

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Monday, March 11, 1974

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 25 students, Grade 6 standing, of the Robert Browning School. These students are under the direction of Mr. Talaga. This school is located in the constituency of the Honourable Member for Assiniboia. On behalf of all the honourable members I welcome you here today.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports.

TABLING OF REPORT

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): Mr. Speaker, by a resolution of this House some years ago, the Minister of Labour was charged with the responsibility of tabling in the House the report of the Minimum Wage Board. It is not really a directive other than by way of resolutions, and in compliance with that resolution, which was passed, I table the annual report of the Minimum Wage Board for the calendar year 1973.

MR. SPEAKER: Any other Ministerial Statements or Tabling of Reports? Notices of Motion; Introduction of Bills. Does the Honourable Member for . . .

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Stand, Mr. Speaker? (Agreed)

MR. SPEAKER: Does the Honourable Member for Sturgeon Creek have one?

MR. J. FRANK JOHNSTON (Sturgeon Creek): . . . stand. (Agreed)

MATTER OF URGENCY

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

MR. SIDNEY SPIVAK Q. C. (Leader of the Official Opposition) (River Heights): Mr. Speaker, I move, seconded by the Honourable Member for Lakeside, that the House do now adjourn to consider a definite matter of urgent public importance, namely: That in view of the serious allegations that have been made involving the Department of Co-operative Development, it is urgent that a debate be held to discuss the propriety of an investigation being conducted under the auspices of the Minister himself, and to discuss the need to commission a Judicial Inquiry to insure free and independent investigation.

MR. SPEAKER: Before I accept the motion, we will have our five minutes as the rules call for, and I would hope the honourable members would address themselves to our Rule No. 27, in particular section 5 (b) and also 6, and of course the emergency of the situation. The Honourable Leader of the Opposition.

MR. PAULLEY: May I, Mr. Speaker, just before the honourable member starts the debate, have a copy of the resolution that is before the House.

MR. SPEAKER: It is being brought by the page.

MR. PAULLEY: Thank you.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, the question of urgency of debate in this matter must be evident to all members. Two very serious allegations have been made. One involves theft and fraud on the part of the government's agents. . .

MR. SPEAKER: Order please. The honourable gentleman is discussing the motion and not the urgency of the debate.

MR. SPIVAK: No, Mr. Speaker . . .

MR. SPEAKER: The substance I will not entertain.

MR. SPIVAK: Mr. Speaker, with all due respect, I am dealing with the necessity and the urgency of debate and I'm indicating that there have been serious allegations made against the government. One involves theft and fraud on the part of government agents, the other the possibility that one or more members of the government have conspired to conceal a criminal act. These require urgent investigations that in turn requires, Mr. Speaker, as a matter of urgency, that the Minister not be in a position to preside over an investigation in which his own conduct will be one of the subjects of the investigation.

MATTER OF URGENCY

(MR. SPIVAK cont'd)

Mr. Speaker, that second investigation is under way, is already admitted by both the Minister and the Premier. Since that investigation must now necessarily include the urgent examination of such matters as when the Minister was informed and what actions he did or did not take, it is urgent that it be removed, at least for the moment, that at least he be removed at this point from the position of acting as chief investigator and judge of his own case.

Mr. Speaker, for him to continue in that role will raise grave doubts among the public at large as to whether a full, free and independent investigation is taking place, or indeed even possible. Mr. Speaker, there is urgency in tracking down documents, financial statements and the persons involved. The opportunity for this House to pursue this matter will not arise until some indefinite point in the future when the estimates come forward, and Mr. Speaker, it should be noted that the Minister deliberately rescheduled the estimates. Mr. Speaker, by the time they come forward much may have happened, and in the interim the Minister will continue to preside over an investigation in which his own conduct is a matter of urgent public concern. There is a further urgency in this, Mr. Speaker. A major issue involves restitution to people who may have been robbed or defrauded. That restitution cannot occur until an investigation is conducted.

MR. SPEAKER: Order please. Again I must remind the honourable member it is urgency of debate he is debating, and not urgency of the matter.

MR. SPIVAK: Mr. Speaker, if the question of fishermen in the north being robbed is not a matter of urgent debate in this Legislature, or the allegations that have been made are not a matter of urgent debate, I frankly don't know what is a matter of urgent debate in this House.

MR. SPEAKER: Order please.

MR. SPIVAK: The allegations, Mr. Speaker, for the benefit of the members opposite, were made by the chairman of the Freshwater Fish Marketing Commission in the minutes of the meeting held September 1st between the Deputy Minister of Co-operative Development and the chairman of the Freshwater Fish Marketing Corporation.

MR. SPEAKER: Order please. Order please. That is irrelevant to the urgency of debate. It is debate across the floor of the House and out of order. The Honourable Leader of the Opposition has one and a half minutes left.

MR. SPIVAK: Mr. Speaker, that restitution can occur until an investigation is concluded is obviously not possible, but we have already noted the Minister has hitherto failed to initiate the investigation that would lead to restitution, and I suggest, Mr. Speaker, that he cannot be allowed to preside over an investigation of his own inaction. The debate, Mr. Speaker, is urgently required because if an acting minister is not to be named, we must immediately have the opportunity to insure that the investigation will not be precluded from examining the role of the minister himself, and Sir, I suggest that the best way of insuring that that investigation would be conducted would be through a Judicial Inquiry.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): Well, Mr. Speaker, I can see that you have a very difficult ruling to make and I will try and stay within the confines of the argument as to why a motion should be passed and a discussion held under a Matter or Urgent Public Importance. The two points that concern me is that if the information that has just been brought out by the Leader of the Opposition is true, then I think that the government cannot, cannot carry out an in-House investigation. They just can't. It's not proper, it's not ethical.

The other matter that I raise is that we have spent a number of hours on the Department of Agriculture on the Minister's salary, and for reasons known to the government - and I imply no deep, dark reason for not doing it - the government decided not at the time to bring in the Minister's other responsibility, which was the Department of Co-operatives. Now, when you come to make your ruling, Mr. Speaker, I want you to consider this: that the proper time has passed when the government could have had this discussed, but they chose not to. They chose not to. I don't say deliberately but I'm saying --(Interjection)-- Oh yes. One of the Ministers says, "Well, there's another 60 hours," but in past years there had been departments not even scrutinized, where there's been millions if not hundreds of millions of dollars passed in a three second motion because there was not time left in the 90 hours to scrutinize.

MATTER OF URGENCY

(MR. G. JOHNSTON cont'd). . .--(Interjection)-- I know, I understand that. But Mr. Speaker, the undertaking that the government gave to have the Department of Co-operatives come after another department - I believe it is Labour - is not in my opinion valid because they had the chance, they had the chance when the Department of Agriculture was on, to bring it forward then, and for them to suggest to you that when they stand that they have given an undertaking to have the Department of Co-operatives discussed soon, even though with a guarantee or with a solemn word given, I don't think that argument holds because they have had their chance to voluntarily bring forward the Department of Co-operatives for which the Minister of Agriculture is responsible. And to me that takes that argument away. That they have had their chance to have this brought forward and the opposition has a duty to use whatever method that they see fit to bring this forward for public discussion.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, the question before the House at this particular time is the urgency of debate and that is the only question that I will deal with as the Acting House Leader of this Assembly. I refer honourable members to our own Rule No. 27 which deals with the question of the urgency of debate. Even when the Honourable the Leader of the Opposition introduced his motion, he did indicate that when the Estimates of the Department of Co-ops come forward, then this matter can be considered. I think he is perfectly correct when he stated this, which is an indication that there is no urgency at the present time because of the fact that the matter will be debated and can be debated at the time that the Estimates of the Department of Co-ops is before the House.

I also, Mr. Speaker, draw to your attention that during the deliberations previously in the Department of Agriculture, certain questions were posed to the Honourable the Minister of Agriculture dealing with questions, and also on the Orders of the Day, that the Minister of Agriculture, who is also the Minister dealing with Co-ops, said that he would undertake to answer certain questions raised by opposition members, and I believe that in due course the Honourable Minister of Agriculture will be producing the answers to those questions.

Mr. Speaker, I refer to you Citation 176 of the Third Edition of Beauchesne. I'm sorry it's not the fourth but it is Beauchesne No. 3, that says, "The Speaker ruled that the motion should not be allowed because he did not think the matter mentioned in the member's statement was of recent occurrence." I suggest, Mr. Speaker, by virtue of the announcements that have been made in the last day or so by the Honourable the Leader of the Opposition in reference to certain alleged happenings in the Southern Indian Lake Co-op, that the allegation is that these events occurred some time ago. Therefore, Mr. Speaker, I suggest to you that the Honourable the Leader of the Opposition is in error in raising this as a matter or urgent debate for today. He had ample opportunity previously in this House to raise this question . . .

A MEMBER: When?

MR. PAULLEY: My honourable friend says "when?" Mr. Speaker, one of the rules of this House and one of the historic rules of parliamentary procedure is that if any member has a grievance on the motion to go into Committee of Ways and Means or Committee of Supply, that any honourable member has the opportunity of raising a grievance, and it has not been done. Now I can understand in the field of politics the desire of my honourable friend the Leader of the Opposition, the desire of the Acting Leader of the Liberal Party, to raise political considerations without the observation of the normal procedures in a democracy. I can understand that.

--(Interjection)-- I've been in politics for a little while too, Mr. Speaker. Shame? It is a damn shame that the Leader of the Opposition attempts to, by motions of this Minister, to raise matters that he could properly have drawn to the attention of this House. Mr. Speaker, I say to you in my present category as House Leader, that there is no urgency the Department of Co-ops and Development will be before this House in due course and the assurance has been given by the House Leader, my colleague the Minister of Mines, that every effort will be made to advance consideration of Co-op Development as quickly as possible. The onus, then Mr. Speaker, I suggest rests with the opposition to extradite the consideration of the Estimates of the Department of Co-ops. By his letter of today, dated today, March 11th, the Honourable the Leader of the Opposition circumvents his own motion of urgency because he raised three matters, not one, and under our Rule 27 only one matter shall be considered as a matter of urgency. Mr. Speaker, I suggest to you that the matter, the motion of urgency, is absolutely out of order.

MATTER OF URGENCY

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, I wish to speak on a matter of privilege.

MR. SPEAKER: Pardon?

MR. G. JOHNSTON: I wish to be heard on a matter of privilege.

MR. SPEAKER: Would the honourable member state his matter of privilege.

MR. G. JOHNSTON: Well my concern, the matter of privilege is in the way the Honourable the Minister of Labour misrepresented and misled you and this House when he said, or words to the effect, that we on this side could have very well raised this as a matter of personal grievance, and . . .

MR. SPEAKER: Order, please. That is not a matter of privilege, that's a difference of opinion.

MR. G. JOHNSTON: Well, he used words. . .

MR. SPEAKER: Order, please. I have heard sufficient that the honourable member has not made a matter of privilege. Now if he has a matter of privilege I'll entertain that. Would the honourable member state it please?

MR. G. JOHNSTON: Well, Mr. Speaker, I ask you, is it a matter of privilege or not when a member rises in his place and says that members, certain members in this House are playing a certain unethical low type of politics. --(Interjection)-- You did. And that's my matter of privilege. I wish to answer.

MR. SPEAKER: Order, please. Order, please.

I thank the honourable members for contributing towards the five minutes in respect to urgency of debate. I must indicate that I ask that they consider Rule 5 and the subsection underneath it in regards to whether it was more than one matter. The only one that addressed himself to that was the Honourable Minister of Labour. The other discussion that should have taken place was in regards to whether this matter had to come under a distinct motion and that also was not addressed to. I find the motion unacceptable at this time. The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): Sir, with deep regret I must challenge that ruling.

MR. SPEAKER: Order, please. Order, please. ORDER. Do the members wish me to conduct this quorum or are they interested in hearing themselves? Shall the decision of the Chair be sustained?

A VOICE VOTE was taken.

MR. SPEAKER: In my opinion the Ayes have it.

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

MR. SPEAKER: Call in the members.

Order please, the question before the House is, shall the decision of the Chair be sustained?

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

YEAS: Messrs: Adam, Barrow, Bostrom, Boyce, Burtniak, Cherniack, Derewianchuk, Dillen, Doern, Evans, Gottfried, Hanuschak, Jenkins, Johannson, McBryde, Malinowski, Miller, Osland, Patterson, Paulley, Pawley, Petursson, Shafransky, Toupin, Turnbull, Uruski, Uskiw, and Walding.

NAYS: Messrs: Axworthy, Banman, Bilton, Blake, Brown, Craik, Enns, Ferguson, Graham, Henderson, G. Johnston, F. Johnston, Jorgenson, McGregor, McKellar, McKenzie, Marion, Minaker, Moug, Patrick, Sherman, Spivak and Watt.

MR. CLERK: Yeas 28, Nays 23.

MR. SPEAKER: In my opinion the Ayes have it and I declare the motion carried.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: Mr. Speaker, I direct my question to the Acting Premier and ask him if, in the light of predictions issued by the United States national weather service over the weekend, that there will be considerable flooding along the Red and Assiniboine Rivers this spring, has the government taken any steps or any measures to ensure that those people who will be affected by the flood will be receiving sufficient co-operation from the government to ensure that the effects of those floods will be mitigated.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Minister of Finance.

HON. SAUL CHERNIACK Q. C. (Minister of Finance) (St. Johns): Mr. Speaker, I can inform the House that the Minister of Mines, Resources and Environmental Management is probably right along the Red River now and by this time should be pretty close to Grand Forks and probably is seeing what the situation is there. As to the specific question, I will leave that for him to respond to and accept it as notice on his behalf.

MR. JORGENSON: Mr. Speaker, a further question to the Acting Premier. Has the government made any representations to the Canadian Wheat Board or to the railways to ensure that grains which may lie in the path of the flood, will be removed before break-up, and that there is not much time remaining if the weather continues the way it is. I hope that the government has taken some steps to ensure that that grain will be moved.

MR. CHERNIACK: Mr. Speaker, I'm sure that what the honourable member has indicated is important and I will see to it that it's also accepted as notice for consideration, if action has not already been taken. I personally am not aware of it.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): I have a question also for the Acting Premier of the province. I wonder can the Acting Minister advise the House as to the level at which water control intends to lower the Shellmouth Dam before the spring run-off.

MR. CHERNIACK: I'll take it as notice, Mr. Speaker.

MR. MCKENZIE: A question for the Acting Premier, Mr. Speaker. I wonder can the Acting Minister advise the House what plans are being formulated to assist the areas downstream from the Shellmouth Dam which faces the heaviest spring run-off that's anticipated.

I have another question, Mr. Speaker, to put in the record for the Honourable Minister. I wonder can the Minister advise the House what compensation formula will be used for those who may suffer losses from this heavy run-off that's anticipated.

MR. CHERNIACK: Mr. Speaker, the honourable member realizes, of course, that these are hypothetical questions, I mean this last one especially, and that the questions that have been asked will all be taken together as a package as notice, and no doubt will be dealt with.

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. I have a question for the Minister of Northern Affairs. I would like to ask the Minister, will the government reimburse those companies, corporations or individuals, who will be forced to incur additional transportation costs because of the failure of the winter road system?

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. RON MCBRYDE (Minister of Northern Affairs) (The Pas): Mr. Speaker, the honourable member's question is quite incorrect in that the winter roads this year could hardly be described as a failure. Most of the goods have now been hauled into the northern communities over the winter roads system and in spite of reports from such unbiased commentators as Mr. Fred Cheverle and Mr. Elman Guttormson, the two communities that are not presently served by winter roads that we anticipated would be served by winter roads, are very small communities and have in the magnitude of eight truckloads in one community and five truckloads in another to go, and it is not a major catastrophe that in fact those roads are not presently open.

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. GRAHAM: A supplementary question to the same Minister. Will the government make restitution to those companies that attempted to transport goods over the winter road system and caused excessive failure in their line of equipment?

MR. SPEAKER: The Honourable Minister of Northern Affairs.

MR. MCBRYDE: Mr. Chairman, I'm not aware of what excessive failure the Member for Birtle-Russell is talking about.

MR. GRAHAM: A further supplementary question to the Minister: will the Minister of Northern Affairs consider transferring responsibility for road construction to the proper department, the Department of Highways, in the coming year?

MR. MCBRYDE: Mr. Speaker, I think it would be fair to say that the matter has been discussed and it was decided that winter road construction would be maintained in the Department of Northern Affairs and that we would attempt to get assistance and cost-sharing with the federal Department of Indian Affairs for this program that has meant considerable savings to

ORAL QUESTIONS

(MR. McBRYDE cont'd). . . people in remote northern communities.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID BLAKE (Minnedosa): Thank you, Mr. Speaker, my question is directed to the Honourable the Minister of Agriculture responsible for the MACC. Can the Minister confirm to the House that the Manitoba Agricultural Credit Corporation loaned \$800,000 to the Southern Indian Lake Fishing Co-op in 1973?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: I believe, Mr. Speaker, that the honourable member is really incorrect in that the loan was through the Co-operative Loan Fund, not the MACC.

Mr. Speaker, while I'm on my feet I should like to take this opportunity to respond to a number of questions on the very subject of the northern co-operatives, questions put to me over the last few days or at least during the course of the last week, and I've had an opportunity to ask the Department to respond to each one of those and I now wish to give the department's response to the questions that have been put. There are 36 in all, Mr. Speaker - it's going to take some time - but I think I should put the answers on the record for the benefit of members opposite.

The first question, Mr. Speaker, has to do with -- the question as is follows: Has the bankruptcy of the present fishing co-operatives now operating in northern Manitoba been brought to his attention by members of his department? The answer, Mr. Speaker, is as follows: No. 1 - No co-operatives presently are in bankruptcy proceedings. No. 2 - There are 17 co-operatives engaged in commercial fishing; out of 17 only four are experiencing financial difficulties. These are co-operatives in remote isolated areas.

The following is the list in difficulty: (a) South Indian Lake Co-operative; (b) Kee Noe Zae Co-operative; (c) Manitou Sakahikun Co-operative; and (d) Ilford Co-operative. The Department of Indian Affairs has acted as manager during the 1973 season for Kee Noe Zae so that we are really relating most directly to the three remaining that are in trouble.

The next question put by the Leader of the Opposition is as follows: "I wonder if the Minister can indicate whether he's had an opportunity of reviewing the balance sheets and financial statements of co-operatives?" I have discussed this matter with the department, Mr. Speaker, and I want to say to my honourable friend that we have reviewed those that we have had a financial interest in and where we have some difficulties, and it's the three that we were talking about earlier. But really, I don't normally look at the balance sheets of all of our co-operatives because they are indeed private organizations and, unless we have some public interest in them, they really don't come before me. And to the extent that they come before the department for advice, that of course is an ongoing thing and has always been that way.

With respect to the three co-operatives that are in trouble and over which we have had some direct input, I should like to advise members opposite that there have been negotiations with the Freshwater Fish Marketing Corporation with the idea of arranging some sort of a rental or a lease arrangement on the facilities of these four co-operatives. Those discussions are continuing at the present time.

The Leader of the Opposition also asked -- well, I think I should put them in a different way, Mr. Speaker. The next question by the Leader of the Opposition as follows: "Mr. Speaker, my question is to the Minister of Co-operative Development. I wonder if he can indicate whether his department is in the process of attempting to negotiate the sale of the fishing co-operative to the Department of Indian Affairs, the Federal Government?"

The answer from the department is as follows, Mr. Speaker; (1) No, the department is not nor ever did negotiate to sell any assets of the co-operative to Department of Indian Affairs or any other party. (2) All co-operatives are legal and sovereign entities by themselves and the department has no authority to offer for sale assets that do not belong to the Department. The department in some instances assists the co-operatives in negotiations for lease of their assets between FPMC and the co-operative for the purpose of agency appointment. (3) There have been several meetings between Manitoba Government officials and FPMC to discuss the scope of FPMC's responsibility. (I'm using the abbreviated term for the Freshwater Fish Marketing Corporation). Discussions were held and continue in an attempt to convince the Freshwater Fish Corporation to accept more responsibility in the area of lake-side facilities, plant equipment, transportation arrangements, agency fees, grading etc.

ORAL QUESTIONS

(MR. USKIW cont'd)

The next question put by the Leader of the Opposition is as follows: "By way of another question to the Minister, I wonder if he can indicate whether the managers of the fishing co-operatives are in fact managers appointed and selected by the Department of Co-operative Development?" The answer: (1) No, the board of directors of co-operatives hire the managers. (2) In some instances the Department assists in hiring or locating managers. This however is done with the consent of the local board.

Another question put to me by the Leader of the Opposition as follows, Mr. Speaker: "I wonder then, by way of another question to the Minister, I wonder if he can indicate how many of the fishing co-operatives managed by his department are audited by external auditors rather than by internal auditors of his department?" Answer: (1) No co-operatives are managed by the department. (2) In some instances the department assisted in direct management through development officers where no management personnel were available when needed. 1973 Co-operative Development Officers acted as manager at Ilford for the summer season at the request of the board. This was to be only until a manager was located. Three co-operatives were audited by outside auditors: Kee Noe Zae - 1972, summer 1972 season; South Indian Lake, period ending April 30, 1973, audited by two different firms, Ernst and Ernst on behalf of DREE, Birch Finlay at the request of the Department of Co-operative Development, and of course there's one other one here which is Indian Rice Producers Co-op, never audited by the department; balance of the co-operatives audited by the department, Mr. Speaker.

Another question asked by the Leader of the Opposition as follows: "By way of another question to the Honourable Minister, Mr. Speaker, I wonder if he can indicate whether the officials of his department who provide this assistance have brought to his attention any misuse of trust funds by the co-operatives?" The answer is: No, no misuse of trust funds. (2) Moneys collected, unemployment insurance, Canadian Pension Plan, income tax, are placed in regular accounts and disbursed by local manager or board. This is normal business practice in both co-operatives and other corporate structures. Some co-operatives owe remittances to the Receiver-General. In these instances payment is made out of proceeds of next season's operations: The Manitoba Sakahikun in the amount of \$11,297.70; Ilford Co-operative Limited also to the Government of Canada in the amount of \$10,078.36; Kee Noe Zae Co-operative in the amount of \$16,710.99, again to the Government of Canada; South Indian Lake Co-operative \$9,500.00 again to the Government of Canada. These are for those particular deductions.

Now those particular aspects have been discussed with me, Mr. Speaker, but nothing out of the ordinary has happened in this particular instance, at least as the department advises and they are still under review.

The next question put to me by the Leader of the Opposition is as follows: "I wonder if he could indicate to the House whether any officials of his department who provide assistance to co-operatives have brought to his attention any claims by the Federal Government for moneys owing to them not paid by the co-operatives." The answer to that is yes, from time to time income tax office requests assistance in collecting overdue payments. In these instances the department passes the request on to co-operative management. Because of isolated conditions the department through its development officers has assisted Federal Government in obtaining payment or passing on the requests. At this time the Federal Government has placed third party claims on three co-operatives - Ilford Co-operative, South Indian Lake Co-operative, and Manitou Sakahikun.

Another question by the Leader of the Opposition as follows: "I wonder if the Minister can indicate whether any of the officials of the department who provide assistance to the co-operatives have brought to his attention any disbursement of dividends by co-operatives and out of capital rather than out of earnings?" The answer to that is no, it was not done, at least not that I can be aware of nor has the department any knowledge of that happening. Dividend payments have always been based on earnings, provided that cash position was not impaired. In co-operatives dividends are paid on earnings and not on share capital.

Another question put to me by the Leader of the Opposition, Mr. Speaker, is as follows: "Mr. Speaker, my question is to the Minister of Co-operative Development. I wonder if he can indicate to the House whether there has been any fraudulent or misuse of Government of Manitoba funds or Federal Government funds by any fishing co-operative in the Province of Manitoba?" The department advises as follows: No, to the best knowledge of the department

ORAL QUESTIONS

(MR. USKIW cont'd). . . there has been no fraudulent or misuse of government funds by co-operatives.

Another question by the same person, Mr. Speaker, as follows: "I wonder if he can indicate whether there have been meetings of his department with the head of the Freshwater Fish Marketing Board or corporation, its officials, the Department of Indian Affairs, dealing with allegations of mismanagement and incompetence by the Department of Co-operative Development in its assistance and supervision of fishing co-operatives in Northern Manitoba?" The answer to that question is yes, many meetings between the Department of Co-ops and the FFMC have been held, reviewing all matters of the northern fisheries. Allegations only relate to one meeting, Mr. Speaker; the specific meeting referred to in the question was held on September 1, 1973, it dealt with South Indian Lake Co-op. Peter Moss at that meeting brought a number of things to the deputy's attention, many of which were hearsay. The main point alluded to mainly, the obtaining of funds fraudulently, was reviewed and definitely cleared and proven false. The department advises that there has been no further communication in this respect and that no allegations were made formally. And all of the misunderstandings at that time were cleared up at that particular meeting.

Mr. Speaker, the Leader of the Opposition had another question as follows - it seems they're all coming from the Leader of the Opposition: "I wonder if the Minister can indicate whether he has received a report of a meeting held on September 1, 1973, between the offices of the Freshwater Fish Marketing Board and the Department of Indian Affairs and the Department of Co-operative Development, dealing with charges and accusations of mismanagement and incompetence in connection with the operation of South Indian Lake co-operative, fishing co-operative?" The answer to that is yes, many meetings take place on the matters of management, finance, production; these are ongoing in nature and are not singled out.

Another question put by the same person as follows: "Mr. Speaker, another question to the Minister. I wonder if he can indicate whether any officials of his department brought to his attention allegations that advances that were forwarded to one fishing co-operative were solicited fraudulently by members of his own department?" The answer, yes, by way of a copy of a letter from an employee of the department denying the accusations. (2) I am now told that no money was ever obtained fraudulently as advances from the Freshwater Fish Marketing Corporation. Everytime money was advanced to a co-operative, the reason for the request for the advance was explained to the Freshwater Fish Marketing Corporation in detail. At no time was the money advanced used for other purposes than the purpose for which it was requested.

The question put to the Minister - Oh, this is another question - the question put to the Minister was whether anyone had brought allegations to him concerning a suggestion of fraudulently being involved in the misuse of money. Now the question to him is, did anyone bring him allegations, not whether it was true or not. That was put by the Leader of the Opposition as well. And the answer to that is yes, I was informed by way of a copy of a letter from an employee of the Department of Co-operative Development denying any accusation of fraud and demanding an apology.

Now the Member for Lakeside put the following question: "Mr. Speaker, I direct a question to the same Minister, can the Minister indicate to me why the department allowed the expenditures at South Indian Lake Co-operative to be so far out of line with the actual physical properties there being constructed?" The answer: The expenditures incurred are not out of line when all assets owned are considered and when northern conditions are considered.

Another question put to me by the Member for Lakeside. "My question is, why his department approved of the construction of, for instance, a \$25,000 cedar" - I suppose the grammar's not right but that is the way it's in Hansard - "for a log house at South Indian Lake surrounded with a \$10,000 fence in that same complex and why his department approved of those kind of expenditures of public funds." Answer: Approval to construct a residence for plant manager made by the board and approved by DREE. At the time there was no house or suite available in the . . . Availability of a house was essential in order to interest people to consider the manager's position. There is no \$10,000 fence around the house. Plant complex surrounded by commercial type chain link fence to protect plant property and isolate complex from other activity.

Another question put to me by the Member for Lakeside: "Mr. Speaker, I direct a final supplementary question to the same Minister. Can the Minister indicate why the department

ORAL QUESTIONS

(MR. USKIW cont'd). . . allowed the original projected proposals for South Indian Lake, estimated to be in the neighborhood of \$200,000, to exceed \$1 million, I believe the actual cost being one million four?" That is the question. Answer: Project cost in final estimate approved by DREE was \$658,865 plus 15 percent overrun allowance which makes total approval cost \$728,045. Actual cost was \$786,272.15. Total cost is not 1.4 million. The original forecast was without research and actual costing of project. Research conducted after initial estimate by consulting firms who recommended the final proposal. Consulting Unies Limited, Winnipeg.

Mr. Donald W. Craik put the following question, or the Member for Riel: "Mr. Speaker I direct a question to the Minister of Agriculture regarding the Department of Co-operative Development. Is it true that the Department of Co-operative Development is certifying financial statements from fishing co-ops but it is impossible to reconstruct any of the accounts?" Answer: "The department does prepare and certify statements based on information provided by the co-operative. Deficiencies and accounting records are reconstructed during audit, and recorded according to accepted principles of accounting.

Another question by the Member for Riel as follows: "Mr. Speaker. I'll reduce the question then to one, of asking the Minister whether or not his department is certifying the financial statements." Answer. The department is certifying financial statements prepared by its staff. Exception, Kee Noe Zae Co-op statement not prepared nor certified by the department for 1973 summer operations. This operation was under the Department of Indian Affairs' responsibility during the summer of 1973.

Another question put to me by the Member for Riel as follows: "A supplementary question, then. I ask specifically whether he is not supervising the accounts, certifying the financial statements in the case of South Indian Lake." Answer. No. Accounts supervised by local management at South Indian Lake. Supervision consists of advice to the manager. Financial statement for 1973 audited by C. A. firms. Next statement for April '74 not prepared and not due. Financial statement for period ending April 30, 1973 was audited by a C. A. firm. Next statement will be prepared for period ending April 30, 1974.

The next question was put to me by the Member for Roblin: "Mr. Speaker, I have a question to the Honourable the Minister of Agriculture. I wonder can the Minister indicate to the House how many of the loans guaranteed by his department for fishing co-ops to the banks and credit unions are now in arrears." Answer. Of a total of 20 loans guarantees totalling \$1,632,900 outstanding as of this date March 8, 1974, three are in arrears, namely, Ilford Co-operative in the amount of \$5,000; the other two are not fishing co-operatives. One is the Crane River Feed Lot and the other is the Interlake Pulpwood Co-operative. Total of 9 loans guaranteed to fishing co-ops for an amount of \$1,124,900.00.

The Member for Roblin put to me another question: "Mr. Speaker, I have another question for the Honourable Minister of Agriculture. I wonder, can the Honourable Minister advise the House how many of the guarantees because of failure to pay interest are now . . . it says "now hired" and that's authorized by his department. I suppose it means "higher." And the answer to that is none.

The Member for Rock Lake put the following question: "Mr. Speaker, I direct this to the Minister of Agriculture under his Department of Co-operative Development. Can the Minister indicate why \$20,000 was spent on communication equipment and not used, and which was approved and supervised by his department, when we understand \$700.00 would have been suffice?" Answer: Part of communication -- well that's the way it's written, Mr. Speaker. Part of the communication equipment installed and in use. Lack of funds made it difficult to install balance of radio equipment at various lake stations. The kind of equipment needed and purchased could not be obtained for \$700.00 from any source. The question suggests a complete lack of understanding of the northern situation, particularly in the case of a multi-station co-operative operation. \$700.00 does not even buy one set. To operate, you require a receiver and a transmitter, multiplied by the number of locations to be reached.

The Member for Rock Lake put this question to me, Mr. Speaker: "I have another question for the Minister of Agriculture, Mr. Speaker. Can the Minister indicate the amount of arrears of loans which were obtained from the Freshwater Fish Marketing Corporation, which were assisted and directed by his department or supervised?" The answer. Kee Noe Zae Co-operative in the amount of \$40,000. Transaction is between the co-operative

ORAL QUESTIONS

(MR. USKIW cont'd). . . and Freshwater Fish Marketing Corporation and does not involve any departmental intervention.

The Member for Birtle-Russell put the following question: "My question is to the Minister of Co-operative Development and I would like to ask the Minister if the Management Services and the supervision provided by his department to the South Indian Lake Co-operative, included the drawing up of the contracts and the tender specification for the building of South Indian Lake Co-operative." Answer. The department gave assistance in preparation of tenders and specifications and contracts, as per requests from the board of directors of South Indian Lake Co-operative. Consulting firms and Federal Department of Fisheries approved specifications and design.

Another question by the Member for Birtle-Russell: "When the Minister is taking that as notice, will he also take as notice the question of whether the tenders, if any, were called, came to his department, and if so, how many bids were received; and if there were any, could he indicate what the tender price was for the construction of the South Indian Lake Co-op?" Answer. Yes, tenders were called for the main fish plant building. Tenders came in as follows: A. K. Penner and Sons - \$268,000; Peter Leitch Construction - \$268,000; Malcolm Construction - \$268,500; B. F. Klassen Construction Limited - \$264,292; F. W. Sawatsky Limited - \$257,864; Baert Construction - \$359,000. The above tendered price did not include refrigeration and mechanical. The Engineers, Unies Limited, had estimated refrigeration and mechanical to cost approximately \$250,000. Had the Co-operative awarded a contract to one of the tendering companies, the final cost of the total project would have been 1.3 million as had been suggested in the House. It must be remembered that over and above the main plant building with refrigeration and mechanical, the following was also acquired or constructed: drygoods warehouse, heated grocery warehouse, repair shop and dining hall. All for a cost of \$388,960. This contract was awarded to Perma Structures Limited of Winnipeg after all other tenders were refused and so advised by letter of September 3, 1971. All the above was done after consulting with the board of directors, Federal Fisheries and DREE.

At that point there were other major expenditures necessary to bring the total project lots into an operating complex. These were not part of the original tenders and not part of the contract with Perma Structures Limited. These consist of the following, all of which were approved by the board of directors of the Co-op and DREE, as well as the Federal Fisheries. Clean Environment Commission and Department of Health: Landsite preparation, creek diversion, plant and office furniture and supplies, docks and conveyors, petroleum distribution plant, freight boats, two refrigerated, truck one-half ton, truck van for transporting employees from plant to town, communications equipment, power lines, lot and house, boat for manager in lieu of a car to inspect stations. The final cost of the total project was \$786,272. As a result of refusing the original tenders, as a result of the department acting as project manager on behalf of the co-op seeking lowest prices through negotiations with contractor, the total project price was considerably less than \$1 million, a saving of several hundred thousand dollars.

The Member for Rock Lake put another question, Mr. Speaker, as follows: "I have a question for the Minister of Co-operative Development. Can the Minister confirm that the loans when obtained from the Freshwater Fish Marketing Commission by his own department were used for direct benefits for the fishermen and, as a result, resulted in shortage of adequate cash flow for effective operation of the fisheries complex?" Answer: All advances made by the Freshwater Fish Corporation are made to co-operatives and not the department. These advances are made to enable co-operatives to assist fishermen getting started at the beginning of the season.

The Member for Riel put the following question: "Mr. Speaker, I direct a further question to the Minister in charge of Co-operative Development. Can he indicate whether he is aware of any trust liabilities certified by the Department of Co-operative Development that are not now available for payment?" Mr. Speaker, and I put the question, is the honourable member referring to the same co-operative that he alluded to a few moments ago? And the Member for Riel replied, Mr. Speaker: "I am in this case referring to the Ilford Co-operative." The answer. Ilford Co-operative has trust liabilities set out in its records of \$10,078.36. No money is available at present to retire these liabilities. (2) The department has at no time assumed responsibility for the liabilities of this co-operative.

ORAL QUESTIONS

(MR. USKIW cont'd)

Question put to me by the Member for Virden. "Mr. Speaker, I direct this question to the Minister of Agriculture in charge of Co-operative Development. Is it true that the Fish Co-op at South Indian Lake was paying fishermen 13 cents per pound instead of 17 cents per pound, which indicated that the co-operative was shortchanging fishermen in order to pay for debts caused by mismanagement?" Answer: Co-operative board of directors set prices to fishermen at lakeside based on posted FFMC Winnipeg price less expenses. The department exercises no control. The Co-op was paying 13 cents for medium white fish which was later adjusted by directors to 17 cents. FFMC establishes fish prices fob Transcona, less freight from local plant. Co-op has to charge freight from lakeside stations to main plant. The Co-op also has to deduct from fish prices the cost of operating the lakeside station as this is not covered in the FFMC agency destructure.

The Member for Birtle-Russell put the following question: "I would like to direct a question to the Minister in charge of Co-operatives. I would like to ask him why a conveyor belt valued at approximately \$60,000 was recommended by the administrators from his department to be installed at the South Indian Lake Co-op and has never been used." Answer: Conveyor cost \$15,000 not \$60,000. Conveyor has been used continuously since erection during fishing season. One electrical breakdown occurred in one section which was repaired when parts received. The section which was broken was out of service for approximately three weeks.

The Leader of the Opposition put the following question: "My question is to the Minister of Co-operative Development. I wonder if he can confirm to this House that in stating this that his department assists in services to the fishing co-operatives, he is essentially misrepresenting the position of the involvement of his department?" The answer. No, the department assists the co-operatives in all areas necessary. There are far more successful co-operatives than those in difficulties. This attests to the assistance provided. While our position is of an advisory capacity only, in some instances power of attorney has been given by the board of directors of co-ops to assist them with negotiations in various matters. It was not accepted by the department as a function of management but rather to expedite situations for directors which would be otherwise hindered by distances and geographic location which are restrictive.

The Leader of the Opposition put the following question: "I wonder if the Minister could inform the House why Powers of Attorney of the Board of Directors were taken by his development officers to be able to run the co-operatives?" Answer. Power of Attorney were never taken to run co-operatives. They were taken at the request of the directors in some co-operatives to assist them with negotiations in areas of transportation agreements, federal assistance programs, remote locations of co-operatives, lack of telephone and other communication systems, which presented problems in dealing with the outside world. The department assisted in a few instances through Power of Attorney Agreement. I'm also advised, Mr. Speaker, that that facility of operation has been used, I'm told away back, dating away back to 1964 by that same department even when it was a branch of the Department of Agriculture that that is not a new procedure.

The Member for Morris put the following question: "Mr. Speaker, I should like to direct this question to the Minister of Agriculture in his capacity as Minister of Co-operative Development, and ask him if his department, as he claims, has had no responsibility or has no direct involvement with the Co-ops, why in a press release of Nov. 3rd, 1973 or a press report, it says the reason - and this is dealing with the failure of the Ilford Co-operative - the reason in the view of the fishermen was poor management mainly on the part of the managers sent in by the Provincial Department of Co-op Services?" Answer. The department has attempted to assist Ilford Co-operative to find a new manager for 1973 summer season without any success. To ensure the fishing for the 1973 summer season would commence on time, there were no alternatives but to offer the services of a development officer to assist with management. The offer was accepted by the directors of Ilford Co-operative. The department, however, as a matter of policy, does not provide direct management to any co-operative.

The Leader of the Opposition put the following question: "I wonder whether he can inform the House whether the Co-operatives of South Indian Lake at Ilford and Moose Lake are now

ORAL QUESTIONS

(MR. USKIW cont'd) . . . closed?" Answer. South Indian Lake Co-op closed during winter season because of alternative employment created by the Hydro Diversion. Preparations are under way for the 1974 summer season. Ilford Co-operative does not fish during the winter. Summer fishing only, June 1st to Oct. 31st. Present activity consists of ice harvest and repair to lakeside stations. Moose Lake Co-op winter fishery closed after three weeks because of poor catches. Present activity consists of an ice harvest and other preparations for summer season. This is summer fishery although attempt was made to fish this winter.

The Leader of the Opposition put this question, and it's the last one, Mr. Speaker: "I wonder whether the Minister's in a position to advise whether the fishermen are now selling their fish to a Saskatchewan Co-op?" Answer. The only agency buying fish is the Freshwater Fish Marketing Corporation. Co-operatives act as agents. From time to time fishermen may elect to deliver their fish to a different agent, of which is the Saskatchewan-based co-op at The Pas. I'm informed that there may have been half a dozen fishermen in this situation this winter.

Mr. Speaker, those are all of the responses that I received from the department to the questions put by members opposite and while I haven't had much time to discuss all of them with the department, let me assure honourable friends that I will make sure that I go over them again in an effort to determine whether there have been any errors or omissions, and if members want to put further questions I will be pleased to take those as notice and to further inform members opposite.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. BLAKE: Thank you, Mr. Speaker. After having survived that snowstorm that the Minister has just put us through, I'm a little reluctant to ask another question but --(Interjection)--

MR. SPEAKER: Order, please.

MR. BLAKE: . . . I had a supplementary question to the original question wherein the Minister confirmed that approximately \$800,000 had been loaned to the Southern Indian Lake Fishing Co-op by the Co-op Loan Fund or the MACC. I would now ask him as a supplementary question, what analysis or -- I understand him to say the Co-op Loan Fund -- all right, the Co-op Loan Fund. I wonder what analysis or what projections as to the repayment capacity of the Southern Indian Lake Co-op he received in the investigation and subsequent granting of the loan.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, originally the plant was financed by the CCSM, which is Co-op Credit Society of Manitoba. The department didn't directly fund the plant to the extent of \$800,000; it provides currently a guarantee to the CCSM for that amount.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. BLAKE: My question was, Mr. Speaker, what analysis or projections did he receive as to the repayment capacity of the Co-op when the loan was granted?

MR. SPEAKER: The Honourable Minister.

MR. USKIW: Well, Mr. Speaker, I think I would have to date back to at least two or three years to give my honourable friend that answer. I'll have to take that question as notice.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: My question is to the Minister of Co-operative Development and it relates to the answers that have been given and I think there has to be some understanding that there was such a long series of answers, and I preface this because -- well I think, Mr. Speaker, then I'll put the question directly. Is the Minister now in a position -- and I'd like to, if I may, refer to Hansard of 1131 - to alter the answer given into this House by him as a result of the statement presented and I'd like to read the question and his answer.

MR. Speaker, the question was: "I wonder if the Minister can indicate whether he has received a report of a meeting held on September 1st of 1973 between the offices of the Freshwater Fish Marketing Board and the Department of Indian Affairs and the Department of Co-operative Development, dealing with charges and accusations of mismanagement. . . ."

MR. SPEAKER: Order please. I would indicate that this question falls into the category of not being allowed, because it asks, for the purposes of argument, information on a matter of past history.

MR. SPIVAK: Mr. Speaker, on a point of privilege, the Honourable Minister has given an answer in this House which is opposite to his answer given in the House a few days earlier.

ORAL QUESTIONS

(MR. SPIVAK cont'd) . . . and I have a right to ask him whether he has changed his position and whether his answer today is the correct one, and that's exactly the question I'm putting. This question was asked two days ago. He gave an answer which is opposite to what he gave today, and Mr. Speaker, I put that question to him at that time and this was on March 7th, he said, "No, Mr. Speaker, I do not believe I have received any official report from anyone because no one was commissioned to bring a report to me." I now put it to the Minister, is he changing his answer?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, let me reaffirm that I had no request for information, no report was commissioned or no one was commissioned to bring in a report, and therefore the matter resolved itself. There had been discussions with the Freshwater Fish Marketing Corporation wherein there were some allegations made between those people that were in on those discussions and the Deputy of the Department, but that particular meeting resolved those differences of opinion to the satisfaction of all concerned at the time, and therefore there was no report. There was no report, there was an incidental discussion but it was not in the nature of a report.

MR. SPIVAK: Mr. Speaker, my question is to the Minister. Is he aware of the long-standing tradition of our system, that a Minister resigns when he deliberately misleads the House?

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

MR. SPIVAK: Mr. Speaker, I want to understand from the Minister whether it's his position that his department officials are now negotiating leases of the Co-operatives rather than sales. His answer a few days ago was there was no authority for his Deputy Minister to be dealing on this matter.

MR. USKIW: Well, Mr. Speaker, to the extent that the Department officials are involved in the negotiations with the Freshwater Fish Marketing Corporation, the extent of those negotiations, rather, are limited by the direction given to those people by the local co-operatives.

MR. SPIVAK: I . . . the Honourable Minister and ask the question of him: Did they, officials of the department, including his Deputy Minister, receive any authority from the Board of Directors of any of the Co-operatives that are listed for lease or rental to the Freshwater Fish Marketing Commission, did he or his department receive any authority whatsoever?

MR. USKIW: Mr. Speaker, I'm advised by the department that they have received the authority over which they are bringing about discussions with the Freshwater Fish Marketing Corporation, and they are doing this in concert with the Board of Directors of the respective co-operatives. That is the advice I have from my officials.

MR. SPIVAK: Mr. Speaker, I wonder how the Minister is in a position to state that I have, Mr. Speaker, an interdepartmental memorandum of the department which indicates, Mr. Speaker. . .

MR. SPEAKER: Question please.

MR. SPIVAK: Well, Mr. Speaker, are the officials dealing with this matter as a result of powers of attorney given to the department?

MR. USKIW: Not that I'm aware of, Mr. Speaker. My understanding, as advised to me by the departmental officials, is that they are acting in the negotiations with the Freshwater Fish Marketing Corporation in concert with the wishes of the local boards of directors of the co-operatives.

MR. SPIVAK: I want to ask the Minister - is he satisfied that the board of directors of the co-operatives know that his department officials are dealing with the assets of the co-operatives with respect to the Freshwater Fish Marketing Corporation?

MR. USKIW: Well, Mr. Speaker, I can only relate to my honourable friend what my departmental officials have related to me. I have had no reason to question their advice.

MR. SPIVAK: Well, Mr. Speaker, is he satisfied that his officials are correct?

MR. SPEAKER: The Honourable Minister of Labour state his point of order.

MR. PAULLEY: . . . Mr. Speaker, on the point of order, whether or not the questions being directed by the Honourable the Leader of the Opposition are proper under the rules of this House, expressions of opinion, is he doing this, is he doing that, I believe that the Honourable the Leader of the Opposition is going beyond due grounds with the rules of this House? (Hear, Hear!)

ORAL QUESTIONS

MR. SPIVAK: Mr. Speaker, I'll put another question to the Minister of Co-operative Development. Have his officials brought to his attention the fact that in connection with Southern Indian Lake the fishermen have not received yearly and monthly financial statements - they have not been presented to the Board of Directors and its members.

MR. USKIW: Mr. Speaker, the only kind of allegations that I have received are allegations coming from my honourable friend, and no one else has written to me with respect, excepting in the communications directly to the department, so if my honourable friend has complaints to table in the House, I would be pleased to look at them and refer them to the Department for consideration.

MR. SPIVAK: Mr. Speaker, has the Minister been apprised of meetings held between his departmental people dealing with the complaints of the fishermen of Southern Indian Lake that they have not received any monthly accounts and that they do not have any financial statements?

MR. USKIW: Mr. Speaker, I think I just answered that question.

MR. SPEAKER: Orders of the Day. The Honourable Member for Riel.

MR. DONALDW. CRAIK (Riel): Mr. Speaker, a question to the Minister in charge of Co-operative Development. In his answer with regards to the trust liabilities, can he indicate whether or not some of the liabilities have been relieved or paid off since the 31st of October 1973, and in his answer to a question today, did he include the amount of trust liabilities owing to the MACC as well as the Department of Co-operative Development?

MR. USKIW: Well to the latter question, I believe I did not include that. There is an amount owing to the MACC but I would have to give the precise information later, I can't answer on the spur of the moment, Mr. Speaker.

MR. CRAIK: Mr. Speaker, with regard to the same question of trust liabilities, can he indicate whether the total amount of trust liabilities of that co-operative in which this is included - he indicates a figure of \$10,000 odd - of the total amount of \$25,700 he indicated Oct. 31st, whether or not the \$10,000 he indicated is not lumped in with the total?

MR. USKIW: No, I believe there is a substantial amount owing to the Manitoba Agricultural Credit Corporation but I'll be prepared to give my honourable friend an up-to-date report if he wishes on the amounts.

MR. CRAIK: Mr. Speaker, I wonder on a question of this sort whether the Minister isn't bound to report for both, since they both come under his ministry, when he's answering the question.

MR. USKIW: Mr. Speaker, the member had asked a question for information as of a specific date, and I cannot be expected to have that answer ready for him unless I was given notice. I have taken notice of his question and will submit an answer.

MR. CRAIK: Mr. Speaker, the original question was whether the Minister was aware of any trust liabilities that were not available for payment.

MR. USKIW: I think, Mr. Speaker, I have read into the record the complete answer to those questions.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSON: Mr. Speaker, I would like to direct my question to the Minister of Northern Affairs and ask him if problems within the Fish Marketing Co-ops in Northern Manitoba were brought to his attention by the officials of his department.

MR. SPEAKER: The Honourable Minister of Northern Affairs.

MR. McBRYDE: Mr. Speaker, myself as Minister of Northern Affairs and staff dealing in Northern Manitoba was aware of some of the financial difficulties being experienced by the Board of Directors of the various co-operatives in Northern Manitoba. However, Mr. Chairman, I was not aware and I don't know if any -- I'm not aware that any of my staff were aware of the kind of accusations being made by the opposition in terms of fraud.

MR. JORGENSON: I would like to direct a further question to the Minister and ask him if these problems were brought to his attention by the member for Churchill or the member for Thompson.

MR. SPEAKER: Order please. The question is irrelevant, whether another member asks another member. The Honourable Member for Morris wish to rephrase?

MR. JORGENSON: Well, I should like to ask the Minister if members of the Legislature from those areas discussed with the Minister the problems of the Fish Marketing Co-ops in Manitoba.

ORAL QUESTIONS

MR. SPEAKER: Order please. The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, at your suggestion I've been reading Rule 171 of Beauchesne. Just by coincidence I notice item (x) no, I'm sorry, it's not item (x) --(Inter-jection)-- I just had it, Mr. Speaker, here it is: "(ee) relate to communications alleged to have passed between a member and a Minister." Mr. Speaker, I intend to continue reading this. It's very useful information.

MR. SPEAKER: The Honourable Member for Roblin.

MR. McKENZIE: Mr. Speaker, I have a question for the Honourable the Minister of Co-operative Development. I wonder can the Minister confirm that his deputy will be present tomorrow at a meeting of the directors of Kee Noe Zae Co-op at Island Lake for the purpose of passing a resolution to suspend the operations at Island Lake?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, the Island Lake facility has been operated by the Department of Indian Affairs and therefore to the extent that the department has been requested to appear to assist in the conducting of a meeting, I presume that is a possibility, but I'm not aware of it.

MR. McKENZIE: A supplementary question to the Honourable Minister. Who called the meeting?

MR. USKIW: Well again, Mr. Speaker, I think that the honourable member should know that the letters requesting for departmental assistance do not come through my desk - they flow directly to the department; and I would not be aware of such a meeting unless there was some reason to bring it to my attention.

MR. McKENZIE: Another question to the Honourable Minister, Mr. Speaker. I wonder can the Honourable Minister advise the House if it will be possible for members of the Legislature to discuss this matter with the Department of Indian Affairs.

MR. SPEAKER: Order please. The Honourable Member for Crescentwood.

MR. HARVEY PATTERSON (Crescentwood): Mr. Speaker, I have a question for the Honourable the Minister of Labour. Could the Minister advise the House and the people of Manitoba the current status of collective bargaining negotiations between the City of Winnipeg and the City of Winnipeg Police Force?

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, I'm happy to announce to the House that it is my understanding that agreement has been reached by the City of Winnipeg Police Association and the Committee of the City Council, that there will be no withdrawal of services, partial or otherwise, of the police facilities of the City of Winnipeg. This is, of course, subject to confirmation. This is subject to confirmation.

MR. SPEAKER: Order please.

MR. PAULLEY: It is subject to confirmation of the City of Winnipeg Unicity Council - I believe that they have as much confidence in the abilities of the Police Association and the Committee of Council as the Minister of Labour had all the way along, that an agreement would be reached.

MR. SPEAKER: The Honourable Minister of Public Insurance Corporation.

HON. BILLIE URUSKI (Minister responsible for Manitoba Public Insurance Corporation) (St. George): Thank you, Mr. Speaker. I have several answers to questions posed to me earlier by the leader of the Liberal Party.

1. Why individual Manitobans are required to pay at least 50 percent of their Autopac premiums by February 28th, while fleet operators of rented cars may buy their insurance with only 25 percent down.

The Corporation has made available two distinctly different financing plans for the motoring public.

Plan (a). Designed primarily for owners of private passenger vehicles which represent approximately 75 percent of the total motoring public. The average annual basic and extension insurance premium on these vehicles is \$120.00. The Corporation allows a motorist to pay \$60.00 on application and the balance within 90 days, including an administration service fee of \$3.00.

Plan (b) designed for the owners of commercial fleets, whose annual basic insurance premiums are in excess of \$300.00. This plan is to accommodate the needs of any of the 1,800 fleet operators in the province. The average annual basic premium financed for a fleet

ORAL QUESTIONS

(MR. URUSKI cont'd) of vehicles is \$13,200.00. The Corporation allows a fleet owner to pay 25 percent on application and the balance over nine equal monthly instalments including a 4 percent service fee.

I think it would be obvious to the honourable member that the plans that I have described are tailor-made to accommodate the needs of each type of insured. From the response received from the public of Manitoba, it is apparent that the plans are meeting the needs of both the individual and the businessman, and their simplicity lends itself to administrative efficiency.

The honourable member should not attempt to compare the mechanics of the two plans since they are designed to meet different needs. One, a plan to accommodate the needs of the multitude of individual motorists who require financing of a relatively low premium; a second plan to accommodate the commercial fleet owners who are faced with substantially higher premiums.

The second question posed by the Leader of the Liberal Party: why individual Manitobans are required to pay off their balance of their premium within 90 days but fleet owners of rented cars have a nine-month period in which to pay off their Autopac premiums. The individual finance plan is designed to allow a motorist the opportunity to make two equal instalments to pay his annual basic Autopac and extension premium, 90 days apart. With an average annual combined premium of \$120.00, it is not practical or administratively economical to provide a plan to allow monthly instalments of such minimal sum unless a much higher service fee was assessed. Further, the Corporation's experience with this plan indicates a high degree of administrative involvement in the collection and enforcement, even with the two-payment program. The commercial finance plan on the other hand, involves much larger premiums but almost negligible collection and enforcement problems. I have further details on the amounts but I will not give them to date now, Mr. Speaker.

The third question posed by the Leader of the Liberal Party: why individual Manitobans are paying a service fee for deferring their Autopac premiums at a cost of 24 percent to 77 percent of the premium when the time payment plan for fleet operators of rented cars are charged only approximately 12 percent of the premium. A service fee cannot be construed solely as an interest charge. The service charge assessed by the Corporation is to cover the additional cost associated with administering the finance plans. I must stress that there are no grounds for asking those motorists who pay their insurance premium in one lump sum to subsidize those who choose to pay their insurance premium on the instalment basis. The present service fees are based on experience and represent the additional costs associated with the finance plan.

No. 4 - from the same member - a question from the same member: Is the Minister intending to introduce changes to put individual Manitoba Autopac customers on the same basis as the fleet owners are in respect of deferral of premium? There is very little similarity between the two financing plans offered by Autopac. Each serves its own purpose and is obviously acceptable to the public in its present format. We haven't had any calls about changing the existing plans and accordingly there is no intention at the present time to change these programs.

The honourable member should also remember that at least two other financial institutions have made financing available to the motoring public, which provides an alternative to Autopac plans if an insured so desires.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: I should like to direct a question to the Minister of Agriculture, a question, Sir, that would be of some passing interest also to the Minister of Labour, and ask him if he was quoted correctly in Friday's Tribune to having said that Manitoba . . .

MR. SPEAKER: Order please. Again we are contravening the rules of Citation 171 in respect to having a member -- The Honourable Member for Morris.

MR. JORGENSEN: Mr. Speaker, I should like to direct my question to the Minister of Agriculture and ask him if the Manitoba Government will be paying the transportation costs for boars that were sold at the sale at the Winnipeg Inn last week?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Yes, Mr. Speaker.

MR. JORGENSEN: Would that also include transportation costs for a boar bought by the C. Itho and Company from Japan?

ORAL QUESTIONS

MR. USKIW: I'm not sure, Mr. Speaker, I'd have to take that question as notice.

MR. SPEAKER: The Honourable Minister.

MR. PAULLEY: . . . no, you won't get any answer from me on boaring. We had enough of that on Friday.

Mr. Speaker, I wonder if I might indicate to the -- I wonder, Mr. Speaker, if I may indicate procedures in committees or for committees for the next two or three days for the information of members. It is my understanding that tomorrow the Committee on Public Utilities will meet to consider the report of Manitoba Hydro; that Public Accounts will meet on Thursday, March 14th, to continue their deliberations; that the Committee on Economic Development will consider the report of the MDC on March 19th; and then that Public Utilities Committee will reconvene on March 21st to continue deliberations dealing with the report of Manitoba Hydro that is necessary, and if it is not necessary to continue consideration of Manitoba Hydro, then consideration will be given to the consideration of the Autopac organization. I wonder if the Honourable the Member for Morris in his capacity as Whip of his Party would take these dates under advisement and inform his members, and also the Honourable Member for Portage la Prairie.

MR. SPEAKER: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Speaker, I have a question for the Acting Minister of Mines and Natural Resources. I wonder can the Minister advise the House if any floods are forecast on the Duck and Drake Rivers in the Cowan area for this year?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, on behalf of the Minister I'll take it as notice.

MR. MCKENZIE: Another question. Mr. Speaker, due to the experiences that were -- by the people in that area last year, I wonder if the government will consider any form of compensation for citizens of this province who suffer losses due to flooding?

MR. CHERNIACK: Mr. Speaker, I thought I had already indicated quite some time ago this afternoon that questions of that type will be taken as notice.

Mr. Speaker, possibly . . .

MR. SPEAKER: Orders of the Day.

CAPITAL SUPPLY

MR. CHERNIACK: Mr. Speaker, I have two messages from His Honour the Lieutenant-Governor.

MR. SPEAKER: The Lieutenant-Governor transmits to the Legislative Assembly of Manitoba, Estimates of sums required for the service of the province for the capital expenditure for the fiscal year ending March 31, 1975, and recommends these Estimates to the Legislative Assembly.

The Lieutenant-Governor transmits to the Legislative Assembly of Manitoba, Estimates of further sums required for the service of the province for the fiscal year ending March 31, 1974, and recommends these Estimates to the Legislative Assembly.

MR. CHERNIACK: Mr. Speaker, I have a motion to make, the usual motion of referral of these Estimates, and I propose to inform the House as to the manner in which I would like to deal with them. Possibly I should move it first, seconded by the Honourable Minister of Labour, that the messages of His Honour, together with the Estimates accompanying the same, be referred to the Committee of Supply.

May I continue, Mr. Speaker, to indicate that . . .

MR. SPEAKER: May I make the motion first?

MR. CHERNIACK: Yes, of course.

MOTION presented.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, these two sets of Estimates are dealt with, firstly, by way of resolutions in Committee of Supply and then in Committee of Ways and Means, and are followed by first reading, second reading and third reading, and the bills of course are circulated after first reading. Very often they're dealt with continuously by unanimous consent and on other occasions consent is rejected or refused. What I propose, Mr. Speaker, is that during this afternoon the House will be circulated in relation to the supplementary supply, with copies of the supply requested - and it's some \$3 1/2 million. There will also be attached

CAPITAL SUPPLY

(MR. CHERNIACK cont'd) to it actually my speaking notes but an explanation for the major items that appear there so members will be knowledgeable of it, and possibly tomorrow we can deal with them when we go into Committee of Supply.

Also the Capital Supply, I propose that today these schedules will be circulated to members, together with, again, the kind of notes that I could be using as speaking notes, informing the House about the nature of them and the totality of them. And that too I would expect that we could possibly tomorrow or the day after deal with them in Committee of Supply.

May I say also, Mr. Speaker, that Interim Supply does not require a message from His Honour since it is covered by the Main Supply which already had a message from His Honour.

It will be the usual asking for 25 percent of the main Supply, and I would propose that it too, which goes through the Committee proceedings, may be dealt with in the next day or two - or even today if honourable members are willing to but, you know, there's not that much rush about it. I think honourable members realize that they must be dealt with this month and I do think we'll have time to do that in an orderly way without any great pressure on any of us. So that they will be circulated, the Clerk will see to it that they're circulated this afternoon, and hopefully tomorrow we can start the process of dealing with these three items in some order.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: I'd like to ask just one question of the Minister. He indicates that the government would wish to go into Supply tomorrow. I wonder if the practice that has been followed in the last few weeks, of dealing with bills on the Order Paper, will precede the House going into Committee of Supply.

MR. CHERNIACK: Well, Mr. Speaker, I believe that we can do that. I don't think that the time for bills have prevented any day where we haven't been able to go into Supply. I may be wrong in my impression.

MR. JORGENSEN: I understand that, Mr. Speaker. All I am asking is if the government wanted to change that procedure and go directly into Supply.

MR. CHERNIACK: Well, Mr. Speaker, my experience is once we're in Supply we can't go out of Supply and then go back again, unless we have unanimous consent.

MR. JORGENSEN: I think the Minister still misunderstands the purport of my question. I just want to know and I think I get an indication from the House Leader, that it's his intention to follow the normal procedure of dealing with whatever bills are on the Order Paper before the House does resolve itself into Committee of Supply.

MR. CHERNIACK: Yes, Mr. Speaker, I wanted to respond after my introduction or reaction to say yes, that would be our hope unless we're starting to be concerned about the time involved for these particular bills to go through the Estimates procedure.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, I'm not aware that the Oral Question Period is over, I'm waiting my turn.

MR. SPEAKER: Well I'm sorry, we have moved into another area. I asked Orders of the Day a number of times and --(Interjection)-- Just a minute, just a minute. And the Honourable Minister of Finance got up and indicated, and I read His Honour's Message, then a motion was made. And now after this motion has been taken -- Order please -- after this motion has been taken if the House is desirous to go back to the question period, I'm amenable, but I have already moved out of the question period. That's for the information of those who weren't aware of it and if they weren't I don't know why, because I did say Orders of the Day a number of times.

Are you ready for the question?

MR. G. JOHNSTON: No, I am not ready for the question.

MR. SPEAKER: The Honourable Minister of Labour wish to make a point?

MR. PAULLEY: Yes, Mr. Speaker, I do not believe that there is a formal motion. My colleague the Honourable the Minister of Finance indicated to the House that he had a Message from His Honour dealing with certain financial transactions that are necessary, and he did indicate that at the next sitting of the Committee on Supply these matters would be referred for consideration.

MR. SPEAKER: Well, that was the motion.

CAPITAL SUPPLY

MR. PAULLEY: No, Mr. Speaker, in all due respect I say that the message given by my colleague was that he had a message from His Honour that at the next sitting of the Committee on Supply these matters would be considered.

MR. SPEAKER: Order. I must indicate that there is a motion before the House and it indicates, moved by the Honourable Minister of Finance, seconded by the Honourable Minister of Labour, that the message of His Honour together with the Estimates accompanying the same be referred to the Committee of Supply. That's the motion before the House.

MR. PAULLEY: That is perfectly . . .

MR. SPEAKER: That's what we're debating. The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, I really -- it may be technically that you are correct; however, I don't think that there is really any hangup. We did not, I would suggest that even if it's necessary by unanimous consent that the motion be not now put but the questions on Orders of the Day as indicated by my honourable friend the Member for Portage la Prairie, that we consider that. We have before us constantly or continually, a motion to go into Committee of Supply in any case, and I would suggest that we allow the honourable member or any other member to ask questions on Orders of the Day at this time.

MR. G. JOHNSTON: Well, Mr. Speaker, I first of all wish to . . .

MR. SPEAKER: Order please. Let me indicate that we are not going into Supply, that if the House wishes to revert to the question period they're welcome to it, but at the present time there is a motion before the House which I think should be dealt with.

QUESTION put, MOTION carried.

MR. SPEAKER: Now if the House desires to have a question period, it's agreeable with me. The Honourable Member for Portage la Prairie.

ORAL QUESTIONS cont'd

MR. G. JOHNSTON: Mr. Speaker, before I put my question I'm going to speak on a matter of privilege. It's customary in the question period that members rise in their place and wait to be recognized, and we expect that the Speaker would use some discretion in recognizing various parties in this House. I rose to my feet four times in a row and four times was ignored and I was willing to wait, I was willing to wait till whenever my turn was. --(Interjection)-- Well, I want the Speaker to understand what I'm saying because there clearly was no indication from the Minister of Finance that he was moving a motion to go into Supply. Members of our party were still waiting our turn to speak in the question period --(Interjection)-- but the Speaker took it that you were.

In the absence of the Minister responsible for MDC . . .

MR. SPEAKER: Order please.

MR. G. JOHNSTON: Well, if the Minister would be quiet I'm going to ask him a question. In the absence of the Minister responsible for the MDC, I direct the following question to the Minister of Industry and Commerce. Have discussions or negotiations taken place with respect to a further multi-million dollar loan or investment by MDC in Saunders Aircraft?

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

MR. EVANS: Well, Mr. Speaker, I'll have to take the question as notice on behalf of the Minister responsible for the MDC.

MR. G. JOHNSTON: Mr. Speaker, in order to save time I have a series of questions if I may be permitted them.

MR. SPEAKER: Very well.

MR. G. JOHNSTON: Is the reason for this latest additional financing requested by Saunders based on a claim that it is required to meet their payroll and keep the door open? Has the Minister recommended this loan?

MR. CHERNIACK: On a point of order . . .

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Does the honourable member want to get it on the record or possibly he can just send it across and we can see that he gets it?

MR. G. JOHNSTON: I wish to get it on the record. Have any of the directors objected; if so how many?

Is the MDC either directly or indirectly guaranteeing the bank loans in Colombia so that payments can be made to the MDC for aircraft which has been sold to a Colombia Air Lines?

ORAL QUESTIONS

(MR. JOHNSTON cont'd) In other words are the people of Manitoba rather than the airline people in Colombia paying for these sales?

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

MR. EVANS: Mr. Speaker, I will be glad to take those questions as notice on behalf of the Minister responsible for the Manitoba Development Corporation. However I want to point out two things. (1) We in Manitoba through the Manitoba Development Corporation are endeavoring to provide jobs for the people of the Interlate Region, particularly --(Interjection)-- Well now, it's not an answer, but bloody well you want to ask the question and you'll get an answer.

The point is, Mr. Speaker, that the Federal Government at one sweep eliminated the Gimli Air Base and eliminated one thousand jobs both civilian and military - one thousand jobs were eliminated by Ottawa, by the Federal Government, by the Liberal Federal Government - one thousand jobs were eliminated in Gimli. One thousand jobs! Sit down. One thousand jobs! And I hope the press remembers this and notes it - one thousand jobs were eliminated at one stroke by one signature by the Liberal Government in Ottawa, and this government is trying to give jobs to those people and trying to do the right thing for those people. And we may make a few mistakes, we may make the odd mistake, but with your help -- you know, Mr. Speaker, there's a long question asked of me and I'm entitled to give the appropriate answer.

The fact is, Mr. Speaker, the fact is that the Ottawa Government, the Liberal Government in Ottawa spent \$75 million buying twin Otters from Dehavilland and buying aircraft from Canadair, both foreign-owned corporations - \$75 million - they bought aircraft from foreign-owned corporations in Toronto and Montreal. They won't buy one aircraft from Manitoba-made Gimli, Saunders Aircraft Limited. And the fact is, Mr. Speaker, the fact is I've got all the Liberals on that side a little itchy. They're a little afraid that they're taking jobs away from Manitobans. They're afraid, they recognize that Ottawa won't do what they should do to give jobs to Manitobans.

Mr. Speaker, Mr. Speaker, on a point of order, on a point of order, it's not a point of order - all they're going to do is debate the question.

MR. SPEAKER: Order please.

MR. EVANS: I'm accepting the question as notice. I'm accepting the question as notice.

(continued on next page)

ORAL QUESTIONS

MR. SPEAKER: Order please. Order please. I think this has been a day where the Chair has been allowing a lot of latitude for a number of things but I don't agree that it should be taken advantage of. The answers, the same as the questions should be terse, precise and to the point, and anyone who doesn't follow that particular policy may lose the eye of the speaker, even in answers. The Honourable Member for Portage la Prairie.

MR. GORDON JOHNSTON: Mr. Speaker, I thank the Minister for his emotional answer that was consciously lacking in fact but he could either answer now or take as notice: how many aircraft have been sold to date by Saunders? And of the ones that have been sold, how many are serviceable? And if he could inform the House of what the projected sales are for this year.

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

MR. EVANS: Well, you know, Mr. Speaker, I'd be glad to take that question as notice on behalf of the Minister responsible. I can only say - I only wish that the Federal Department of Industry, Trade and Commerce, the Federal Department of Industry, Trade and Commerce would buy 30 Saunders, as they're buying 30 Twin Otters from Toronto.

MR. SPEAKER: Order. I would like to indicate - order please. The Honourable Member for Morris have a matter?

MR. JORGENSEN: The answers that are now being given by the Minister of Industry and Commerce are completely out of order, have been out of order for the last five minutes. Sir, he must be afflicted with some locoweed to be . . .

MR. SPEAKER: Order please.

MR. JORGENSEN: . . . to be providing that kind of an answer to this House.

MR. SPEAKER: Order, please.

MR. JORGENSEN: And if the Minister is going to be allowed to make that kind of a reply to a question, then Sir, we have a right to ask that our question can be broadened somewhat too, with the same kind of vigor.

A MEMBER: And emotion.

MR. SPEAKER: Well, let me indicate to the House that you know it's becoming a fad for streaking, snailing, and also abusing of the Chair by all sides, and I would hope that all members would co-operate with the Chair, including the ones who shout from their seat with their hand over their mouth, making a lot of noise - and they know who they are - and think that they aren't being recognized. Any time they stand up they will be. Order please. Order please. I do believe I am entitled to speak the same as any other member and should have the courtesy to be able to complete what I have to say before I'm interrupted by any member of this House. The floor is again open for questions. The Honourable Minister of Industry and Commerce.

MR. EVANS: Mr. Speaker, on a question of privilege. My honourable friend from Portage accuses me of emotion. I'm sorry but I cannot help but get emotional when a thousand people are put out of work. However, on a question of privilege - he said that it was more emotional than fact, but the fact is that there were a thousand people laid off in Gimli. The fact is that the Federal Government did spend \$75 million, and it's recorded in the Federal Hansard, to help DeHavilland and Canadair. That is a fact, that is not emotion.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. GORDON JOHNSTON: Mr. Speaker, my question is directed to the same Minister. I understood him to say that there have been 1,000 people laid off. Could he tell us the state of the taxpayers' money involved, how secure is the eight or nine or more millions of dollars involved? Will the MDC recoup any?

MR. SPEAKER: Orders of the Day. The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I have a question for the Minister of Industry and Commerce. Can he advise the House if the Simplot plant from Brandon is negotiating with the Minister or his department any further loans to that company?

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

MR. EVANS: Mr. Speaker, there are no negotiations with my department. There may be discussions, I'm not sure, but even if there were discussions or negotiations, it would not be in the public interest to discuss same at this time.

MR. PATRICK: Perhaps he can take a supplementary to the Minister responsible for MDC. Has any further loans been committed at the present time?

ORAL QUESTIONS

MR. EVANS: Mr. Speaker, there have been no further loans committed at the present time, to the best of my knowledge.

MR. PATRICK: Perhaps the Minister will take a supplementary for the Minister responsible for MDC. Is the government considering taking an equity position with the Simplot Fertilizer Plant?

MR. EVANS: Mr. Speaker, that question is entirely out of order. Whether we are considering or not is strictly a matter of government policy, and when a policy is arrived at, one way or the other, it will be revealed for the public of Manitoba to know. And of course, Mr. Speaker, as the Minister responsible for the MDC has repeated many a time, this government unlike any other government in the history of this province has made public quarterly, all the loans, there are no secrets, no CFI secrets in this government, Mr. Speaker.

MR. SPEAKER: Order please. I would like to indicate to honourable members who have difficulty and have to keep repeating the word "Order" to themselves, that they would kindly remove themselves. I am trying in the most difficult circumstances to do a job and those people who shout and make a noise and say "Order" just make it that much more difficult for me to hear whether the member is, or is not out of order. The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I have a question for the Minister of Industry and Commerce. I wonder if the Minister can tell the House what William Clare (Manitoba) Ltd. has published to date, or has produced to date for the loan they received of one million point two and a half?

MR. EVANS: Well, Mr. Speaker, that is a very detailed question and I'm sure the honourable member--well, you know, the yahoos on the other side, Mr. Speaker, don't want to hear the answer. The yahoos who prevented the public of Manitoba knowing what was being done with their money through the former MDF are now yapping away, they don't want to hear the truth. But the truth of the matter is that that kind of a detailed question may be asked - as we have provided for in legislation, that this government has provided for in legislation - this question may be asked in infinite detail of the Chairman of the Manitoba Development Corporation before the Legislative Committee on Economic Development. (Hear. Hear.)

MR. SPEAKER: The Honourable Member for Fort Garry state his point of order.

MR. L. R. SHERMAN (Fort Garry): Point of order, Mr. Speaker. On a point of order. I ask you, Sir, whether it is in order to continue in this exercise of verbal streaking to which we have been subjected by the Minister in the last three or four questions. I think you admonished us once to keep our activities to a minimum both in terms of questions and answers.

MR. SPEAKER: The Honourable Member for Fort Rouge. Order please.

MR. LLOYD AXWORTHY (Fort Rouge): Yes, Mr. Speaker, I would like to address a question to the same Minister if he's still in a state to be able to answer questions?

MR. SPEAKER: Order please. Order! Let me indicate to all and sundry 56 members, if anyone needles another one then he gets the same in return. Now let's be gentlemen and act like it and then we'll have less heat in this House. And that means asking questions, precisely, tersely, with no innuendo and no expleticic and no nothing else. Let's ask questions. The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, thank you for the advice. I hope that all members of the House including that side will listen. I would like to ask the Minister considering his previous statement, how many jobs have been created in Manitoba as a consequence of the 1.25 million dollar investment given by MDC to William Clare of Vancouver, British Columbia?

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

MR. EVANS: Mr. Speaker, just because the Liberal Government at Ottawa wants to give away the publishing industry in Canada to the Americans, the honourable member is very sensitive on this issue.

MR. SPEAKER: Order please.

MR. EVANS: You know, they don't like the truth. The fact is that the Federal Government doesn't give a damn about the publishing industry in Canada. However, Mr. Speaker, to be terse and very much to the point, I have not got the answer at my fingertips. That question can readily be asked of the Chairman of the Manitoba Development Corporation. That is why, Mr. Speaker, we have, unlike the previous government, made it possible for all members of the Legislature to ask any kind of detailed question they may wish, not at one meeting, but

ORAL QUESTIONS

(MR. EVANS cont'd) . . . at many, many meetings of the Legislative Committee, and as the Honourable Acting Premier has suggested Thursday morning coming, Tuesday morning next, there will be a meeting. The Chairman of the MDC will be there and I would hope that the Honourable Member for Fort Rouge will not only ask that question of detail, but many, many other questions of detail; not only at that meeting but many subsequent meetings of that committee.

MR. AXWORTHY: I have a supplementary, Mr. Speaker, to the same Minister. Could he advise us whether the Department of Industry and Commerce prepared any feasibility studies on the book publishing business in Manitoba prior to the giving of a loan to William Clare Limited?

MR. EVANS: The making of the loan, the decision with respect to loans are made essentially on the advice and research of the Manitoba Development Corporation, although at times, and on many occasions there is available reports, studies - there are available report studies from the Department of Industry and Commerce. That is the nature of things. There are many reports and many studies that have been made by the Department of Industry and Commerce respecting printing and publishing in Manitoba.

MR. AXWORTHY: A supplementary, Mr. Speaker, to the same Minister. Could the Minister advise us whether the loan given to William Clare Limited was given against the interest or objections of several members of the Board but on the insistence of the Minister then responsible for MDC?

MR. EVANS: Mr. Speaker, that question is entirely out of order.

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

MR. J. PAUL MARION (St. Boniface): Mr. Speaker, I direct my question to the honourable the Minister of Industry and Commerce. I wonder if the Minister can advise if the Government of Manitoba has made any proposals to the Federal Government with respect to alternate locations for the Winnipeg Airport?

MR. EVANS: Well, Mr. Speaker, we have continuing discussions and negotiations with the Federal Minister of Transport, the Honourable Jean Marchand. To my knowledge, there have been no discussions in respect of this matter, which also falls within the jurisdiction of Mr. Marchand. I will be meeting with the Honourable Minister of Transport on Wednesday coming, two days from now, along with my western counterparts, regarding various matters of transportation policy including air policy, but the matter of the location or relocation of the Winnipeg Airport is not a matter for discussion.

MR. MARION: Thank you, Mr. Speaker, a supplementary to the same Minister. Can the Minister advise if the Manitoba Government has received correspondence from the Honourable Jean Marchand, Federal Minister of Transport, advising that he is seriously studying the advisability of relocation and its impact on the City of Winnipeg?

MR. EVANS: Well as the Minister responsible for Transportation Economics, I can advise the honourable member that I personally have not, nor has my department, received such correspondence.

MR. SPEAKER: The Honourable Member for Roblin.

MR. McKENZIE: Mr. Speaker, I have a question for the Honourable the Minister of Consumer, Corporate and Internal Services. I wonder when the Minister will announce the new price of bread in Manitoba?

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

HON. IAN TURNBULL (Minister of Consumer, Corporate and Internal Services) (Osborne): Mr. Speaker, if I had the authority to control the baking industry I would announce the new price of bread in Manitoba, but I don't have that authority, as yet.

MR. McKENZIE: Mr. Speaker, a supplementary. Can the Honourable Minister forecast any increases in the price of bread? --(Interjection)-- Does the Minister anticipate an increase in the price?

MR. TURNBULL: Mr. Speaker, any damn fool that reads the newspaper can see that the bread companies have announced an increase in the price of bread in Canada.

MR. SPEAKER: The Honourable Member for Portage la Prairie,

MR. GORDON JOHNSTON: Mr. Speaker, in the absence of the First Minister, I direct a question to the Acting Premier of the Province. Is Mr. Farley Mowat, the author, who lives in the Premier's backyard, is he under contract or employed in any way by the Provincial Government?

ORAL QUESTIONS

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I don't know where Farley Mowat lives but I'm sure he does not live in the Premier's backyard. However, if the honourable member wants to attribute that he may. I have met Mr. Farley Mowat and I understand from him that he is working for a dollar a year and hasn't been paid.

MR. GORDON JOHNSTON: Then I ask the question, of the Acting Premier. When Mr. Mowat takes a Beaver Aircraft and flies around the north for three days, do the taxpayers pay the bill or does he pay the \$80 or \$90 cost per hour of the trip?

MR. CHERNIACK: Mr. Speaker, again I understand from him that when he does work at the request of government on an arrangement, as I say, of a dollar a year, that the expenses which he may have in relation to the work he does on behalf of government, are so authorized and go through the normal channels.

MR. GORDON JOHNSTON: Could the Minister advise this House what Mr. Mowat is doing for the people of Manitoba, or the government?

MR. CHERNIACK: Mr. Speaker, I'm not familiar with the precise matters which he has undertaken to do but I'm sure that they are to the benefit of the people of Manitoba and I will see to it that the Premier or whatever other Minister is involved, is made aware of this type of question and will be able to respond if he so wishes.

MR. GORDON JOHNSTON: Mr. Speaker, I would like to direct a question to the Minister of Agriculture. Will the Minister confirm whether in fact the government has abolished the position of Executive Secretary of the Women's Institute?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, I think the member is referring to the restructuring of the Home Economics Branch and the related activities wherein we have shuffled people and wherein one person is now in charge of both 4-H and the W-I program. There was never a staff position for that particular program.

MR. GORDON JOHNSTON: Could the Minister inform the House as to whether or not there was any consultation with the Women's Institute before this action was taken?

MR. USKIW: Mr. Speaker, I should like to advise the honourable friend, who by the way, knows full well that when government projects its budget for the next year, and considers its budget, that it doesn't consult with anyone but the Minister of Finance and those other related people that are involved in the raising of the taxes.

MR. SPEAKER: Orders of the Day. The Honourable Member for St. James.

MR. GEORGE MINAKER (St. James): Thank you, Mr. Speaker, My question is to the Honourable Minister of Industry and Commerce. I wonder if the Minister could advise the House if the policy of MDC in regard to those companies they hold an equity in - if they receive monthly profit and loss statements from those companies?

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

MR. EVANS: Mr. Speaker, the honourable member is asking questions of administrative procedure. As the Acting Minister I am not in a position to give authoritative answers but I can tell you that from my experience we do, or the MDC does get monthly statements from the companies which receive some financial assistance.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I have a question for the Minister of Industry and Commerce. Could he indicate to the House whether it is a normal practice by himself to go to other provinces and other cities in Canada to appeal to businessmen and other entrepreneurs to come to Manitoba to invest?

MR. SPEAKER: Orders of the Day. The Honourable Member for St. Boniface.

MR. AXWORTHY: Mr. Speaker, is the Minister planning to answer the . . . ?

MR. SPEAKER: Order, please. The Honourable Member for Fort Rouge.

MR. AXWORTHY: Yes, would the Minister be prepared to answer whether it was through such an appeal in Vancouver, British Columbia two years ago that Mr. William Clare decided to come to Manitoba to invest in his company?

MR. SPEAKER: Order of the Day. The Honourable Member for St. Boniface. The Honourable Member for St. Boniface --(Interjection)-- Very well. The Honourable Member for Fort Rouge.

MR. AXWORTHY: The first question I would like to ask then. Could the Minister . . .

ORAL QUESTIONS

MR. SPEAKER: Order, please. Order, please. The Honourable Minister of Labour state his point of order.

MR. PAULLEY: I realize my honourable friend has not been around too long but how can you have a supplementary question to a question that has not been answered and I in all due respect say on a point of order, there is no supplementary question to a hypothetical question that has not been answered.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, if I may correct the point of order. I was just about ready to correct myself and ask if I may ask for a new question before the Minister was up to his feet with such . . . Could the Minister of Industry and Commerce indicate to this House how much money Mr. William Clare himself has invested in William Clare Limited in Manitoba.

MR. SPEAKER: The Honourable Minister.

MR. EVANS: Mr. Speaker, as I indicated, in a matter of days the honourable member can ask such detailed questions of the Chairman of the MDC.

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

MR. MARION: Thank you, Mr. Speaker, I direct my question to Honourable the Minister of Industry and Commerce. I wonder if he could advise this House, if the aircraft presently being manufactured by Saunders has an airworthy certificate for Canada (a) and (b) for the U. S. ?

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

MR. EVANS: The present model being manufactured by Saunders Aircraft Limited at Gimli is certified for Canada and for the majority of the countries of the world; I would think between two-thirds and three-quarters of the countries of the world. It does not have a certification for the United States but I understand that the second model that is now being worked upon, is now being designed, is in the process of certification for United States. But it has been sold in South America and I know there are prospective customers in many other countries of the world and it is being used in Canada, and as I said, Mr. Speaker, it does have a certification . . . Mr. Speaker, I can't hear myself for the honourable members of the Official Opposition. --(Interjection)-- Mr. Speaker, I hope, I only wish the constituents of some of the honourable members were here to see them making monkeys of themselves. However, the fact is, Mr. Speaker, to answer the question specifically and to the point. Yes, it does have certification in Canada.

MR. MARION: A supplementary, Mr. Speaker. Are there any caveats on the Canadian Airworthy Certificate, any reservations at all on the Canadian Airworthiness Certificate?

MR. EVANS: To the best of my knowledge, Mr. Speaker, there are not, but again, you know, this is a detailed question that I would recommend to my honourable friend from St. Boniface to ask the Chairman of the MDC and I'm sure he will be glad to provide those detailed types of answers that the member wishes.

MR. MARION: A final supplementary to the same Minister. Is it not possible that if there are any reservations with respect to Federal Government participation with this aircraft that it is because of the caveats on the Air Certificates . . .

MR. SPEAKER: The question is hypothetical.

MR. MARION: I got my point across, Mr. Speaker.

MR. SPEAKER: Order, please. I realize the last comment was a serious comment and that's precisely the problem the Chair is having with all the members, that all they want is points and not questions. The Honourable Minister of Labour.

MR. PAULLEY: Mr. Chairman, it is with some trepidation I now stand up. It appears to me that it may be possible that the oral question period is over, and I'm wondering, Sir, whether if that is so - and I don't want to prevent any honourable members from carrying on if they have questions to ask - but I do suggest, Mr. Chairman, that if that is the case, that you call Bill No. 7 and the amendment thereto standing in the name of the Honourable the Member for Fort Garry. Bill No. 7.

MR. SPEAKER: Bill No. 7. The Honourable Member for Fort Garry.

SECOND READING - GOVERNMENT BILLS - BILL NO. 7

MR. SHERMAN: Mr. Speaker, I've listened with considerable interest to the debate

BILL NO. 7

(MR. SHERMAN cont'd) . . . thus far on Bill 7, to the supporting arguments that have been entered in favour of it, or in favour of parts of it at any rate, and certainly to the criticisms that have been registered in the House by my own colleagues and others on this side of the Chamber, and I think that one can conclude that there are some strengths and some weaknesses in the legislation and all of us can take a lesson from a re-examination of the legislation and a re-examination of the arguments pro and con that have been registered in the House to date.

I have attempted to follow fairly conscientiously the comments of my own colleagues and other members and it's not incorrect to suggest, Sir, that although our criticisms have certainly dominated the debate thus far, there have been members on this side of the House who have registered some approval for some aspects of the principle of the legislation. And I think I can assure you, Sir, that I and I think my colleagues are continuing to study the legislation with both arguments and both points of view in mind.

I would hope, Sir, that the same applies to the Minister who is piloting the bill through the House. I would hope that he would recognize sincerely and not just in lip service that there are many disturbing and disarming aspects to the bill as well as some strengths and some favourable aspects. He has said that he is willing to consider amendments, consider changes, he hasn't of course admitted that he is willing to either introduce any or to yield to accepting introductions of some by this side, but he has said that he will listen to suggestions for amendments and that he will consider them and I am pleased to hear that. I hope as I say that he means that sincerely, I'm sure he does. There are some good points to the bill to be sure and people like the Honourable Member for Riel from the front benches of this side of the Chamber have said as much. But there are, Sir, many disturbing aspects to it given voice, articulated in the Chamber, by others of my colleagues and I must emphasize that I do hope that the Minister in addition to looking at what he and perhaps some others consider to be strengths is concentrating very conscientiously, Sir, on some of the counter arguments and some of the criticisms raised.

Sir, I can't emphasize too strongly my own view that permitting participation by provincial civil servants of Manitoba in other provincial election campaigns in other parts of Canada which is permitted under the new legislation is a very disturbing and potentially injurious measure. I think that one needs little imagination to conjure up the kind of difficulty, the kind of misunderstanding that would result if any army of civil servants or even a platoon of civil servants of one particular governmental or philosophical bent from Manitoba were to venture into the active political trenches of another province and participate in a provincial election campaign in Saskatchewan or Ontario or Alberta or wherever. I don't deny that the simple act of such participation has something on an abstract level to recommend it, if one simply considers the civil servants, as indeed he or she should be considered in one light, as a person entitled to a full expression of his political views; but, Sir, judged in the context and the framework of the job that the civil servant is doing, of the job that the civil servant assumed onto himself or herself when he entered the service, of the commitments that he has made to objective and impartial public service in his own province, I think that it is highly undesirable and that it lends itself to potential injury of a substantial nature that those public servants should be able to leave the confines and the borders of their own area of responsibility and participate actively and openly in political campaigns within other provincial jurisdictions. It can only lead to ill feeling and bad blood between provinces and provincial administrations and it can only lead to confusion and misunderstanding on the part of the general public in the province from which the campaigning civil servants come and the province to which they go.

I think enough has been said, Sir, about the dangers and the damage that can result from participation by civil servants of an active nature within our own provincial boundaries, in our own provincial election contests. I fail to find myself able to accept the Minister's insistence that that type of activity carries with it the seeds of no difficulty, the seeds of no danger. I'm convinced, on the contrary, that all it can do is undermine the faith and confidence that the government and the public have in the public service as it exists at the present time and I challenge him once again to study and consider most conscientiously the possible ramifications of participation in one's own provincial election arena. But a great deal has been said on that and it's not my intention to go over that ground again, Mr. Speaker.

BILL NO. 7

(MR. SHERMAN cont'd) . . . I wanted to stress specifically that I feel the permissive aspect of the legislation which would allow civil service to go into other provincial jurisdictions and participate actively in elections is an area that really contains serious potential ramifications of a damaging nature, that really contains serious dangers to the reputation and the integrity and the calibre of the public service generally, and I want to put that on the record in emphatic terms and ask the Minister in his conscience and in his responsibility to consider whether or not there is not a legitimate anxiety that I'm raising there.

Mr. Speaker, having said that, Sir, I want in the next few moments emphasize a particular aspect of the legislation that I think I touched on briefly when we were in the first phase of this debate but which I think has been overlooked and neglected to date and which I think deserves very much more consideration. And that is my conviction, Sir, that the bill before us, Bill 7, is essentially discriminatory. I know that the Minister piloting this legislation and his colleagues in the government feel that they are introducing here a piece of legislation that is enormously liberal in its provisions insofar as civil rights of individuals are concerned, but I suggest, Sir, that in fact the opposite is true. The Bill opens up a problem area that does not need to exist; the bill opens up a potential difficulty that does not exist in society now and that will be most undesirable and deplored should it come into existence. Unfortunately this is the sort of typical result, in my view, in our view, of all too much of this government's legislation. There have been many instances in the past related to specific legislation like the City of Winnipeg Unification, like the introduction of Public Automobile Insurance, which we, Sir, have interpreted as being somewhat reckless in the speed with which they were foisted upon the legislature and the public and somewhat less than responsible in the degree to which they did or failed to take into account all the possible nuances of a given situation. Somewhat less than responsible in the degree to which they tend to degeneralize and gloss over the science of a particular business or a particular industry or a particular social field and attempted to replace mechanics with theory without the expertise to back it up.

We feel that the warnings that we raised in connection with the City of Winnipeg Act and with Public Automobile Insurance and with other measures that have come before this Legislature in the past four and a half years have been justified by the kinds of difficulties that have resulted from the headlong rush of this government to pursue doctrine for the sake of doctrine, to pursue philosophy for the sake of philosophy and to ignore the kinds of thinking and effort and rationalization that has gone into the building of social and economic structures through many administrations and through many decades of our history. As I say, Sir, we feel that the warnings that we've issued with respect to some of the legislation to which I've referred have been very much justified by the result. I think that the two areas that I've specifically mentioned are perfect cases in point. I don't intend to go into them here but there will be much more that we'll be saving in other debates and in Estimates being considered in this Chamber in the weeks ahead about what we feel was the government's reckless lack of responsibility in proceeding so fast in those areas.

Now, Sir, it seems to me and to us, that they want to do it again without considering the details and the mechanics and the effort that as I say has gone into the building of a structure; in this case the public service in this province over decades without regard for the kind of compromises and checks and balances that have insured that this public service in this province has been probably the finest in Canada.

So this is my point, Sir, when I say that the bill I believe opens up problem areas that don't need to exist. It opens up difficulties and imports into our society, and into our public service difficulties that were never there before and that simply do not need to be with us. At the present time there are recognized in our society the civil rights of public servants, of civil servants, written against the background of the kind of job that they have taken unto themselves to do. Every serious responsible assignment in society carries with it some advantages and some disadvantages, carries with it some checks and balances, carries with it some requirement for compromise. We have felt that our public service has been compromised of men and women who up to this point in time have undertaken the specific kind of role and form of service that they want to perform in the full knowledge that certain compromises with some of their activities have to be made -- in the same way that you, Sir, in the same way that you, Sir, had to compromise, and successfully I may say, your own initial political partisanship when you elected to accept the nomination of this House and serve as the surrogate of every

BILL NO. 7

(MR. SHERMAN cont'd) member in this Chamber, Sir. You gave up your right to certain things in the electoral and political process in this Chamber; in the same way if I go into the Civil Service tomorrow I have always known up to now that there were certain limitations perhaps going to be imposed on some of my activities in return for which I was obtaining the satisfaction that I was seeking in fulfilling a public service role.

So I think it is obscuring the issue and I think in fact it's distorting the issue, Sir to suggest that civil servants and public servants in this or any other province do not enjoy full civil rights and that they are somehow second-class citizens and that they are champing at the bit for a release from their bondage, and that it's incumbent upon legislators like ourselves to change the ground rules and suddenly set them free. They don't need to be set free; they admit themselves that they are free to serve their province within the ground rules of responsibility that they understood when they entered the Civil Service and which have always existed. They are in fact, Sir, they are in fact, Sir, wise enough to know that freedom in all cases if it's worth having carries with it some kind of discipline, some kind of restriction, and they have served that principle and that philosophy without difficulty and without agitation up till now.

Therefore it distorts the issue to try to put the argument on the plane that these are somehow people in our Civil Service who have been half enslaved or somehow or less than totally free in that we have to rush out and open the gates and let them stream in, Mr. Speaker. They were already in, they're the ones who do the job of running the province and carrying out the policies of whatever government is in power, fairly and impartially, and giving this province and this society strength and background without resort to the kinds of all too often partisan involvement and petty involvement that we in the political sphere necessarily get into. They already were free, they were free enough to accept the challenge of serving our society in a non partisan way and maintaining the kinds of structures that we have against the onslaughts of elections and election results and political maneuvering. They don't need to be given some sort of cynicure in the area of civil rights that never was denied them to begin with, when you look at it and look at their position in terms of their professional role.

Sir, the result really of this legislation, quite contrary to the kind of argument that the Minister and his colleagues have attempted to advance, is not in any event to widen the civil rights of public servants, civil servants in this province; the result of this legislation would not be to expand their rights and their freedoms. If one wants to take the time and trouble conscientiously to examine the bill as all of us in this Chamber have attempted to do, I think one necessarily must come to the conclusion--and I would hope that the Minister is one the verge of coming to the conclusion that in fact this legislation is discriminatory. This legislation, Sir, is discriminatory. --(Interjection)-- How so, my friend the Minister of Public Works asks? It's discriminatory in this way, Mr. Speaker, it would have the effect to be sure of perhaps opening up electoral participation rights to some public servants but at the same time, Sir, it denies those rights to other public servants and it vests in the hands of this government the right through the mechanics of regulation to say who those people will be. It vests in this government through the medium and the mechanics of regulation the right to say which public servants and which employees of government agencies can and can not run for, participate in and work for political parties in elections. --(Interjection)--

Well, my friend the Minister says: What's wrong with that? I say there's a great deal wrong with that. I say that the legislation comes no way near following through, carrying out the kind of high blown promises that the Minister of Labour and his colleagues have suggested it does. It really confuses and deceives the public servant, the civil servant and the public at large, because it allows this government or any government in office in this province to arbitrate and adjudicate as to which public servants shall have the full right, the full participation politically and which shall be denied that right. And, Sir, it's set up and structured in such a way that the two things can happen at the same time, that certain classes of public servants will have certain rights taken away from them while precisely at the same time other classes of public servants will have rights given to them that perhaps don't exist at the present time. The consequence of this, Mr. Speaker, will be I suggest -- and I do not make this suggestion lightly -- the consequence of this will be to --(Interjection)-- Well I would like to finish my main stream of thought, then I will certainly yield to a question. The consequence of this will be to create classes of public servants in this province, Mr. Speaker. There will be the public servant with rights, politically speaking; there will be the public

BILL NO. 7

(MR. SHERMAN cont'd) . . . servant with half rights and there will be the public servant with no rights. And the determination, the determination will depend no doubt, Sir, on the degree to which the civil servant is loyal to the philosophy of the government party in power. By regulation, in Cabinet the administration will be able to say as the legislation now says; and I can't go into clause by clause examination I know, Sir, but as the legislation now says if I simply may mention the clause 44(2) that there are exceptions to the field of civil servant and government agency employee to be granted these political rights, that those exceptions will include deputy ministers and any others fixed by regulation. Well, Sir, what kind of expansion of civil rights, what kind of extension of democratic freedoms is this when the administration, the party in office, the government can sit down and say: Well, you know, there are some people at a certain class, a certain strata in the Civil Service who seem to tend to be favourable to the Progressive Conservative Party, for example, rather than to our party, the New Democratic Party currently in office; so I think it's time for a regulation, so that when the next election rolls around those civil servants won't have the right to participate.

So you can't have it both ways, Mr. Speaker, you can't have it --(Interjection)-- Well the alternative, my friend asks me, is to either continue with the legislation in the form in which it presently exists, with some improvements that we will be prepared to introduce in committee; or to eliminate those exceptions so that you're not setting up a class of persons open, an open class, an unknown class at the present time who will be identified and pigeon-holed by the government when it gets around to deciding that they can't have the same rights as others. It's totally discriminatory to suggest that some members of the public service shall have the rights as the legislation stipulates to be a candidate, to support a candidate, to support a political party, to raise money, to serve if elected, etc., etc., etc., Sir, and then go on to say except that this doesn't apply to deputy ministers and such other classes or groups of employees that may be designated or set out in the regulations.

Sir, I would think that it's abundantly clear to the members of the Treasury Benches and all members of the government benches opposite that that is discriminatory, that is reducing the government's concept of the Civil Service to a class structure based on loyalty to a particular philosophy or point of view and defined by the amount of rights, the degree of rights which an individual civil servant has and the degree of rights which other individual civil servants are denied.

Sir, there are three participatory activities in the election and political process offered to civil servants in the legislation before us, and those three are: No. 1, being a candidate; No. 2, supporting a candidate; and No. 3, supporting a political party. Well, Sir, only the first of those, only the first of those activities requires the civil servant to be on leave, in other words that the civil servant still on the public payroll could participate during an election in terms of expressing support for a particular candidate, a particular party or a particular point of view, he or she wouldn't have to be on leave. They only have to go on leave if they actually are a candidate, but they can get out and participate at the other two levels of activity granted them, i.e. supporting a candidate or supporting a political party while still serving as civil servants on the public payroll. And also, Mr. Speaker, they can do this at any time, any given time of the calendar or political year, naturally, political parties don't just exist at election time, they don't just exist during a campaign. The consequence means that civil servants can participate in terms of supporting either a candidate or a party between elections while still on the payroll, while still on the public payroll, Sir. During the year when election activity is perhaps semi dormant and elections are some distance away that civil servant is still free to express open political partisanship at all times, and this I suggest is a shortcoming in the legislation to which we will want to address ourselves at the committee in amendment stage.

The fact that of the three activities which the legislation proposes to open up to all civil servants only the first, only the activity of being a candidate actually requires that civil servant to go on leave. I think, Mr. Speaker, that I'd go so far as to say that activity No. 2, supporting a candidate, and activity No. 3, supporting a political party would perhaps be acceptable to me if the civil servant were required to go on leave in the same manner as he is to comply with situation No. 1. But certainly it's not acceptable to me to permit a civil servant not on leave still serving on the public payroll, to follow through at any time of the year on those other two defined activities with no responsibility incumbent upon him or her

BILL NO. 7

(MR. SHERMAN cont'd) to answer for partisanship.

Sir, the legislation permits active public support of a candidate or party in an election and it does not require the civil servant as I suggested to go on leave while doing this, and so that means that not only is he or she free to express partisan opinions all year round, but they could for example during an election period, an election campaign period address an election rally in their lunch hour while they were at work. They could address election rallies and specifically promote particular partisan points of view.

Mr. Speaker, I fail to see why the Minister does not recognize the danger here, the danger to a fair impartial conduct of the public affairs; the danger to a fair, impartial, objective public service that can continue in the future as in the past to pride itself on its objectivity and its integrity. It seems obvious to me, Sir, and I repeat, it confuses me to attempt to grasp the blindness of the Minister on this point; it seems obvious to me, Sir, that that situation presents a potential danger that is not very potential but is in fact real and realizable, but will ultimately wreck the public service in this province as we know it and the public's confidence in it and the parliamentarians' willingness to depend on it for proper objective service. And it will wreck the faith that the public servant, the civil servant himself has in the role he has chosen to play and the job he is doing.

Mr. Speaker, in the few minutes remaining to me I want to underscore for the Minister's benefit that point that I mentioned a moment or two ago about discrimination and about this legislation as being discriminatory. The fact is, Sir, that the most important section of the legislation before us, the most important part of the amending legislation empowers this government or any government to deprive any civil servant or public servant of the rights set out in the legislation by regulation; and in the existing legislation there are certain freedoms and civil rights that have been sacrosanct since time immemorial in this province to which the present government apparently pays no attention. The legislation as it's presently constituted, Sir, permits members and employees of government agencies to run for public office and to participate in elections. Now under the new legislation, Sir, people of that category and classification can be specifically excluded as I've suggested, and that can be left to the whim of the Cabinet itself. There is nothing now in the legislation, Sir, that prohibits an employee of an agency who is not in the Civil Service from taking part in politics. But under Bill 7, the government will be able to prohibit anyone it wants to prohibit from that kind of activity and simply by passing a regulation.

And, Sir, I think that the government would do well to keep in mind that we're talking here about a large body of Manitobans not an inconsequential one. We're talking here about employees of an agency of government as well as specifically defined civil servants, and employees of an agency of government are a pretty big group. Without running down the whole catalogue we can recognize quickly, Sir, that that category includes employees of the Manitoba Telephone System, Manitoba Hydro and many other government agencies of that type who enjoy hundreds of Manitobans and who have a voice to be reckoned with in the affairs of this province. To suggest that legislation which now is on the books and now permits them total political freedom is going to be manipulated in such a way as to get a government, any government of the day in this province, the right to play with that freedom and to take that freedom away from them is, I suggest, a very unwise and imprudent political step and I'm surprised that this Minister and this government with their customary devotion to political expediency would be considering that kind of a measure, Sir. I suggest in their own interests that it's the kind of a maneuver, a kind of a step that will cost them dearly, that will come home to haunt them. I don't think that there will be any of the employees of those government agencies who will be happily impressed by the suggestion implicit in the legislation that that long held freedom of theirs is now going to be a matter that's the subject of whim and arbitrary decision by a government.

And I'm not suggesting that it would be any better under any other kind of government, Mr. Speaker. I am impressed by the fact that it's this government, this New Democratic Government that has brought this kind of legislation in because it dovetails with their philosophy and with their determination to build up a power base; and I suggest that my party would not have introduced such legislation and I doubt that the party to our left on this side of the House would have done so. But that really is irrelevant. Regardless of who is responsible for this kind of legislation, the fact is that government will change, will come and go, and whoever

BILL NO. 7

(MR. SHERMAN cont'd) . . . inherits this kind of legislation is going to find himself as a government at odds with a public service that has become a political machine and that no longer has the kind of pride in its professional role that has been its historic right.

So, Sir, I issue the warning to all those in this Chamber and all those who come after in this Chamber regardless of their political persuasion, for once introduced, a system of the mechanization of a public service is hard to modify and hard to alter; once introduced, legislation is oft times difficult to change, and the party in power in this province stuck with this legislation proposed by this government will be stuck with a public service that has been emasculated, that has been compromised and that has been prostituted.

In conclusion, Sir, let me say in conclusion that far more insidious and far more disturbing to me than those aspects of the effect of the legislation that I have just mentioned, is the fact that what it will do is put an enormous authoritative power in the hands of the Provincial Government. It will put enormous arbitrary rights in the government in office in this province insofar as determining what kind of political base they can build up for the future; it will be a step, Sir, towards total authoritarianism in government in this province and it is much to be deplored by the public service and by the public generally. And I ask the Minister to consider the way we are considering the strengths that can be found in the legislation; I ask him to consider these ills, these weaknesses, and these problem areas that will foist off on Manitoba a difficulty, and a problem that we don't need to have.

MR. SPEAKER: Order please. The honourable member's time is up. The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Mr. Speaker, I move, seconded by the Honourable Member for Swan River that debate be adjourned. I have of course no objection, Mr. Speaker, should anybody else wish to speak on the bill at this time.

MR. SPEAKER: Moved by the honourable member -- Sorry. The Honourable Minister of Public Works.

HON. RUSSELL J. DOERN (Minister of Public Works)(Elmwood): Well, Mr. Speaker, in the few minutes remaining I would like to make a comment on the remarks of the Member for Fort Garry. I must say that years ago I was a fan of his and watched his television program and read his newspaper column and --(Interjection)-- now I listen to his speeches and I must say that there are signs of deterioration, Mr. Speaker. His whole message to us today was that the present legislation is discriminatory. Why? Because the legislation allows the Executive Council to establish the categories of people who can be excluded from the legislation. The member doesn't tell us what the alternatives are, he sort of hints at them and he pussy-foots around the main question. He keeps repeating the fact that this is discriminatory because not everyone will have the right to all the rights and privileges as set out in Bill 7. This means that the legislation is discriminatory.

Well, Mr. Speaker, the alternatives are really one of two, either everyone has those rights and privileges which he did not comment on as to whether he supports, or no one has those rights. Those are the two extremes. And the member failed in his remarks to say which of those positions he himself supported. He didn't even indicate whether he was concerned about the 12,000 people in the Civil Service who are being denied a democratic privilege or whether he thinks that all of them should have full privileges; he simply concerned himself about the fact that probably a very small number of individuals will be in fact excluded. I believe that members of the previous administration who sat on the Executive Council should make their views known on this question. They worked closely with the senior Civil Service and I think that their experience and their insight would probably be something worth listening to. They could probably advise us of their opinion on whether or not, assuming they believe that members of the Civil Service should have these privileges, whether all members should. Because it is my opinion, Mr. Speaker, my judgment that people at the very top, the Deputy Ministers, the Assistant Deputy Ministers and the Directors, people at that level which are the highest levels of the Civil Service, that those groups should be excluded. And I know that the Minister of Labour and I and our colleagues will have some interesting discussions as to exactly where the line should be drawn, as to whether it should be at the Deputy Ministers' level or slightly further down, but there will be a debate and a consensus arrived at.

But we have received no advice and no useful comment from the opposition, they have not seen the validity of exclusion. If one is familiar with the practice of, for instance, that

BILL NO. 7

(MR. DOERN cont'd) . . is followed in the United States in various states and so on, this is a point of considerable interest and debate and it is common in other Civil Services to have such a line drawn and the line usually is drawn at the highest policy making levels; it is not a question of whim, it is not a question of whim of the Cabinet as to which groups they shall exclude. The member made it sound as if individuals would be excluded on the basis of their voting records. It is rather categories which has nothing to do with the individuals in them, but rather whole categories of individuals who by the nature of their work, their closeness of involvement with the Ministers I think would find it rather difficult to on one hand face a Minister or his colleagues in an election and come back a few weeks later and then be his senior consultant and adviser; it obviously on the grounds of common sense would be difficult. A little further down not so; the Minister has very little direct contact with people at the more junior administrative levels. So I think, Mr. Speaker, that if you are confronted with an all or none proposition, that our approach is by far the best and the members have still not indicated whether they are for all or for none.

MR. SPEAKER: Order, please. The Honourable Minister will have an opportunity to debate later.

The hour being 5:30, I am now leaving the Chair and shall return at 8 p. m.