations about the subject.

I would point out as well, Mr. Speaker, that you know, if we carry on this way with 13 Cabinet Ministers and now four - if it's changed - legislative assistants, that brings us up to 17 and the government I think has a member now on the Water Board is it, or whatever it is called, one on the Manitoba Telephone System Board, one on the Hydro Electric Board, that's another three, we are up to 20, then yourself, Mr. Speaker, plus the Deputy Speaker, so we are up to 22 people who are already receiving extra amounts, outside of their regular legislative function. -- (Interjection) -- Well, a small amount, \$1,000 - not a large amount but still a factor.

Well, Mr. Speaker, when you look at it, when you look at my honourable friend the Premier's group out of 28 in his group, 22 are now receiving extra payments of some kind or another and I wonder if this is really what the First Minister intends. -- (Interjection) -- Eighteen someone says, well I don't know, I don't know how you take 13 Cabinet Ministers plus four legislative assistants, that makes 17, plus someone on the Water Board, The Telephone Board, the Hydro Board, that's ~~another~~ three, that's 20 plus a Speaker and Deputy Speaker

(MR. MOLGAT cont'd.). . . . that's 22, that's 22 out of 28, and I wonder if that's really the way we should be conducting our business.

If in fact the government feels that there should be an extra payment made to members, then I think we should deal with it that way, and we have a committee, as has been pointed out already, a committee of the House that studied the subject and I think that's where it should lie, that it should be done through that method. I know we have discussed it before and the First Minister I think has indicated he's in favour of open governments, well I think that we should be totally open and give the public all of the facts and not attempt to have payments which Section 17 would allow which may not be completely open. I'm not suggesting the government would hide them but I don't think it is the same open approach that I really do think the First Minister subscribes to, so I think some major amendments are required in the Bill, Mr. Speaker, and I intend to move some amendments at committee stage.

If I am unable to obtain the amendments that I hope to put in, I would at least hope that the government would agree to one major and complete section and that is one that would provide that annually, there would be a report to the House without having to have an Order for Return or request by any honourable member, but a Return to the House showing all payments made to all members with a breakdown for the purpose, so that the House, and thereby the people of Manitoba, would know exactly what has been paid to everyone. I think that this to me, at least, would be a minimum requirement if we are unable to make changes in other sections, that we are insured that there is openness in the whole affair, that there's no possibility that someone is saying there are extra payments being made here, and extra payments being made there. Let us say, fine, there are legitimate expenses, and the Member for St. Boniface indicated - I don't doubt his word at all - that he has in fact, paid out substantial amounts of money working for the province but I think all of this then should be laid out on the table for honourable members.

Insofar as the section dealing with loans to the individuals through the Agricultural Credit Corporation or the Development Fund, this is one that we have discussed in the past, one that I know bothered members and here again I think a clause of openness might solve the matter. Let us say, fine we are prepared to consider loans to members but a report shall be made to the House of any member of the Legislature obtaining a loan from either of these two bodies and once again I think we have placed all the members of the House in the position that no one on the outside can question that favoritism exists or does not exist, it's out in the open, the facts and the figures are there.

I think it might be wise to include the fact - and I don't want to discriminate against them, but for their own protection - that Cabinet Ministers be excluded from any possible loan. I would assume that that may be the intention of the government in any case but I don't know. I think there will be some problems there that the Cabinet - and I'm not referring to this one in particular, but any Cabinet - might be subject to criticism if in fact loans are made to themselves.

So Mr. Speaker, I will support the bill going to second reading. I urge the First Minister to consider very carefully the whole question of the principle of legislative assistants, in our type of Legislature dealing with the type of problems that we deal in the light of the size of our problems, our budget, the length of our session, the fact that there are already 13 Ministers, the size of the House itself there being only 57 members and to look upon the whole of the Act as one where the greatest degree of information should be given to the House and to the people of Manitoba in any of these dealings and also that any increases in payments to members really ought to be handled as we agreed last year, by a committee that would study it in the light of the whole question, not simply leaving the Lieutenant-Governor-in-Council in a position of making a decision that some members would receive extra payments.

MR. CHERNIACK: Would the honourable member permit a question?

MR. MOLGAT: Yes, certainly.

MR. CHERNIACK: You spoke of loans being made to Cabinet Ministers. What would you feel would be the credit rating for Cabinet Ministers?

MR. MOLGAT: Is my honourable friend saying credit rating or creditability rating?

MR. CHERNIACK: I'm disappointed that the **honourable** member even thought in those terms.

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

MR. DESJARDINS: I'd like to ask a question if I may of the ? Did the **honourable** member misunderstand me, or does he understand that my reason for not voting is not the

(MR. DESJARDINS cont'd.). . . . fact that I've already been appointed legislative assistant but rather that I supported this government although I was not elected as a New Democratic Party candidate and do not belong to the New Democratic Party?

MR. MOLGAT: Well Mr. Speaker, I don't think I expressed an opinion on the Honourable Member's right to vote or not to vote, nor was I questioning his position in the matter, nor as I said was I questioning the work that he or the other legislative assistant did and I'm not suggesting that they didn't do good work and that everything they spent wasn't worthwhile. All I'm suggesting is that I question the principle in this kind of a House and I think the Honourable Member probably is wise in not voting on the issue and due to the fact that he may be considered by some to have a personal interest.

MR. CHERNIACK: . . . question. If the honourable member feels that a person who is involved in income is wise not to vote, then what position should Cabinet Ministers take when Cabinet salaries are discussed?

MR. MOLGAT: Mr. Speaker, on that particular one, it is now a matter that is in the estimates and is handled in that manner. It is statutory and I think that on that area, I have no objection to Cabinet Ministers voting. I think it has been the standard practice. Here we are instituting a new practice and it may be that these honourable gentlemen, for their own protection and satisfaction, would prefer not to vote.

MR. CHERNIACK: Well then, a supplementary question. What would you then say about potential Cabinet Ministers and potential assistants, legislative assistants, all of whom sit behind me.

MR. MOLGAT: Well, I think the question is very hypothetical but maybe the Minister of Finance is prepared to indicate to me who are the potential legislative assistants.

MR. CHERNIACK: Well then, does that mean that the honourable member will decide his opinion, based on who is involved and not what is the principle?

MR. MOLGAT: Mr. Speaker, I'm not the one who brought up the matter as to whether honourable members should vote or not vote. One honourable member indicated that he was not going to vote and I simply say that if that's his decision, I respect his decision. -- (Interjection) -- Yes, I think if I were in his shoes I'd do the same, that's right. -- (Interjection) -- But they are not in the same position, they are not presently legislative assistants who know definitely that they will benefit from this particular Act and I think on that basis for their own protection, that they would be, if that's their choice, I respect their choice.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, in closing debate may I thank the honourable. . . .

MR. CRAIK: I would move, seconded by the Honourable Member for Lakeside that debate be adjourned.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

INTRODUCTION OF GUESTS

MR. SPEAKER: I would like to introduce 60 Grade 4 students of Radisson School under the direction of Mrs. Helen Kozak and Miss Arlene Coutts. This school is located in the City of Transcona and the constituency of the Honourable Minister of Labour. On behalf of the Honourable Members of the Legislative Assembly I welcome you here this morning.

The Honourable the Attorney-General.

HON. AL. MACKLING, Q.C. (Attorney-General)(St. James): By leave Mr. Speaker, I would like to make a very brief but important announcement concerning the administration of justice in this province.

I have just been advised, Mr. Speaker, that the Supreme Court of Canada has ruled 5 to 4 in favour of the Breathalyzer legislation.

GOVERNMENT BILLS (cont'd.)

MR. SPEAKER: On the proposed motion of the Honourable Minister of Mines and Natural Resources. Bill No. 17. The Honourable Member for Arthur.

MR. WEIR: . . . Member for Arthur, I know he's not here and I know he has no objection in having somebody else speak and if the Member for Riel is ready to go and if any other members want in, why I would be quite happy but we would like it to stand in the name of the Member for Arthur when it's finished.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, thank you very much. I want to speak on Bill 17 and keep this on the move, as well as the other bills that are in the House, so my remarks will not be at length. Mr. Speaker, this bill was first introduced into the House and it was indicated that it was designed, initiated for the requirements brought about by the forestry project set up at Moose Lake and on reading the bill it is obvious that the bill goes far beyond the requirements for establishing the requirements for the Moose Lake project. In fact, it provides the government the powers to set up companies in any areas of natural resource development or in fact, any areas of product development that may be related to natural resources, so in effect Mr. Speaker, it is a carte blanche as far as the establishment of government corporations are concerned in any area that may be the processing of natural resources, not just the winning of them from the earth or from nature or the manufacture of any product made from them, so that it can be given a very broad interpretation, it is very broad legislation that gives very wide-ranging powers.

Now the very curious part of this is, Mr. Speaker, that when it was introduced, it came into the House here very casually, entered into the House and when the government was reproached by the Leader of the Opposition on this bill, they then started to backtrack and we were told by members on the government side well, this really wasn't our legislation, it was your legislation and this was not said by the Minister directly himself but it was said by other members of the treasury bench and I'll state this before we get into matters of privilege in the House. It was stated by the Minister involved that this bill was in the works but it was stated by other members in the House that it actually had begun and had been prepared previous to this. Now this was said by, not directly even by the Minister of Finance, I'm not referring to him, it was said by the Minister of Health and Social Service at a later date that it was our legislation that was prepared and that they were bringing it in.

MR. GREEN: Mr. Speaker, may I, may I with the honourable member's permission please say to him that I accept responsibility for those remarks because it was my impression that this was so. Anything they learned, they learned from me, so I don't want my colleagues to be blamed for having made those remarks; I accept the responsibility and I think I did this before during the estimates of the day.

MR. CRAIK: Well, Mr. Speaker, that was the first backtrack of the government on this bill, that to soften the impact of it, a bill that allowed the government to establish corporations that will with government financing, by order-in-council responsible only to the select group that may be in the Cabinet, then it was softened by saying but this was prepared by those who preceded us, when in fact, what had really happened was that it has been an attempt to draft legislation that would satisfy the requirements of a particular condition, namely the requirements of the Moose Lake project.

Then the government said, secondly, we really don't need this bill because we can do it under The Manitoba Development Fund Act, so there is nothing to worry about, we can do it anyway. Now we get the argument that really the Bill is hardly necessary, because if they really wanted to do it, it could be done under the MDF Act. Of course this is admitted, the only difference is that The Manitoba Development Fund Act is administered through a group who are appointed by the Cabinet and presumably are at least at arm's length from the Cabinet in its decisions and in fact, are selected because they are people who are supposed to have a degree of business acumen in a cross section of the business community and by and large what you are setting up is supposed to be operated on basic principles of business.

Then the third soft soap we got on this was that well the bill really doesn't mean anything, because there is a clause in the bill that says that they can't set up a corporation without coming back to the Legislature with a particular Act requiring powers for that project. Mr. Speaker, if that were true, how does this satisfy the Moose Lake project, because there is no reference in this bill to Moose Lake and if we were to take at face value the claims made by the Minister of Finance, then we would say that this bill really doesn't do anything for the Moose Lake project, there is no mention of it. He has said, he has said that they cannot act on a particular project, without coming back to the Legislature with a specific Act. -- (Interjection) -- They did. It was said by the Minister of Finance. -- (Interjection) -- Yes it was. With no qualification -- look, with no qualification.

MR. GREEN: Money had to be voted by a particular Act and if you'll read the legislation you'll see that it says that.

MR. CRAIK: That's right.

MR. SPEAKER: I believe that our rules provide for other ways of exchange of ideas in the course of debate.

MR. CRAIK: It says, Mr. Speaker, this was the clause and this was gone over in it - "that the cost of administering this Act including any expenditures made under Section 3 shall be paid from and out of the Consolidated Fund with monies authorized under an Act of the Legislature"

MR. GREEN: Right.

MR. CRAIK: ". . . to be so paid and applied." Now -- (Interjection) -- No, but the specific implication was that a separate Act was required for a particular project, and that was the understanding in this Legislature.

MR. GREEN: The honourable member is saying that a specific Act would be required for each specific project and I want to remind the honourable member that I said three types of bills could be brought: (1) capital supply; (2) operational supply -- that is the operating estimates; or (3) a specific bill. But under any of those bills the money could be supplied.

MR. CRAIK: Yes, Mr. Speaker, that's the fact, but the implication left in the Legislature. . . .

MR. GREEN: No implication.

MR. CRAIK: . . . was that a separate Act would be required for a particular project. Now I'll admit -- here and now it was generally understood that way.

MR. GREEN: No.

MR. CRAIK: Let's straighten it out here and now -- the separate act that would be required is simply the estimates going through the House and an Act -- in Supply.

MR. GREEN: . . . figured that out weeks ago.

MR. CRAIK: Fine. Sure. But let's get down to the practical facts. We're dealing in technicalities saying that a special Act or a separate Act is required to implement this bill. Well there really is not even an Act required before the fact, and you know it. You can go out under special warrant and set up any project you like under this bill; you can come back to the Legislature next year and say we've done this, we did it on special warrant, we need the money. So let's not hide behind any legislation in here. The power is completely there; this Act gives you all the powers you need without over-emphasizing any particular clause, which was attempting to be done, was to emphasize that Clause 8, to say well we can't do anything anyway because Clause 8 is in there. You can, in practical fact you can go out and do it and the government knows it. So let's face it. The bill does give the government, any government that has this in its power, the wide-ranging powers to undertake, to set up a business, to issue the shares, to carry on the business, to come back to the House later, on the assumption they're going to get the money, and there's nothing to prevent them from doing this. If you want to do it. If you want to do it.

Now, let's look at what the bill does in principle. It approves in principle the involvement of government in business and the question is: is this wrong? My position is that it is not wrong because the Moose Lake project itself was designed and set up by the previous government with this in mind; not specifically with the Provincial Government getting involved but providing facilities for the community to set up a cooperative type set-up which everybody is familiar with and which very few people disagree with. But what is wrong in principle, Mr. Speaker, is to pass an omnibus bill of this sort that approves in principle the general involvement of government in business which members of this side do not generally agree with and which I disagree with wholeheartedly. If a particular project is required and the government finds it necessary to get into business such as the project that sets up the logging operation at Moose Lake or in other projects that may come up in the north -- you can take the New Start Program that is operating out of The Pas for 150 mile radius, is one for instance where very wide-ranging powers are given to a corporation established by the Federal Government on a joint participation basis with the Provincial Government, and there are no limitations on that corporation, the New Start Corporation, to spawn businesses, to do what they have to do in order to provide readjustment or job opportunity for people.

Well now under specific cases on an experimental basis that's fine but again this is not exactly what this bill does. This bill again provides approval in principle for the government to establish any business it so desires without reference to the Legislature or to the Manitoba Development Fund with its board of advisers, but simply by Cabinet decision, for a particular Minister to decide that, for instance, that the Manitoba buffalo pins are for the use of the

(MR. CRAIK cont'd.). . . . province therefore the province should manufacture them and we'll set up an operation, and without the normal checks and balances that dictate whether a business is established - that is the checks and balances of a profit and loss statement governing decisions - I do not believe that effective decisions will normally be made, that this type of action should be taken when there is a dire need for government to get into business where it should be done, where financing to get it through a critical stage is necessary and where it can finally be turned back to a local group that can carry on after the spawning period, then this is when government should become involved. The reservations, Mr. Speaker, on this bill are that it is too broad and if the Minister wants to bring in a particular bill to set up the Moose Lake project, that's fine, he'll get 100 percent wholehearted support; but for this particular bill giving it the wide-ranging powers that it does it will not receive adequate support from this side of the House.

MR. SPEAKER: Agreed that it stand in the name of the Honourable Member for Arthur? The Honourable Member for Churchill.

MR. GORDON W. BEARD (Churchill): Yes, I guess I may as well get into the debate now, Mr. Speaker. I first looked at this Act and didn't feel very comfortable about what I thought I could read into it, because I have a suspicious mind as the Member for The Pas says and I wondered what was going to happen, and of course about the only thing I can see in front of me these days is Bill 56 and it always seems to warp my mind as to what may be taking place.

To add to this, of course, was on June 22nd when I see a large clipping in The Winnipeg Free Press where it says, "Wants Crown Corporation for Resources". But on thinking about it for a few days I felt that by golly if the north is going to go ahead then I suppose that government must become involved in some way or other. I've always felt that -- (Interjection) -- The \$2,000 grant the members says. Which one was that? -- Museum. Well that's about all the north was used for in the past is for a museum I suppose and many of the people thought that perhaps that's how it should continue. There are many areas that I see that governments could get into which would be good for Northern Manitoba and I think that probably Bill 17 would allow them to move and to plan properly and to exercise a right that all members would know about. I disagree with the Member of The Pas the other day when he said that really the north did not need money but they needed the proper civil service to spend it; money was not the problem. Well I disagree with the Member of The Pas because money is a problem in the development of the north just as it is the development of the agricultural industry or any other part of the Manitoba industry.

I would hope that this government would use the power of Bill 17, the resources or the money that they have apparently available to them through the Minister of Finance, to go into probably fabrication plants to the extension of our resources, because far too often we find now that the resource is mined, produced, and it goes out in as neat a package deal as it could go out of the province and the country such as International Nickel, 99/100 percent pure nickel. For years I thought this was a wonderful achievement - and it is actually, it's the world's largest integrated nickel industry, the free world's largest integrated nickel industry -- but all manufacturing does not stop there. This is in essence only one step from a raw resource. It's a complete bundle of material ready for other countries to quickly produce and integrate it, manufacture this into products that are quickly sold back, and I believe it was the Leader of the Opposition that said the other day that the problem in the car insurance industry was that certainly when we negotiated the agreement with the state we could import our cars with a tax free agreement, but when we bought the parts we had to pay the tax and that's why the parts were costing us so much to replace when we had damaged cars. And I say that a great deal of our raw resource, that 99/100 percent pure nickel is going into those parts that we're buying back at such a high price.

So I would hope that if the government are considering the extension of government into business or the development of Crown corporations that rather than it be something in which they are going to take away from industry that has already established something, or rather than go into competition with industry, that they would find ways and means of complementing an industry that's already established. If we can get the Japanese people interested in developing the raw resource material in Rattan Lake, Lynn Lake area, for providing the money to do this, this is wonderful. I think this is one of the finer ways of getting foreign money invested in the country because they are taking it back as I understand in the form of the material that is mined and I would presume that there will be a great deal of that mineral left over after the bill is paid off, for the mining company to continue mining and to continue exploring for other

(MR. BEARD cont'd.). . . . minerals in the area. But perhaps this is the area where our country can step in and maybe even say to the Japanese people well now that you've got your raw material what do you want to do with it? If you want pipes, if you want, whatever it may be, we will fabricate it for you and we will send it over to your country. And if this were done then I think that we could enter into a sensible agreement with the fellow country nations of the world, and in fact share with them the resources of this country. Because more and more it comes to me - and perhaps I recognize the fear and see it more often - that people throughout the world are saying the resources of this world belong to the people of the world rather than to that particular country in which it happened to be located. It would be a sad day indeed for a country the size of Canada if it in fact were called upon at this early time of our development to have to share the resources that we have before we have the opportunity of using them to develop our country in itself. So I would say that we have to get along with it as fast as possible and we have to use every vehicle that there is possible to develop the north.

The Moose Lake logging operation doesn't really warrant this bill because it is not the size that is necessary for anybody to be really concerned about, and as the Member for The Pas said, the Moose Lake Indian people would find it quite a joke if they found that we were using this much time in the House to debate a bill in respect to the Moose Lake logging operation and showed that much concern; and I believe they would be coming back and saying to government if you're really that much concerned about it then let's get right into the nuts and bolts of it and make sure that it gets as much attention as the Churchill Forest Industry, because it's complementary to it. But I believe that all sides of the House are in agreement that the Moose Lake logging operation is complementary to the Churchill Forest Industry and in fact is very necessary to the Churchill Forest Industry to assist it in getting its raw material. And this is getting down to the very nuts and bolts of the reasons why I think that the last government considered the Churchill Forest Industry and that was to get as much money back into the hands of the Indian people as possible and granted it has taken a lot of money and in the eyes of many, they debate with themselves whether this is the right way to have done it. But in any case it's been done and it is hoped that companion corporations such as Moose Lake logging industry can be in fact started so that other areas such as Thicket Portage, Wabowden, Nelson House, Cormorant and in fact, The Pas and the remainder of the Indian communities in, I suppose, what we call the 100 mile area surrounding The Pas, can in fact be involved directly in the profits of the development of the raw resources for the Churchill Forest Industries. And that is going to be the direct benefit to the people of Manitoba out of the bringing into effect the Churchill Forest Industry Complex. But I do feel that if the Crown corporations are going to creep or run into the business aspect or opportunities of Manitoba, then they must stand in front of this Legislature each year and report to us and let us see just how they're getting along. I do say this and recognizing that sometime when we probe what their activities have been throughout the year, it sounds as if they are being subjected to too much criticism but it isn't actually criticism as much as making sure that they are doing the job just the same as any shareholders would be probing their company to see that they are doing a job.

I would hope that if Bill 17 is used to develop a Crown corporation in any form to develop resources in northern Manitoba, that government would give us the assurance that there is going to be a return to government itself as much as they can possibly do it, that they are not going to be pressured into doing it at cost, not where it is a competitive industry that is set up to get the greatest amount out of the resource itself because unfortunately we find that as we look back over the Crown corporations we already have, then governments, whoever they have been, that have created them or are in charge of them say this operation is operating at cost. They seem to want to boast about it being very efficient, that it does not in fact do a thing for the economy of the country in giving a return. They'll say well, it does it through giving it as cheap as possible. But it's like any other business, Mr. Speaker, if you do things at cost, then one of these days you end up going out of business. And I would hope that if they're going into development of the province's natural wealth that they make sure that they get their fair share out of it just the same as any other industry would get a fair share of the profits out of it, not operation at cost, but operation at a profit. Because if industry can produce a profit and hold its head high because it has been efficient and produced a profit, then I think it's about time that government if it's going to get into business when along with the same type of operation could, at the end of each year submit to the Business News in the papers an end-of-the-year report in which it shows a profit that made it worthy of getting into the resource business itself.

(MR. BEARD cont'd.)

I think that if this is going to lighten the load of taxation for people generally, then it is going to do at least as good a job as operating at cost. In fact, it is going to, in bringing money forward into the straight capital of the funds of the province itself, it is going to give relief not only to the people of Northern Manitoba, not only to the people involved in the industry itself, but to the old age pensioners, to the youth or the student that is going to the university and to Manitobans generally. It's a new concept I'll admit; it's not mine but it is a new thought and we can't continually, as far as I'm concerned, be hung up on the fact that this was good enough in the past and this is what we've got to carry on with in the future, because -- (Interjection) -- maybe I'm getting a little too far up the ladder. I do feel that as we look back through history, we find that there are things that have happened in Manitoba that have been good for Manitoba because Manitoba is a reasonably good place to live when we check with the other countries, and the other parts of the world but I don't think we can rest on the merits of the horse and buggy days in developing industry today. Nor do I think really that we can in fact say that industry is the whole answer to either the social or the material development in the world in which we live because there are things that are important that industry cannot look after, that it becomes the responsibility of government. I think actually that industry has, if they look back over their responsibilities in the past, have found that they have passed up the opportunity to take these services which they have shelved and allowed government to be responsible for. I'm talking about welfare services, the hospital services, etc. which they have in their minds said, well, we'll pay for it through taxation. Then of course when the tax collector comes along they say, well, you're taxing us too much and they have shielded themselves in that they have been industry and they really have not been responsible for people other than those that they employ. So I would say that there are probably more people in this country that are responsible or their personal responsibility is to government and the government's personal responsibility is to them than it is to industry itself. Industry employs a large number of people and they keep them off the welfare roll but I think that the feeling today seems to be that they want to get governments involved in their lives more and more.

I don't like this, really, but if this is the case then government has to find other means of raising funds and if Bill 17 can open up the north any faster than it has been in the past, then I think it's a good bill. I'm not really afraid of it any more than if any other government were in power because the government that is in power is dependent, by and large, on the Minister or Ministers that are put in charge of the department. Caucus generally has little to do with the day to day business of government and while as a backbencher, I think they would feel they'd like to be, it is very difficult for them to get into this position where they can be as effective. I have found that when I was in a government party, that when Cabinet came to caucus with a bill that had already been thoroughly talked out, and they had come in in an agreement as the little army that would not be turned back and I believe this is the same as in any government that once the decision is made in Cabinet that's it.

So whether you compare one government to another, I suppose you have to remain with the philosophy that stands behind that particular government and this is what Bill 17 rests on, the ability of Cabinet to handle the business of Northern Manitoba properly. And if I have said it once I have said it many times, I don't think the business in Northern Manitoba has been handled properly and that it is time that something be done to see to it that there are areas that we can look into that we've stayed away from in the past and I don't say that this is particularly a philosophy that would have been acceptable a few years ago; I think it's a change of times. I think it's the same change of times that brought about the change in The Liquor Act and the change in many of our social Acts that have come to us today. I have thought, for one thing, that maybe governments could use a fund and make an approach to say, the Hudson Bay Company, who are advertising their 300 bold years of operation and see if the government could not, along with the Federal Government, negotiate a deal in which they would take over northern stores in Manitoba, the northern Hudson Bay Stores. And rather than setting up co-ops in opposition to the Hudson Bay Company that they would set up, in fact, or they would take over the operation of those stores and if it's the case that there is too much of a profit being made, we will find out either before or after we have taken them over and I suspect that it lies somewhere in the middle. -- (Interjection) -- It starts off but it won't end up that way.

I think that these stores are making a profit of course, or the Hudson Bay Company wouldn't be operating them. But I think they've had quite a lengthy time to get back their profits. They've been piling the skins up musket high, musket high, and those muskets had

(MR. BEARD cont'd.). . . . pretty long barrels on them at that time. It reminds me of the story of - as we go a little further north they were selling transistor record players for one skin which was a darn good deal but then the trick came when they went to buy the records, they also cost one skin. So it was only to get them caught into buying a record player, then they got paid for many years to come of course. What I would like to see is maybe government take over or help negotiate an operation in which, along with the Indian Brotherhood, Indian Affairs - and I would expect that Indian Affairs and Northern Development would have to put up most of the money - and if the government through their co-op people could assist in the buying and carrying on the business of these stores so that they could make sure that they were going to be operated properly, I think that you would find that the continuity of operation in a community would be kept up and that eventually the community could take them over as individual co-op stores or through the Manitoba Indian Brotherhood operation as a whole and they would have then their own stores, they would have their own fur buying experts and they could have their own fur auction sale and they could be doing their own thing.

This is what they're telling us in the North. They want to do their own thing and they want to be involved in it. I would say just the same as I have said at Churchill, if they involved the Indian people, if they involved Indian Affairs and Northern Development and the Manitoba Government, the Commissioner of Northern Affairs, as the Manitoba representative of Manitobans, could negotiate with Hudson Bay Company then I think that probably something could be brought about, because it would be silly for us to go in with small co-op stores in many of those areas where there's two to three hundred families. It's just not big enough to allow for two stores. I think there should be funds set up on a transportation system, fundamental of a transportation system for Northern Manitoba just the same as was started with Northern Transportation Company for the Northwest Territories which has in fact assisted Edmonton along with the Northwest Territories, Yukon, and if you look at the map you'll find that it includes a great deal of Northern Manitoba in which it could be extended into. These are the things that Bill 17 could do. But it does take money and it takes time and it takes an effort and it takes an interest and some imagination, and if those things can all be bundled up into Bill 17, I see that they could probably have some value to developing the North.

But on top of that they've got to have something to warrant it and I would suggest that if government can go into some type of fabrication plant such as an iron ore industry, a steel industry or something to look after the product that is developed after -- (Interjection) -- I'm sorry I didn't catch the Member for Interlake. What was that suggestion? -- (Interjection) -- For the Member for Interlake's area we unfortunately have to point out to him that we do not have the raw resources in the most of Northern Manitoba such as cows and horses from which we need the hide to start the shoe factory. So we want to develop the resources that are there and we want to leave those tough hides in the Interlake area for them to look after down there. The hides in the valley can either hide there or can be developed there. This is wonderful and this is why you should be supporting Bill 17, the Member of Swan River. And he should get up-- and he should get up and say if free enterprise is not going to do this in the last hundred years then the government should be doing it in the next hundred years.

MR. DESJARDINS: You don't need him, you're. . . .

MR. BEARD: Don't interject then. Don't interject. If the Member for Swan River wants to interject then he'll get his lecture.

MR. CHERNIACK: Mr. Speaker, on a point of order. I don't think it's the privilege of any member to interject without being recognized by you.

MR. BEARD: In any case I think we're wandering too far south when we get down to Swan River. I'm interested in the North and I'm interested in those areas that are isolated, in the northern communities that need the help most and they are the isolated communities, the reservations, the areas such as South Indian, Shamattawa that are desperately looking for some type of cottage-type industry, something that will warrant them staying off the welfare roll. This is most important because if they're on the welfare roll they're on the dole and they recognize the fact that they're happier if they can get out of the clutches of the Minister of Health and Social Development and get into Industry and Commerce and I think the Minister would be happy too, of course.

They have the ability to look after themselves, they have in the past. We have interfered with it in coming into the North and disturbing the status quo as it was a hundred years ago. So it is up to us now to take some of the revenue and the results of the revenues of the last hundred years and reinvest it in the North to see to it that these people can find a new way of life and in

(MR. BEARD cont'd.). . . . finding it, I can assure you that those same isolated communities will be of value not only to the government, but to industry. Because if you're going to develop the north you're going to need these reservations and isolated communities where they are, not in one city, not in one group but in each of those areas because in each of those areas you'll find that there's a great deal of mining exploration work being done and you will find that just as the International Nickel Company used Thicket Portage to develop Thompson, so will other companies want to use isolated communities to develop their area. Only I would hope that it would be more of an integrated system after the first stages of development are over. But I would say that those people are best able to give the assistance, technical assistance and this would be peculiar but those people that have lived there for all their lifetime know that area, they understand it and this is what the engineers require when they go in there to set up their tractor-train skip and the development of the area itself. They want people that have been there that know it and if they recognize this then they'll find that the best experts of all for the North are those people who have lived there all their life. Thank you very much, Mr. Speaker.

MR. SPEAKER: Agreed to let the adjournment stand in the name of the Honourable Member for Arthur? (Agreed)

The proposed motion of the Honourable Minister of Agriculture. Bill No. 81. The Honourable House Leader of the Liberal Party.

MR. G. JOHNSTON: Mr. Speaker, I have perused the bill and we have no objection and we'll allow it to go to committee for further examination at that time.

MR. SPEAKER: The Honourable Minister of Agriculture. . . . closing the debate.

MR. USKIW: Mr. Speaker, yesterday the Member for Lakeside raised a very important point, a number of points but one on which he dwelt for some length. That was Section 36 having to deal with the discretionary power with respect to the giving of grants. I want to say to the honourable member that in the previous bill, the previous Act, it was fixed or the grants were fixed from which the Minister could not move and it isn't the intention of the government to try and discriminate against one fair or another in the application of these grants but indeed to allow it to judge each application on its merits and if we take, for example, the Keystone Centre in Brandon, which I think is a very worthwhile project and the kind of project which I would want to encourage throughout many other regions of Manitoba, this would give us the power to go beyond the limits as set out in the previous legislation providing we are satisfied that the project in question is worthwhile for the region. And I'm sure honourable friends should appreciate that it is not my intention to be discriminatory in the application of future grants.

MR. SPEAKER: Are you ready for the question?

MR. J. WATT: Before the question is put, Mr. Speaker, I wonder if I could direct a question to the Minister of Agriculture. In the case of Class "C" fairs, is it the intention of the Minister to change the grant structure insofar as the groupings are concerned?

MR. USKIW: Again, I think in the opening remarks when I introduced the bill, Mr. Speaker, I mentioned that it will be our intention to encourage the consolidation of small fairs into something much more meaningful to which we would apply much greater grants. We would encourage this policy.

MR. SPEAKER put the question and after a voice vote declared the motion carried.

. . . . continued on next page

MR. SPEAKER: The proposed motion of the Honourable Attorney-General. Bill No. 76. The Honourable Member for River Heights. Stands? (Agreed)

The proposed motion of the Honourable Minister of Agriculture. Bill No. 25. The Honourable Member for Rock Lake. Stands? (Agreed)

The proposed motion of the Honourable Attorney-General. Bill No. 85. The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I did peruse the bill and checked some of the particular sections in the bill that is before us. We find that this bill is paying close attention to the matter of collection agencies and collection agents. There is a new definition of "collection agent" in the bill but then it goes on and makes very numerable exceptions and I question just what is left after all the exceptions are applied, so that you probably more or less just have the agencies that are operating in this province to which this particular legislation will apply to.

I question some of the exceptions that are being made here and probably some of the provisions that apply to the collection agent in this bill, whether they should not also apply to some of the exceptions that are being made. There are other matters brought to the attention. For one, there is a definition of the debtor which will also include a co-maker. Probably some of these things were omitted from the bill originally or from the Act originally without intention and I think this would be one of them because I feel that this provision certainly should have been in there from the very start, that where you do have co-makers that certainly you want to rely on them for collection purposes and I think this is a valid amendment that is being brought in.

There are others; one with some change in the words from "employed" to "using". Maybe when we get to committee I would like to question the officials on this whether this means that without pay or what the reasons for these are. Then I find that another section - and I don't want to particularly refer to sections of the Act - but certain sections are repealed and I would like to question people in the department for some of these repeals that are being made. When we proceed to the particular sections dealing with collection agencies I feel that some of them are rather harsh and taking away rights from collection agencies so that in many cases they will probably be very ineffective. I note that the hours in which these people will be able to call on delinquent people are very restricted and surely enough this could well mean that in certain cases they would not be able to contact some of these delinquents at all and make them very ineffective as far as collecting and making certain collections for certain debts.

I certainly will have questions on these points and probably have some amendments to make when the bill goes to Law Amendments Committee. I do not mean to say that there should not be provisions or legislation in connection with collection agencies. I think it is probably long overdue because I know of certain cases where they were much too harsh, in my opinion. But on the other hand we can also swing the pendulum too far on the other side and make them ineffective and thereby rendering the agencies almost useless and where they might be out of business. So I think we should make very sure that when we pass legislation of this type that we keep the proper perspective and that we do not create harm unnecessarily to either party.

MR. SPEAKER: The Honourable Attorney-General.

MR. MACKLING: Mr. Speaker, if no one else intends to speak I'll be closing the debate. There have, Mr. Speaker, been a few remarks which I think that I ought to respond to. The Honourable Member for Rhineland has indicated a few observations. He indicates that he will have some questions when the bill is before Law Amendments Committee. I'm certain that the committee will welcome any questions in respect to specifics in the Act.

There are some general observations though of Mr. Graham and -- the Honourable Member from Birtle-Russell and the Honourable Member from Rhineland which I think that I ought to respond to. There's the question as to whether or not with the type of detailed provisions for collection practices as provided for under the new Part XII of the Act that we're going too far. That's the intimation that was contained in the remarks of the Honourable Member for Birtle-Russell and the Honourable Member from Rhineland asks a similar question. Are we going to be too restrictive, too tough? Well I don't think, Mr. Speaker, that a perusal of the section will indicate that that is so. There has been an absence of regulation in this field and it's long overdue.

I want to indicate also, Mr. Speaker, that the Consumers' Branch of my department has, in respect to this area of the legislation, as has been the case in all of the consumer legislation, met with and heard representations from time to time on the diversity of the industry affected

(MR. MACKLING cont'd.) by legislation and I think this is exceptionally good legislation, particularly the portion contained in Part XII.

The Honourable Member from Birtle-Russell was concerned about the penalty provision provided in this section of the Act which will provide for a measure of damages really, three times the amount of the sum that is over-collected by an agency and the fact of the matter is that we want a penalty, we want a penalty that is going to be realistic and is going to be meaningful so that collection agencies will not abuse the privileges that they have in being able to practise in this business in Manitoba. And this doesn't take away from the civil rights but it does provide a measure of penalty which is realistic and it's not three times the amount of the debt involved, it's three times the amount of any money they have over-collected and there's an implication that this is going to be some sort of an automatic remedy available. The fact of the matter is that the party who has been affected by the over-collection would still have to bring the matter to the Consumers Branch and the Consumers Branch would still have to take the matter through the court process. It's not something that is removed from the court process.

There was some reference also by the Honourable Member from Birtle-Russell to a section which deals with the qualification of an employee and he drew attention to the fact that there's some reference to criminal records. I for one, am very sensitive about the necessity for having reference within the bill to this sort of thing but the fact of the matter is that the provision in the bill does allow for the consent of the director in this field and I don't want to deal with specific sections - that can come in Law Amendments Committee but there is tolerance built in in respect to that section. Of course this is an area where there has to be very great care taken, particularly in the direct sales, door to door sales field that people are responsible and trustworthy and can deal with the public directly.

I don't think, Mr. Speaker, that anything in this bill or anything in the other bills which deal in the area of consumer protection that have been introduced, are in the nature of over-protection. There has been a very great vacuum in this field which is now being responded to and I think this will help to complete the picture of comprehensive protection for individuals in the field.

MR. SPEAKER put the question and after a voice vote declared the motion carried.

INTRODUCTION OF GUESTS

MR. SPEAKER: At this point I would like to introduce 44 Grades 5 to 8 students of Crane River School. These students are under the direction of Mr. Hudson. The school is located in the constituency of the Honourable Member for Ste. Rose. On behalf of the honourable members of the Legislative Assembly we welcome you here this morning.

GOVERNMENT BILLS (CONT'D)

MR. SPEAKER: The proposed motion of the Honourable the Attorney-General. Bill No. 96. The Honourable Member from Birtle-Russell.

MR. GRAHAM: I would like to have the indulgence of the House to have this matter stand. (Agreed)

MR. SPEAKER: The proposed motion of the Honourable Minister of Agriculture. Bill No. 37. The Honourable Member from Rhineland.

MR. FROESE: Mr. Speaker, Bill 37 the new Credit Union Act that is being proposed for this session, is quite a lengthy bill and I have checked various matters, various provisions in this bill. I find that while there are certain features about it that are very commendable, I also find that there are quite a number of matters that I take personal exception to and I should probably mention some of these as I go through the bill.

I notice that there is no definition here for commercial loans, although later on in the bill, there is a section on this very matter. This is a subject that I have discussed in previous years when the bill, The Credit Union Act was amended and I feel that there should be a proper definition of what constitutes a commercial loan. I feel that in this day and age where we get so much corporate farming that corporate farming should be included in commercial or come under commercial loans because when the credit union deals with commercial loans, you can have a very rapid change in the financial situation and picture of a corporation. This does not only apply to agricultural or to farm corporations, this applies to business corporations as well and we find as our credit unions are growing larger, that more and more of these loans are being made and I feel that this is an area that should receive much closer attention than it

(MR. FROESE cont'd.) has in the past. I feel that there should be very close guidelines and I feel that management should be required to make at least monthly reports to the board on commercial loans, because I feel that this is an area where we can run into trouble very easily and where generally these are of a larger type, larger loans, that reserves could be eaten up very fast if these loans went bad. Therefore I feel on the matter of commercial loans, and I find that the bill extending the amount of the total assets that can be devoted for this purpose is increased I think from 25 to 35%, I don't object to increasing the amount but I feel that we should pay closer attention to this. Having been in the organization I know what is involved and I feel that this is an area where credit unions can be lax and where they can get into trouble very fast.

I think one of the main obstacles in the bill, in my opinion, is the matter of shared capital. We are making a complete change as far as the share structure of a credit union is concerned. Up until now, most of the credit unions in this province had a large amount of share capital compared to other assets. Under the provisions of this bill, this will be reduced very very substantially.

Take a credit union like the one that I have been associated with, it had a share capital of probably \$7,500,000 compared to a \$9,000,000 total asset. Under the new provisions the share capital of that credit union would be reduced from \$7 1/2 million to \$25,000 because the membership of that credit union is roughly 5,000 and the total amount that you can have in shares is \$5.00 so we are reducing the share capital of that credit union, by the implementation of this Act, from \$7 1/2 million to \$25,000. This I feel is a very grave weakness and this should definitely be changed because in my opinion, share capital is the backbone of any corporate structure, of any organization of this type and when a credit union goes out to borrow money from a bank or from their central what can they give as security when they borrow? In the past they had a large amount of share capital against which they could borrow because share capital is not a debt that the credit union owes to the members. When the member subscribes to share capital, he buys himself into that organization, into that corporation and this is a completely different matter than if that money was on deposit to the credit union because deposits are a first liability on the organization and I feel that we are weakening the whole movement in this province so drastically by bringing forward this aspect of it and I feel that should definitely be changed and amended. I certainly for one cannot subscribe to it.

Then also we amended The Companies Act at this session whereby loan companies can borrow under that Act up to 20 times over the amount that they have in shares and reserves. We know that the amount that the credit union can borrow is only 25 percent with the Board's resolution, 50 percent with the annual meeting resolution of the amount that they have in shares and reserves which is only one fortieth and one eightieth of that what a loan company can borrow from a bank. Now I would certainly like to see that these restrictions be removed from the Credit Unions Act very much and that they be empowered to make much larger borrowings as an organization, but only if the share structure remained as it was, because if we are going to change the share structure, then I think that that provision should be left the way it is because then I cannot see on what basis, on what strength they can go out and borrow these large amounts of money. We know that banks are not allowed to borrow against their depositors' deposits because this is a liability to them and I take the same position as far as credit unions. How can a credit union go out and borrow money against their depositors' deposits because these are a liability to them, they owe this money, they have to pay it out when required.

So that I feel when we get to committee that there should be a complete reversal from this Act to the position that was formerly held under the old Act. I don't subscribe to the new provisions in that respect to this bill. I cannot emphasize too strongly this point because we know that this has been one of the weaknesses in the co-operative movement and I rather feel the provisions that are brought into this new Act in that respect come from the co-operative movement and not from the credit unions themselves because we find in the co-operative movement, this was the position that they did not pay interest on share capital; this is what this Act provides as well now and that's the way the co-operative movement used the members' funds without any return on them. I think this was one of the big weaknesses in the co-op movement, that as a result they did not attract the monies that they would otherwise have attracted and certainly would not have had to pay the amounts that they paid as a result of additional borrowings that they had to do. So the new provisions are that your share capital will be reduced very very greatly and that no return as far as interest is concerned will be paid on share capital and I take exception to that.

(MR. FROESE cont'd.) We know that under the bill, once the bill is passed that the board will automatically reduce the share capital and put those monies into savings on behalf of the members. This is a requirement that has to be met within a certain period of time and I think it's probably around the middle of next year or so, and it's next year anyway by which time this has to be effected.

I notice also that the objects under the Act have been changed somewhat from the previous Act and I may refer you to certain sections of the bill, although we are not supposed to refer to sections but under the new Act the first object is to promote the co-operative organization or promote the co-operative structure and whereas formerly it was to provide loans to members and to provide a source where they can deposit their funds and help each other. I feel that this should remain the basic objective. It is still in the Act but it is not the first objective and I feel that by making it a first objective, that we are steering away from the original purpose to a certain extent by having to make monies available to co-operative organizations, that they take priority to individual members who might require monies in the way of loans.

I also note that there is a provision in here in connection with housing and that the objects are changed very considerably in that respect, that we are bringing in other matters into the credit union other than just saving, depositing funds with them and dealing just in finances. We are now bringing in housing to the credit union movement and I don't feel that this is a proper thing to have. They may support it but I don't think they should own housing or establish housing units and so on. I feel that this should not be the prerogative of the credit union itself. There are other ways and means of doing this and I feel there should be special organizations to promote this, and even though monies from the credit union could be used for that purpose I don't subscribe to the fact that the credit union itself should be in the business of housing.

I also note that the committees, such as the credit committee and the supervisory committee, will no longer be elected by the annual meeting but will be appointed by the board. Previous to the Act coming in, we had The Credit Unions Act amended twice, and on one occasion the alternative was brought in whereby a credit union could choose whether they would have their committees appointed by the board or whether they would be elected at the annual meeting. Now under the Act, this is strictly going to be a matter of appointment by the board, and while there are certain things to be said in favour of this practice it also has certain things that are not so favourable and that is that cliques could be developing in a board and where you could have appointments made strictly on that basis and that there is a certain danger in this respect.

I don't feel too strongly on this issue but I think there should be some safeguard developed. I don't know just how to bring this about but I think the annual meeting should have an overriding say if some things develop whereby this can be corrected. I think consideration should be given to this and probably something can be developed in that respect.

Personally I feel that we have this Act being brought forward now and proceeded with in the dying moments of the session where I feel it is not proper. I think this Act should be referred to a special committee of this House to look into it and then come back in with it at the next session. I don't think there is that particular need or rush to have the Act put through at this session. I think it's too important a matter for that and I think we would be well advised to have a committee established who would go over the bill and make sure that the proper precautions are being taken.

The matter of auditors, I note that the supervisory committee can appoint them but there is also a provision whereby the annual meeting can do so, provided the credit union has a certain amount of assets. I think this is proper, I feel that the larger credit unions in this province should have the chartered accountant audit. I know that many of them, or some of them are doing this, are practising this and I feel this should be the case with every larger organization because the auditing branch of the government, while I don't want to discredit them, but certainly I think we could have higher qualified people in it, and I think the people heading the branch should have the qualification of a chartered accountant auditor and so that in this respect certainly I welcome the decision or the provisions that the annual meeting can select or appoint a chartered accountant audit for their organization.

In past years I have dwelt on this very strongly that we should have chartered accountants in the audit branch. I will not repeat my former pleas for this. I think because we are bringing in a new Act, that this should be a matter of course.

There are more items that I really should be discussing in the bill, but to do that in detail would take a great amount of time. In the matter of loans, and the matter of overdue loans, I note that the Act will require that reports be made to the government within two weeks after the

(MR. FROESE cont'd.) expiry of a year, or entering into a new year. I'm just wondering whether this is time enough, whether this is allowing them the amount of time that a large organization needs to bring a proper report, have a proper report filed. If so, I think the credit union officers would have to work on that report well before the end of the year and I doubt whether, if the report is made, whether it should be as at the year end or as probably a month previous to that, because I doubt whether the work can be done within the two week period of time.

Then there is also another matter - and I think this also very important - that in connection with the payment of a dividend, it will only be allowed if a credit union is in good order and does not have excessive delinquencies and so on. To those members of the House who are not familiar with credit unions and with lending organizations, things of this nature can be corrected very fast if the credit committee just proceeds and gives extensions to all the accounts that are delinquent or to a major portion of them, these can be brought into order very fast and as a result the credit union then is in a position where they can declare a dividend even though there was no change actually made, as far as the position of the credit union that the loan situation was not improved at all, just because extending loans brings them into the classification whereby they are no longer delinquent without receiving payment. I don't know how to go about this to correct this, but certainly there are various ways and means of circumventing and bringing in a report that would be proper and in this way they can show a good picture of their financial situation.

Another thing that should be mentioned here and I think it's probably going to be practised more and more, and that is I feel that credit unions should be on a cash basis; that means that all interest received should be in the form of cash and not in the form of just accruals. I don't think that they should be allowed to operate on an accrual basis, because I have seen in the past where credit unions went bad because of this very situation, that the manager would accrue the interest on loans and add it to the loan and thus, on the credit side of the ledger it would be credited as received. In this way they would show a very healthy earning at the end of the year, whereas the actual situation would not nearly be as good and would probably be such that they could not declare a dividend. So that here again I feel that precautions should be made and certainly looked into where and how do our credit unions operate today. I think this practice is sneaking itself in and probably where you have good accounts this could be done, but I know for sure that in certain cases additional loans are made. Well, if you have an additional loan being made for that purpose at least it comes before the credit committee and has to be approved as such, so that this is an open affair and it's not just a thing done by management to bring about a rosy picture.

So these are areas that do not show up in the bill at all but are practices that we know are happening and this is another reason why I feel that the bill should be referred to a committee to have hearings and to satisfy themselves on some of these practices and see whether we could not bring in some certain provisions whereby this can be regulated.

They have provision here insofar as aging accounts but I don't think it's not certainly water or airtight. I know that these things can be circumvented and I feel that the Act should be referred.

On the matter of reserves, this is also a change from the former Act. The former Act required that twenty percent of the net earnings had to be set aside each year as a statutory reserve. Under the new Act, the requirements are changed very substantially and while many credit unions have built up fairly substantial reserves over the years, I can see where the newer credit union that is growing fast, under the new Act will in my opinion not be setting aside the proper amount into reserves that should go into reserves.

Under the new Act, and I know that because large amounts had to be set aside as reserves that the dividend was not as large as some credit unions would like to pay and there has been again, various ways and means of trying to figure out how to get by without setting the large amounts aside into reserves and using that money to pay dividends. I know in fact the credit union that I was associated with that if you had an earning of probably a half a million dollars, 20 percent is quite a hefty sum, this means setting about \$100,000 into reserve and if you could apply that amount to a dividend, this is a matter of considerable increase in the dividend that you pay as a result. Therefore there has been various ways and means been thought of as to how to go about and use some of the money for that purpose. I don't want to go into the details on that one. I know of certain areas and which ways it could be done and I'd have to check this Act in

(MR. FROESE cont'd.) that respect just whether that is properly taken care of or not.

The matter of demand loans, which is also a matter that I have discussed on previous occasions when we were amending The Credit Union Act, I spoke very strongly on that point, that the credit unions should have the privilege of requesting demand notes, even though there were terms on the loan, and they have recognized this in the commercial loans but I think this should also be extended to loans in general. I feel that this is a safeguard and one that a credit union or a financial organization needs, because where you have loans where the assets of a party that has a loan are subject to change very suddenly that you can be caught short if such a demand note is not there and it's a safeguard, I think it need only be used with caution and care, but I think the provision should be in the Act so that the demand notes could be used even though there are terms on the loan.

Mr. Chairman, I am probably spending too much time on the Bill itself, but I feel that it's a very important one. It is one that will be on the books or statutes for years to come once it's passed and it's one whereby the credit unions will be governed in the future. The credit union movement was started in 1937, it has grown very substantially and while not too many new organizations are being chartered, we find that the existing ones are growing larger, some are extending their operations to branch offices and this is another matter which is being provided for in this new bill which was not the case in the former one. This is also an area in which I certainly will have something to say when we get to committee. I had notes made on that section and I feel this is something that we should look very closely at to make sure that you have proper managerial experience where such subsidiaries are being allowed to operate.

I feel there is one other very important thing that seems to go right through the Act and that is that we are giving the central organization more and more power and at the same time taking away powers from the credit unions themselves and I feel very strongly on this point, that the credit unions should be autonomous. Actually the centrals were organized to serve the credit unions and now it seems to me that the centrals start taking over and try to run the credit unions and this is the case with a number of sections. I note The Stabilization Fund is one, that a credit union can only invest where The Stabilization Fund Board will approve in certain instances and so on. There are other sections where the central now has the say and I do not subscribe to this principle at all. I feel that the credit unions should remain autonomous and that the central organization should be there to serve the autonomous locals and that we should not start working on the system that the central would be the important one and that the credit unions would just become branch systems.

This is very evident in this Act and I feel while some of our credit union leaders in this province might even know, and I don't think many of them do know, of the background to this because when the Porter Royal Commission on Banking held their meetings across Canada, the Credit Union League in this province made representation to that commission and so did some of the credit unions - the one that I represented made a submission on their own - but later on when the Porter Commission Report, before they made their report, they came back and offered to the credit union movement that they would enable the credit unions to have the same power as the banks have, provided that they become a branch system.

It seems to me now that we have certain elements in Canada working in connection with this movement to bring about a centralized organization, which would eventually bring it about that you would have a bank and that the credit unions would just be branches of that bank. This would defeat the original purpose of the credit unions themselves, because the credit unions were organized at a time when people could not get credit on their own and the people pooled their resources in order to help each other out and to gain control of the credit institution to help themselves, and this would, by becoming a branch system, this would defeat the purpose of the credit union movement as it was originally brought into being.

While I feel that we should have a bank for this province and an institution over which the people would have greater control and the expansion of credit, I do not feel that the credit unions themselves should gradually be brought into a position where they would just be a branch to a central organization, and it seems to me that this is running through this Act and that we are getting closer to the point. I think also that this is one reason why they are lowering or bringing about a new share structure, because by doing that they are defeating one of the big obstacles that would be in their way of bringing about and making them branches.

Mr. Speaker, I feel that we should have representation in committee if this is to proceed, and I do hope that we will hear from the various organizations. Some of the things that I have

(MR. FROESE cont'd.) said might well be disputed, because I know that the people that were instrumental in drafting the Act were people represented on the centrals and therefore we will hear their view most likely. I don't know whether many of the credit unions will take the time to make official representation to Law Amendments, many of them probably will not be aware that this is going on at this particular time, therefore we might not be hearing from them.

There are sections in here that I certainly will move to delete. Some have to do with, under the heading of meeting, with territory and districts and so on. I don't subscribe to the idea of having delegates to the annual meeting. I think we should retain the original stand of "one member one vote" and not have to delegate those powers. Certainly we are not grown to that extent that this cannot be the case in Manitoba. I feel that the original state should be upheld and that the original provisions of the Act in that regard should stand.

There are other matters such as unclaimed balances that can be put into reserve after two years if the account is not active. Here again I feel that the time period should be quite a bit longer, that just a member not being active in his account for two years that it should automatically be referred to reserve I don't think is justified. There are many other things in connection with bonding. The matter of the common bond apparently is still upheld, although when you come into the section of subsidiary of branches that this bond principle is dropped, so you have the situation where you're still upholding the common bond, and at the other hand you're also dropping it. A common bond has been one of the chief principles in originally bringing the credit union movement out so that you could organize these various societies throughout the country.

Mr. Chairman, I expect to be making some more comments when we get to the committee. I know there's an increase in the amount of loans that an individual member can make without security and so on. I think this is quite in accordance with what is happening today, so that there should be no objection to that. I for one certainly have my doubts whether I should support the bill even on second reading because of the various provisions in the Act. The principle one that stand out and I object to most strenuously is the one dealing with share capital. So if there should be a recorded vote I would have to vote against it because of that very fact.

MR. SPEAKER: The Honourable Minister of Health and Social Development.

MR. TOUPIN: I beg to move, seconded by the Honourable Minister of Transportation, that debate be adjourned.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. SPEAKER: The proposed motion of the Honourable Minister of Government Services, Bill 94. The Honourable Member for Ste. Rose.

MR. GREEN: . . . stood, Mr. Speaker. 110?

MR. SPEAKER: 94.

MR. GREEN: It's being stood.

MR. MOLGAT: . . . ask for it to stand at this hour, Mr. Speaker.

MR. SPEAKER: The proposed motion of the Honourable Minister of Municipal Affairs. Bill No. 110. The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, we've examined Bill 110 and are satisfied with the provisions called for in it and are prepared to see the legislation proceed.

MR. SPEAKER put the question and after a voice vote declared the motion carried.

MR. SPEAKER: The proposed motion of the Honourable Minister of Youth and Education. Bill No. 104. The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, can I have the indulgence of the House to have this stand? Mr. Speaker, I'm prepared to go on it this afternoon, if that's agreeable to the House.

Mr. Speaker, Bill No. 104 is an Act to amend the Public Schools Act, and there are certain provisions in this particular bill before us to which I certainly take exception. One has to do with the Lieutenant-Governor-in-Council in connection with the powers to change the boundaries of divisions. I feel that this should be a subject matter for the House to deal with. I feel that in the past whenever boundaries of municipalities have been changed, when constituencies for electoral districts in this province have been changed, these were changed by the Legislative Assembly, and I feel there should be no change in this matter, because otherwise the Boundaries Commission Report might not even come to us because they merely recommend certain changes without giving us as members the right to speak on the particular changes. The changes could be far reaching because we know that the Boundaries Commission's work is not nearly completed, that they will eventually most likely deal with the boundaries of municipalities

(MR. FROESE cont'd.) as well, because we have many municipalities in this province, some large ones, some small ones, medium sized, and when a committee was appointed some years ago and held meetings in Winnipeg and Brandon and Swan River, we have asked these people, these representatives of these municipalities whether they would want to be joined with another municipality or whether there should be an enlargement or changes of the boundaries. They I think one and all said to leave them alone, they were quite happy, but if another municipality wanted changes that they could well have them, they didn't want to stand in the way, but at the same time they themselves did not request any changes and that they were, I think, in most cases happy to stay the way they were. So I certainly would take exception to this provision in the bill.

There is another provision here for time for religious exercises in schools. I forget when the Minister introduced the bill whether this had been deleted because of the divisions being brought in, that as a result it didn't apply. I certainly would like to have some clarification from the Minister on this, in that that might be the reason for it being in. Certainly I feel that we should have this provision in the School Act about the time limits. Perhaps there could be a change, but I will wait till we get to committee so that we can have an exchange with the Department of Education on this point.

MR. SPEAKER: Order. Order, please. Perhaps the honourable member will be able to continue when this item next appears on the Order Paper. The Honourable House Leader.

MR. GREEN: I move, seconded by the Honourable Minister of Agriculture, that the House do now adjourn.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House adjourned until 2:30 Friday afternoon.