

## THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Thursday, March 21, 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 40 students Grade 11 standing of the Louis Riel School. These students are under the direction of Mrs. Mimi Grandjean. This school is located in the constituency of the Honourable Member for St. Boniface.

We also have 80 students Grade 5 standing of the Prendergast School. These students are under the direction of Mr. Kling, Mrs. Benson and Miss Proteau. This school is located in the constituency of the Honourable Member for Radisson.

And a further 55 students of Grade 4 standing of the St. Boniface Diocesan High School. These students are under the direction of Mr. McKenzie and Mr. Irving. This school is located in the constituency of the Honourable Member for St. Boniface.

On behalf of all the Honourable Members I welcome you here today.

Presenting Petitions; Reading and Receiving Petitions. The Honourable Member for St. Matthews.

READING AND RECEIVING PETITIONS

MR. CLERK: The Petition of Arthur Giesbrecht and Others praying for the Passing of an Act to incorporate the Red River Community College Students' Association.

The Petition of the Corporation of the Synod of Manitoba of the Presbyterian Church in Canada, praying for the passing of the Presbyterian Church Building Incorporation Act.

MR. SPEAKER: Presenting Reports by Standing and Special Committees; Ministerial Statements or Tabling of Reports. The Honourable Minister of Mines.

MINISTERIAL STATEMENT

HON. SIDNEY GREEN, Q. C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, I have a statement relative to future mineral policy in the Province of Manitoba.

The extent to which the people of Manitoba receive benefits from the development of their mineral resources is a matter to which this government has given most serious attention. After taking preliminary steps to have more public involvement in mineral resource exploration, Professor Eric Kierans, a former President of the Montreal Stock Exchange and a former Minister in the Liberal administrations of the Government of Quebec and the Government of Canada was assigned the task of studying existing policies and making recommendation.

Mr. Kierans completed his report which was tabled in the Manitoba Legislature in February of 1973. Following publication of the Kierans Report the Manitoba Government examined the report and considered the practicality of implementing all or any of Kierans' recommendations. The report on mineral policy in the Province of Manitoba together with its recommendations emanating from the Kierans Report was further reviewed by Cabinet. Although this analysis is an in-house document the government intends to table an edited version because of public interest in this very important matter. However this will be so done without prejudice to the establishment of any precedent. Contents of the report which relate to matters ordinarily considered confidential as relating to individual firms and other purely internal material have been deleted. Following receipt of the report the policy makers of the Province of Manitoba, namely the Cabinet, held extensive discussions which were a prelude to the issuance of this policy statement.

The Government of Manitoba has determined on the following policy objectives relative to mineral development within our province:

1. The people of Manitoba must receive revenue from existing mineral developments consistent with a fair return as the owners of the resource.

A MEMBER: Hear, hear.

MR. GREEN: 2. The existing private sector operators must be able and permitted to receive a fair return on their invested capital commensurate with the nature of their undertaking.

3. The people of Manitoba are entitled to receive a fair share of any added value or

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(MR. GREEN cont'd) . . . economic rent accruing to their mineral resources because of scarcity and/or the increased value of the minerals which are unrelated to the immediate costs of production.

4. In the future the people of Manitoba will take a more active role in the exploration, development and secondary processing of their mineral wealth in order to capture their fair share of the wealth which accrues from the development of such resources.

5. The people of Manitoba must jealously guard their resources which have not to date been turned over to private corporations and individuals and take advantage of their ownership to obtain a real opportunity to participate in their development.

6. The private sector now engaged in the mineral industry must conduct its activities more consistent with over-all social and economic objectives of the Province of Manitoba and disclosure of information relative to support of such objectives must be readily available to government.

It is self-evident that to realize the above objectives certain changes will have to be made both to the legislative and administrative policies now in existence in the Province of Manitoba. These changes will be made in such a way as to make a distinction between existing operations and future operations. The government recognizes that existing operators have the right to continue their operations in such a way as to realize a fair return on their capital investment and to have a reasonable opportunity of realizing some of the expectations they had when embarking upon mineral exploration in the Province of Manitoba.

On the other hand, insofar as future development is concerned our policy will transfer to the people of Manitoba a meaningful participating role in exploration and development and thereby afford to the public a greater opportunity of realizing the type of return that has hitherto been largely the domain of the private sector.

It should be emphasized and recognized that this new policy involves the people of Manitoba in the risk-taking ventures of the mineral industry. We are of the opinion that the people have the boldness and the will to pursue such activity on the same basis as it has been pursued by private enterprise, with the ultimate expectation that they will be entitled to the kind of return that private enterprise has harvested from the Manitoba mineral resources in the past.

Consistent with this expressed view the Government of the Province intends to pursue the following course of action:

1. Taxation. The existing level of royalties and taxes charged to existing operations will probably remain relatively unchanged. It is understood that such royalties and taxes are reasonably competitive with those in existence in other parts of Canada. They were based on rates that presumably could reasonably be expected to have been one manner for the people of Manitoba to receive some share of the wealth generated from the mineral resources. It is intended to provide greater flexibility in establishing new royalty rates by following our practice with regard to oil royalties and the practice of Saskatchewan, Alberta and British Columbia which permits royalty rates to be altered from time to time by the Lieutenant-Governor-in-Council. This will also enable the government to adjust existing royalties to realize additional revenues in the event that new forms of taxation hereinafter referred to cannot be expeditiously implemented.

2. A new tax will be introduced with the specific intention of providing the people of Manitoba with a fair share of the economic rent accruing to our resources relating from their scarcity and enhanced value and not resulting from an increased cost of production. Recent events have made it quite clear that prices in many commodities and in particular natural resources have risen without relation to their cost of production. This phenomenon has resulted in returns to private developers of such resources far beyond the kind of return which was contemplated by the original investment. In such cases the return becomes the reward not of enterprise or initiative but merely the fact that they were developing the resource at a particular moment in time.

The Government of Manitoba is of the opinion that the real owners of the resources, namely the people of the province, are entitled to a realistic share of these unpredicted enhanced values of their resources. To this end the Government of Manitoba intends to introduce a tax related to price increases in the basic products presently being exploited by our mineral resource industry. This new tax will be calculated to permit the people of Manitoba to obtain a percentage of any price increase beyond basic levels to be established. The basic levels will be established in such a way as to be fairly certain that a reasonable return on original investment capital will

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(MR. GREEN cont'd). . . be protected. Beyond such reasonable return on original investment which the government regards as a fair entitlement of any investor, the people of Manitoba will share the benefits of price increases. The base prices referred to and the percentage of return to the people will be established in due course.

In order to ensure that the imposition of this new tax will not result in companies ignoring or abandoning lower grade ores, it is intended that the tax will be modified in such a way as not to apply where ore grades would not economically justify their exploitation in the absence of such modification. It is also intended that this public benefit from increased prices will be levied in such a way that rising costs of production will be taken into account.

Exploration and Development. The Government of Manitoba intends to play a much more active role in the exploration and development of its natural resources. It is only in this way that the people have the potential of ultimately obtaining for themselves the greatest opportunity to benefit. To this end the Province of Manitoba will require any future intended exploration and development of mineral resources by the private sector to be reviewed by a public agency with the option of the agency to participate up to a maximum of 50 percent in such exploration and/or development program. In the event the province elects to participate the people of the province will be obliged to finance their share of the investment in the program. It is emphasized that this will not mean that the public will participate up to 50 percent or indeed in any amount in such a program. It may elect not to participate because of financial or other considerations. What is important is that it will have the option to proceed, in which case it will be required to share the cost of such program and will be thus entitled to its earned benefit at the same percentage as its participation.

The Province of Manitoba is mindful of the fact that some will say that this new mineral policy may make it unattractive for private investors who conducted activities in the province to continue to do so. This may or may not occur. In this regard this statement emphasizes that the province is committed to maintaining mineral development activity at a level equal to or greater than at its present level. Any retreat in terms of private activity will be replaced by an advance in public activity; thus a planned level of mineral development activity will continue regardless of the position of private sector involvement.

Resource Management. In order to expedite effective planning new regulations will be enacted requiring mining corporations to provide a full accounting of their operations in Manitoba. This will require full disclosure to government of mineral ore reserves, the method of calculating same, technical information, results of diamond drilling, production objectives and such other information as may be deemed advisable. Such regulations will be designed to recognize private company information which in the competitive field as between companies is held confidential.

Greater In-Province Processing. At the Western Economic Opportunities Conference in Calgary in July 1973 the four western provinces requested that the Federal Government take steps to encourage greater increased employment and other economic benefits. In addition to creating new jobs it has also been recognized that further processing within Manitoba would assist our province to gain greater independence in the management of its resources. Consequently in-province processing will be a major factor in the province's long range resource development planning. Negotiations will continue with the Federal Government and the mining corporations to establish processing operations within Manitoba wherever practicable.

Conclusion. The foregoing policy statement is our government's attempt to expedite a new direction relative to development of natural resources. It represents an attempt by the people of Manitoba to embark on a bold and imaginative program heretofore undertaken only by the private sector. Private sector rewards have been the result of private sector initiative and governments representing the people have been overly generous. Public sector rewards can legitimately be just as handsome to the public if the public sector is willing to employ imagination and initiative.

The present Government of Manitoba wishes to become that agency through which the public can give effect to such imagination and initiative. It is emphasized that this policy statement attempts to preserve the reasonable expectations of those private sector industries who are now carrying on business in the Province of Manitoba. It also attempts to improve the future for the public as a whole. It is hoped, indeed we have every expectation, that this new thrust will result in both equity and opportunity for the people as a whole to realize a

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(MR. GREEN cont'd). . . greater legitimate return from their natural resources. (Applause)

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

MR. GEORGE MINAKER (St. James): Thank you, Mr. Speaker. We would like to acknowledge the Minister's statement at this time. We have not had the opportunity to study the statement in detail and it will be the party's responsibility to review this in detail and have discussions on this and we will be commenting later on in much more detail than we will at this time.

Our initial concern and reaction on the statement is what effect that it might have on the people in the north, and we can agree on the principles of better return for the people of Manitoba - I believe our party has always believed in this principle. We are concerned on what effect it might have on the major employers of the north, the mining industry, that have provided a way of life in our north and helped to develop our north. We are also concerned what effect it will have on the private initiative of developing the north, and that is still required in the development of our province and I think it has been indicated by the statement of the Minister that this initiative from the private sector is required to some degree in this proposal.

We are also concerned generally what effect it might have on the people in the north choosing where they work and who they work for if such a plan is implemented. The initial evaluation also indicates that it is very similar to the B. C. policy in regards to the mining industry in that particular province which we understand has had an adverse effect on that province and the development of that province. We hope that it will not kill the mining industry in Manitoba that is needed and is an integral part of our economy.

There is an indication that the government will be taking a more active role in the exploration and development yet to date we have not really had any report or indication of what has developed to any degree with the present policy of taking part in exploration and development. We are at questions to how this policy can be developed when we're also talking about spending \$400 million next year on Manitoba Hydro development; we're talking I would presume in this particular policy of going into complete production and development stages which I am not too sure of the total value for the international nickel site, but I would think it must border on the billion dollar area or at least over \$500 million, so that we start to wonder where a million people will be able to get all this money that will be required if we want to commit the people of Manitoba to the development of the mining in the north. I believe in the latter part of the statement there is a comment that the province will be committed to development of the mining industry in the north, something to this effect, and our immediate reaction is where will we find this money that we can assure that this be done when on the other hand we are losing somewhere in the order of \$57 million in the past four years on the Manitoba Development Corporation. We now question with that along with the \$400 million in the Hydro Developments, that can we swallow this policy as a citizen of Manitoba, where will we find these monies. These are some of the items that immediately come to mind and I'm sure there will be many more.

As we mentioned earlier, we agree on the principle of a better return for our people of Manitoba and the people in the north and when we debate this policy at future times in this House, we will be going into more detail on those particular matters that we are concerned about which will affect we believe, possibly the north, its people and the over-all economy of our province and we will be dealing with this in detail as I mentioned at a later date.

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

MR. I. H. ASPER (Leader of the Liberal Party) (Wolseley): Mr. Speaker, the statement we've just been handed and have read is welcome in at least we are at the beginning of the end of the uncertainty that was created a little more than a year ago when government Guidelines for the 70's and the Kierans Report and a number of proposals were before the public without any clear indication from government as to how it would respond. Mr. Speaker, like any general statement which contain some very sweeping concepts it's virtually impossible to respond at this time. Perhaps it will be impossible to respond even in the near future, until the actual legislation, until the actual machinery to implement the principles provided in the statement, until the machinery is put before the House or the public. But it becomes clearer from the statement that like most policy statements there is the good, there is the bad and there's the missing, and it's difficult to approve or condemn a statement like this in total.

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(MR. ASPER cont'd). . . However, it's very fitting that the Minister makes the point that he would like to see the people of Manitoba receive a better return from the use of its resources. Nobody can quarrel with that.

We would compliment the Minister on not having made his taxation plans in effect retro-active. The impression I get from the statement is that the changes will be brought in in such a manner as do not retrospectively affect those who have planned their affairs, fiscal as well as industrial, on the basis of some belief in the continuity of government policy. So we hope we're looking primarily at future development.

Now at that point, Mr. Speaker, it becomes very clear that the government has made a major and a complete philosophical decision; the decision that for better or worse has been a long time in coming, but as much as I regret many parts of this decision, at least the world now - we are in the political process now know what it is we have to do. Now Mr. Speaker, the government says that it's going into the mining business. We have said this, over the past few years, we have drawn attention to this and we have always received evasive if not vague denials that the government was not going into the mining industry and they were going to go to the exploration business through our Manitoba Mineral Resource Corporation, but we now have a clear picture that everything that we predicted, we on this side feared would come to pass, is now going to come to pass. And Mr. Speaker, the first principle stated in this statement that must be removed from government policy is the unprecedented (for this province) principle that says that the government is going to have all by itself, in Cabinet, the right to change taxation rates.

Mr. Speaker, I don't care what precedent you put before me for Alberta, Saskatchewan and B.C. and Zanzibar and other countries, we do not tolerate the concept that this government or any government, should have the right without legislative approval to raise or lower tax rates. That is not in accordance with the parliamentary system of law making. We urge the government to reconsider that concept; the idea of slipping in before an election or after an election or for political purpose, tax changes is odious. It is not consistent with the parliamentary tradition that he who taxes must come before the parliament or the legislature and have that taxation approved by all the people, not just the government.

Mr. Speaker, the second concept that requires reconsideration is that the new kind of tax the government proposes to legislate is tied to price increases of mineral products. The objective may very well be acceptable but the technique is totally unacceptable, and there's a very solid reason for that. We now, if we accept that principle will give the Government of Manitoba an incentive to see the price of mineral products rise. And, Mr. Speaker, if the government proposes to profit on price rise, as it has this last year, in this last year this government has profited to the extent of about \$40 million on pure inflation. Now, Mr. Speaker, the Government of Manitoba proposes to impose a kind of tax that will give it every incentive to encourage price rise because it will be receiving taxation, and that reflects itself in consumer prices Mr. Speaker, just as the sales tax does reflect itself in cost of living increments.

Mr. Speaker, the government says, blatantly, that it will now, it will now recognize that there may be some retreat by the private sector, but that doesn't deter us, because it makes the promise in this statement that if the private sector retreats, runs with its tail between its legs for the hills or greener climates, this government courageously will fill the gap. Mr. Speaker, they've done exactly the same thing - and I'd like the people of Manitoba through these representatives to judge it - they've done exactly the same thing in Autopac to produce the \$15 million loss - when everybody retreated. Mr. Speaker, they've done exactly the same thing in their Industrial Development policy. By bringing in higher corporation taxes, by bringing in higher personal income taxes and driving private industry out, or at least ceasing to attract it, the government's created a vacuum and now seeks to fill that vacuum by state run industry.

Mr. Speaker, we've seen how successful they are. We're going to have another Misawa Homes, where we lost \$900,000 to my calculation, so far in our limited flirtation with that venture. We're going to have another Saunders. We're going to have another Phoenix Data - half a million dollars down the sewer. We are going to have Flyer Industries, Alphametrics Intercom, whatever we lost before it even had a chance to open up; William Clare; that's what the government's telling us, that we'll drive the private sector out and then we'll fill the

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(MR. ASPER cont'd). . . gap and boy will we be successful. Autopac you ain't seen nothing yet.

Mr. Speaker, we have a responsibility too to protect the public purse. The events of the past six weeks, including this statement demonstrate that this government has no regard. We heard just this morning that government controlled expenditures in one project have risen one billion dollars in one year. And we want to see this government or any government, but this one particularly, go into the mining industry! bold and imaginative the Minister said. It's not bold and imaginative; that's called foolhardy, that's not bold and imaginative. Mr. Speaker, if we see the same boldness and the same imaginativeness in the running of the state mines that are envisioned in this statement, as we have seen in the state industry, Mr. Speaker Mr. Speaker, one can only weep for the prospects of our province. Mr. Speaker, Manitoba is not insulated from the rest of the world. It is a cold cruel competitive world, capital for development for processing or what have you seeks hospitable climate. Events predicted or foreseen by this statement will end that hospitality and create a new kind of climate.

Mr. Speaker, I carry no brief for mining companies, I own no shares in mining companies and I don't profit from mining companies. But I profit as a Manitoban by the jobs, the thousands of jobs in that industry, and I profit as a Manitoban by the roads that are built, the hospitals that are built, the schools that are built in remote regions by private sector profit oriented mining companies, and I fear for them. I fear for our future.

Mr. Speaker, I regret the loss of the concept that this statement now wipes out of approach- ing the industry on a partnership basis. Mr. Speaker, there is an opportunity the statement calls for another publication to look into that prospect, but Mr. Speaker, that wasn't what we had hoped. That wasn't the way the Federal Government moved when it was in Pan Arctic, that wasn't the indication we had from the First Minister when we tried to sooth the waters of concern over the Kierans Report. Mr. Speaker, if that's what the First Minister meant then we were deceived and he was deluded. I ask you and honourable members to compare the two approaches of this province and the Province of Ontario, somewhat a better model than Manitoba. Ontario with its 20 percent higher per capita income than ours, Ontario with its rapid rate of development, Ontario which is a good model for us to try to follow, has announced two weeks ago that it is going to lessen the impact on the mining industry in order to encourage more development. We are going the other way. Mr. Speaker, history will show who was right.

MR. SPEAKER: Any other ministerial statements or tabling of reports?

MR. GREEN: Mr. Speaker, I have promised the various parties in the House that I would try to obtain for them copies of the final environmental statement Garrison Diversion unit produced by the United States Bureau of Reclamation, Department of the Interior. I now have those copies. I hope that they will have some interesting reading ahead of them.

MR. SPEAKER: Any other ministerial statements or tabling of reports? Notices of Motion; Introduction of Bills. The Honourable First Minister.

INTRODUCTION OF BILLS

HON. EDWARD SCHREYER (Premier and Minister of Urban Affairs) (Rossmere) introduced Bill No. 38, an Act to amend The City of Winnipeg Act.

HON. BEN HANUSCHAK (Minister of Education) (Burrows) introduced Bill No. 36, an Act to amend The Public Schools Act.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q. C. (Leader of the Official Opposition) (River Heights): Mr. Speaker, my question is to the Minister of Mines and Natural Resources. It relates to the copy of the Report of the Task Force that was tabled today. I think this is rather unusual, but I wonder if he could indicate who were the members who made up the task force and who wrote this report?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, the government presents the report as a government document. I will indicate that we previously referred to the House the various departments that were involved but we believe that it is appropriate for us to do just as we did with the Lake Winnipeg program, and I took the same position then as not regarding ourselves to be sort of guarded by civil service. The civil service presents us material, the governments take responsibility for the report. I can tell the honourable member that when he reads the report I don't

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(MR. GREEN cont'd). . . think that his question will be of great significance. I think that he will recognize that the policy statement comes forth as a pure government document, and I tell him that there were various departmental people involved in the report but we accept responsibility for it, we do not turn it over to a civil servant.

MR. SPIVAK: Yes, I wonder if the Minister can indicate whether any consultants were hired by any members of the department in dealing with this report, and if so who they were. And, further, was Mr. Kierans consulted in the drafting of this report?

MR. GREEN: Mr. Speaker, I think that that question has to be answered the same way as the previous one. I can honestly tell him that I don't know that there were consultants hired but if I did it would not be a matter I think that changes the fact. We are not relying on any consultant's endorsement or any civil service endorsement, we present this report as a government document.

MR. SPIVAK: Well I don't want to debate this, Mr. Speaker. I really am for the purpose of--well I'm trying to obtain information. The government takes the position that . . .

MR. SPEAKER: Question please.

MR. SPIVAK: Well the Minister in his statement indicated this as an in-house document, yet I am again . . .

MR. SPEAKER: Question please. I'm sorry. This is a question period.

MR. SPIVAK: Yes, Mr. Speaker, and I am asking a question and I have just made a statement that the Minister said and I'm now going to ask the question.

MR. SPEAKER: There are no statements to be made with questions. I'm sorry. Those are the rules.

MR. SPIVAK: Mr. Speaker, I preface my question by referring to the statement made by the Minister and I think I'm entitled to do that. He indicated this was an in-house document and I put the question to him, were any consultants other than those civil servants who are now working for the government hired or retained by the government in preparation of this document?

MR. GREEN: Mr. Speaker, when I say that it was an in-house document I mean that it was prepared in house. To my knowledge there were no consultants hired but I really do not think that it changes the characterization of the document. It could be that civil servants asked for an opinion; I do not know that to be the case. I believe that it was done entirely by our own staff.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Yes, Mr. Speaker, I have another question for the First Minister. I wonder if he could indicate whether he's accepted the invitation of the Prime Minister to attend a meeting next week dealing with national oil policy?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Yes.

MR. SPIVAK: I wonder if the First Minister would now be in a position to indicate whether Manitoba is prepared to agree to a \$6.00 or \$7.00 per barrel oil price to take place as of April 1st?

MR. SCHREYER: Mr. Speaker, I don't know about any reference to \$7.00. What I do know is that at the Conference last January that there was lengthy discussion as to the level which reasonably could apply as of the first of April with respect to oil prices in Canada and that with considerable reluctance on both sides of the question there was a consensus that \$6.00 would likely be the price which would have to be applicable after the first of April. If there are developments since then as a result of bilateral discussions between the Prime Minister and the Premiers of the oil producing provinces of Alberta and Saskatchewan that have changed that picture, I do not have the detail on that and that's one of the reasons for this meeting next Wednesday, presumably.

MR. SPIVAK: A supplementary. I wonder if the Premier can indicate when the government will be in a position to know the full impact of what a \$6.00 barrel price increase will mean on Manitoba, on consumers?

MR. SCHREYER: Well, Mr. Speaker, the time duration of the impact to make itself manifest is the most difficult to actually calculate, but insofar as its financial or economic impact is concerned, once the time lag factor is ignored it is relatively simple to calculate; \$2.00 per barrel is the increase, is approximately 50 percent over prevailing prices, which on the other hand is \$4.00 per barrel below world prices, and \$2.00 per barrel increase in

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(MR. SCHREYER cont'd). . . Canada would mean approximately six cents a gallon. And my honourable friends can also equate that with being approximately equal to one point in itself to the consumer price index. That's the basis of the information which was discussed as well among officials and among the First Ministers and there seems to be approximate consensus as to the arithmetic involved.

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

MR. ASPER: Thank you, Mr. Speaker. My question is for the First Minister. In view of the information that we were given this morning to the effect that the cost of the Nelson River project has risen approximately \$1 billion in the last year, has the Premier--(Interjection)--in the last year - has the Premier launched an investigation into the causes for the price rise of that much in one year?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, that figure of \$1 billion really relates to the estimated increment in cost over the period of the entire development of the Nelson which is probably in the order of a 15-year time frame. It's not one year, it's a 15-year time frame upon which that prognosis, is being made. And I might add that that kind of cost in relation to the total kilowatt capacity that is involved is approximately in proportion to the estimated cost of James Bay power and in relation to revised cost projections with respect to energy development anywhere, including the Athabasca tar sands, McKenzie delta pipeline, etc., etc.

MR. ASPER: Thank you, Mr. Speaker. In view of the fact that the McKenzie Valley pipeline to which the First Minister just referred, has filed figures this morning indicating. .

MR. SPEAKER: Question please.

MR. ASPER: . . . a price increase of 14 percent. . .

MR. SPEAKER: Question please.

MR. ASPER: . . . of 14 percent over six years, can the First Minister account for the fact that Hydro's figures in the same six-year period have risen from 1.6 billion to 4.3 billion, which is far greater than 14 percent.

MR. SCHREYER: Well, Mr. Speaker, it's all a case of when the base year for calculation is taken from. In the case of Manitoba Hydro's Nelson River project one can start with any base year one likes, including 1965 the year of the programming board report, or 1966, '68, '70, '72, '73, there have been revisions all along, as there are with respect to any major construction project in our country in our time.

MR. ASPER: Well, Mr. Speaker, to the First Minister. Will he indicate to the House whether he had notice say in the months of May and June, 1973, that the \$3 billion figure that he had been using to characterize the cost of the Nelson development, did he have notice at that time that the figure was not three billion but likely to exceed four billion?

MR. SCHREYER: Not likely to exceed four billion, Sir, although I was well aware as are Canadians everywhere all along of the nature of price escalation and cost escalation. Certainly I believe that the Chairman of Manitoba Hydro indicated this morning that there were cost estimate projection revisions carried out in October and previous to that a year ago no doubt and each year systems planning undergoes the exercise of running their calculations and revising their projected costs of construction. It may well prove to be Sir - I shouldn't say may well prove - it is possible, however, that if the world economy and our country's economy takes a different turn, that the projected cost of construction will not escalate to nearly the degree that is being projected now, and that therefore the Nelson River, that construction which takes place in the latter part of this decade or in the 1980's - and there will be construction activity then - that it could possibly not experience the kind of cost escalation that anyone would anticipate at this point in time, in which case it would be necessary to revise some of the cost estimates downward. It is still conjecture, Sir.

MR. ASPER: I have a final supplementary. My question to the First Minister is, does he intend to make any personal investigation into the specific causes item by item of the cost escalation between last year as given to us and what we're now reported?

MR. SCHREYER: Well, Mr. Speaker, it's always possible to make a personal investigation but in a sense that is what has been done quite frequently in recent months and some of the enumerated reasons for the cost escalation and much of this is relating really in a very speculative fashion to the latter part of this decade and all of the 1980's, but we can continue

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(MR. SCHREYER cont'd). . .to review this from time to time. Some of the enumerated reasons were stated this morning by the Chairman of Manitoba Hydro. My honourable friend can avail himself of a copy of the transcript and if he wants further elaboration it is certainly open to him to ask for elaboration in Committee where the Chairman is prepared to deal with it in as much detail as is possible.

A MEMBER: And will interpret it for him.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY McKENZIE (Roblin): Mr. Speaker, I have a question for the Honourable the Minister of Tourism, Recreation and Cultural Affairs. I wonder, Mr. Speaker, can the Minister advise the House if it's in order for the Provincial Secretary of the Government of British Columbia to announce in the B. C. Legislature Manitoba government policy?

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

HON. RENE. E. TOUPIN (Minister of Tourism, Recreation and Cultural Affairs) (Springfield): Well, Mr. Speaker, it's very difficult for I to indicate if it is in order for one of my colleagues in a western province to make a statement in the Legislature in British Columbia. If the honourable member was indicating government policy that would not be in order but if it's in regard to the Western Canadian Lottery scheme that is before this House now, that would be in order.

MR. McKENZIE: I have a supplementary question, Mr. Speaker. I wonder will the Manitoba Golden Lotteries be phased out as was announced in the B. C. Legislature yesterday by the Minister?

MR. TOUPIN: Well again, Mr. Speaker, there is a bill before this House that was tabled a couple of days ago that indicates to some degree what the intention is in regards to a western Canadian lottery approach, and it was indicated equally by my predecessor that if we did accept as a policy of this government to go ahead with a Westcan Lottery that the Manitoba scheme itself would be phased out, but that the Manitoba Commission would be the agency utilized for other provinces in western Canada.

MR. McKENZIE: A supplementary question, Mr. Speaker. I wonder then can the Honourable Minister advise the House if the governments of the four western provinces have signed some form of an all party agreement regarding lotteries?

MR. TOUPIN: Mr. Speaker, there has been a letter of intent filed by all four western provinces.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. R. (Bud) SHERMAN (Fort Garry): Thank you, Mr. Speaker. My question is to the Minister of Tourism, Recreation and Cultural Affairs on the same subject. Did the statement made by the British Columbia Cabinet Minister referred to arise out of consultations between this Minister and that Minister and other western Ministers in that area?

MR. SPEAKER: The Honourable Minister.

MR. TOUPIN: Well, Mr. Speaker, again, we had a meeting of the three western Ministers in Regina last Monday. Unfortunately the Minister for Alberta was not present, he had his Deputy Minister and other officials of his department present and he had given authority directly before the meeting and during the meeting by phone to his delegates and certain statements were made, discussion took place on many items. I'm not really sure what the Honourable Member for Fort Garry is referring to. If he has a specific question I'll attempt to answer it.

MR. SHERMAN: Well, Mr. Speaker, my specific question relates to a statement made by the Provincial Secretary of British Columbia on the subject, in which he said that the four western provinces would be entering into a western Canada lottery system and the Manitoba system would be the base from which they would build but the Manitoba Lottery itself would be phased out as a consequence. And I'm asking the Minister for confirmation or repudiation of that statement, Sir.

MR. TOUPIN: Mr. Speaker, that statement is basically true. That was the intent as expressed by my predecessor and I equally express that desire of having that accepted as government policy. It is now government policy and that will occur once the four provinces have signed the agreement. There is a letter of intent of all four provinces now and hopefully that if we get this done within the next couple of weeks, that all the four western provinces are able to present legislation to their Legislature, that this can be had say by June of 1974.

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MR. SHERMAN: A final supplementary, Mr. Speaker. Was the Minister not planning and did he not state publicly that he intended to consult with the Lotteries Commission people here and with various selling agencies before entering into the agreement?

MR. TOUPIN: Well, Mr. Speaker, I had officials from my department come with me to Regina, I had my predecessor come with me equally who had the background, I had the Executive Director of the Lotteries Commission accompany me on that trip to Regina. The statement that I made shortly after I was appointed Minister of Tourism, Recreation and Cultural Affairs is that I had to have an open mind; I still have, but policy of government has to be eventually accepted.

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

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I direct my question to the Honourable the Minister of Agriculture. Could the Minister inform the House if he obtained mailing lists of Canadian Wheat Board permit holders from the Wheat Board?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Mr. Speaker, I would presume so, that's the normal procedure that we've always used when we wanted a list of the permit holders on previous occasions, so I would presume that would be accurate.

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

MR. MINAKER: Thank you, Mr. Speaker, my question is to the Minister responsible for MDC. I wonder if the Minister could confirm that Flyer's Industry is going to have an Ed Schreyer Night tonight at their Transcona plant?

MR. GREEN: Mr. Speaker, if it is so I would be very hurt because I was not invited.

MR. MINAKER: Mr. Speaker, to the same Minister. Could the Minister confirm that there will be food and alcoholic beverages served at this party tonight?

MR. GREEN: If that is so then I feel twice as bad because I like food and alcoholic beverages. I am not aware of any such event.

MR. MINAKER: I wonder if the same Minister could advise if Flyer Industries will be paying for the party tonight, and also is there any truth that the name is going to be changed to Flyer Schreyer?

MR. GREEN: Mr. Speaker, I am rather disappointed that the honourable member did not now tell me there would be dancing girls, in which case I would go whether I was invited or not. But, Mr. Speaker, I am not aware of any such event.

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

MR. J. PAUL MARION (St. Boniface): Mr. Speaker, I'd like to direct my question to the Honourable Minister of Tourism and Recreation and Cultural Affairs. Can the Minister advise us if the host of agencies which presently sell the Manitoba Golden Sweepstake tickets will receive the same financial reward under the scheme that is presently being studied, the alternative scheme?

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

MR. TOUPIN: Well, Mr. Speaker, it is very difficult to answer this question. In regard to percentage payable to agencies that are now involved and will be involved in the future in the new scheme, the percentage--you know the commission for sellers and the commission for agencies would be quite similar. The volume of sales in my own personal opinion could somewhat drop initially, but within a very short time I can foresee that overall amount being sold in Canada increase. So there could be a decrease say in revenue to some agencies initially.

MR. MARION: Mr. Speaker, in view of originally the decrease in sales I would ask this question. If the financial reward is less at the outset has he evaluated the impact that this will have on the objectives and the programs that are being carried out by the selling agencies?

MR. TOUPIN: Well, Mr. Speaker, I really hate to be conservative and in this case I have to be in the sense that I would not want to, you know, to indicate to the public of Manitoba that there will be a decrease. I have discussed it with a lot of agencies involved and quite a few of them tell me that there will be an increase even though we are going into an interprovincial arrangement, but I'd rather indicate to the public that there could be initially a decrease of overall revenue even though that the percentage for the agency would be quite similar - you know, I may be proven wrong.

MR. MARION: A last question to the same Minister, Mr. Speaker. Has the Minister been advised by any of the present selling agencies that they intend to withdraw their selling

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(MR. MARION cont'd). . .auspices in the immediate future?

MR. TOUPIN: Not really, Mr. Speaker. I was recommended by some agencies involved in the selling of tickets that they would have liked to have seen say both the Manitoba lottery scheme plus the interprovincial arrangement, and that is not possible. We have to either stay with our own or reach an agreement with other provinces in Canada and we have - with three other provinces in Canada, you know; and we are looking at the Olympic lottery equally which could be available plus the interprovincial scheme which will help equally financially those agencies that could be actual agents of the interprovincial commission.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Industry and Commerce. It relates to the answer given by the First Minister and to an answer as well yesterday to a question by the Honourable Member for Riel. The First Minister has indicated that at a \$6 a barrel increase in the price of oil it would amount to six cents per gallon for Manitobans. I wonder if the Minister is now in a position to indicate as he did yesterday what the final calculation would be for Manitobans and whether we are talking of an amount around \$50 million that Manitobans will now have to pay for gasoline?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: On a point of privilege, Mr. Speaker. I think I know the sense in which the Honourable Leader of the Opposition meant it but the way he said it the record will show that I am quoted as saying that a \$6 per barrel increase means such and such. I said an increase to \$6 - not a \$6 increase - there's all the difference in the world.

MR. SPIVAK: Just on a point of order. If there's any misinterpretation I'm sorry but my understanding is that if a \$6 a barrel price takes place it will cause a six cent increase. --(Interjection)--Yes, that's right. I wonder if the Minister is in a position to indicate that that is an amount around \$50 million that Manitoba consumers will have to pay?

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

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): Mr. Speaker, I did take the question as notice but I have as yet not received a report from the staff.

MR. SPIVAK: To the Minister of Industry and Commerce. Is it his departmental function to advise the First Minister of what the impact would be for Manitobans, before he attends such a conference?

MR. SPEAKER: Order please. The question is out of order. The honourable member well knows it. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I wonder if the Minister can indicate, has he any definite figures of what the impact and the cost will be in the aggregate for Manitoba consumers, or is the First Minister in a position only to talk about approximate increase based on some simple arithmetic?

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

MR. LLOYD AX WORTHY (Fort Rouge): Mr. Speaker, I have a question for the Minister of Mines and Natural Resources. Is the government now prepared to change its position and demand a halt to the Garrison Diversion project in light of the statements made by Mr. G. G. Stamm, head of the Bureau of Reclamation, that remedial measures will be required to offset the expected damage to Manitoba rivers if the Garrison Diversion goes ahead?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, the Government of Manitoba through the Government of Canada demanded a stop to any portion of the Garrison Diversion which would have the effect of harming Manitoba waters. In response to that demand the Government of the United States has indicated that no construction will take place on any part of the Garrison Diversion which would cause pollution to the injury of persons or property in the Province of Manitoba, in accordance with the treaty obligations of the United States. So the demand that the honourable member has requested has been made and the United States has undertaken not to commence with such construction.

MR. AXWORTHY: Well in view of the statement just made by the Minister, can he explain to this House why the head of the Bureau of Reclamation which has undertaken this project has stated in front of a U. S. Congressional Committee that a number of impurities can be expected in Manitoba waters and that counterbalancing measures will be required to compensate for them.

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MR. GREEN: Mr. Speaker, I have great difficulty in indicating why members in this House, particularly certain of them, make certain statements. I would have much greater difficulty in trying to tell the honourable member why a person made a statement before a House in the United States.

MR. AXWORTHY: Well, Mr. Speaker, I wonder if the Minister would undertake then to acquire copies of the statement made by Mr. Stamm to the Congressional Appropriation Committee and table them in this House, considering that he is head of the American agency which has undertaken the diversion project and these statements have been reported as I have repeated them in this Chamber.

MR. GREEN: Mr. Speaker, I'll be pleased to look into it.

MR. SPEAKER: The Honourable Member for Wolseley, Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, my question is to the Minister for Consumer and Corporate Affairs. I wonder if he could tell us whether he concurs in the statement made yesterday by his national leader David Lewis that consumers in Canada are being gouged?

MR. SPEAKER: The Honourable First Minister, on a point of order.

MR. SCHREYER: Yes, I believe it's one of the House rules that it is not germane to ask whether someone agrees with someone else, particularly if that someone else is not in this particular Legislative Assembly.

MR. SPEAKER: The point is well taken. The Honourable Leader of the Liberal Party.

MR. ASPER: Yes, Mr. Speaker, my question to the Minister for Consumer Affairs, is, does he concur in the statement or the idea that consumers in Canada are being gouged as stated by no one in particular?

MR. SPEAKER: Order please. Again, whether the Minister concurs or doesn't concur has nothing to do with the procedures of this House. The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, again, and I don't like to harass the Minister of Mines and Natural Resources on the Garrison project, but if he would listen for a moment I would just like to ask him if he concurs with this report on the Garrison Dam which was depicted on TV, Channel 2, the night before last, which indicates - I think the Dam project will be through or the diversion will be through before we can get through this report. But I'd just like to ask him if he concurs with the report and if it is a fact that was put over TV on Channel 2 in Winnipeg the night before last. . .

MR. SPEAKER: Order please. Again I find the honourable gentleman asking for confirmation of something that does not help the procedures of this House. We do not have TV in here. The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Mr. Speaker, I have a question to the First Minister. Can he tell the House how soon he expects to transfer the Minister of Northern Affairs from his present portfolio?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: I don't know if the Honourable Member for Swan River expected a reply to that question but he affords me the opportunity to indicate that the Minister of Northern Affairs is an excellent young man who has been serving in a rather challenging position, trying to bring some relevance of the Crown in the right of the Province of Manitoba to many communities in the north that were only - there's only one way to describe them in terms of the past - and that was neglect. (Applause)

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I have a question for the Honourable Minister of Corporate, Consumer and Internal Services. Will the Minister be bringing in enabling legislation this year or during this session dealing with new-house warranty and insurance scheme?

MR. SPEAKER: The Honourable Minister.

HON. IAN TURNBULL (Minister of Consumer, Corporate and Internal Services) (Osborne): Mr. Speaker, at the present time it is not contemplated to bring in legislation on new-house warranty but I can advise the member that my staff and other representatives of the Provincial Government will be consulting with the Federal Government, so that if in fact a national home warranty program is introduced it will be one that is coordinated and one that is comprehensive.

MR. PATRICK: A supplementary. I wonder if the Minister will be attending the meeting in Ottawa concerning this problem on the 8th?

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MR. TURNBULL: Mr. Speaker, that meeting is a meeting of officials and it would not be appropriate I don't think for a Minister of a provincial government to be there.

MR. PATRICK: A supplementary, Mr. Speaker. I have another question. I wonder if the Minister is supporting this scheme or he has placed it at the bottom of his priorities?

MR. TURNBULL: Mr. Speaker, I think that the record will show that shortly after I took responsibility for this portfolio I was so interested in the problems that new home purchasers in particular were facing with home builders who went bankrupt and who had built houses of faulty construction, that I made a special trip to the City of Thompson and through the efforts of my department and other concerned parties we managed to get the federal agency, the CMHC to proclaim Section 8(1) of the National Housing Act which enabled those people in Thompson to recover some of the moneys which were used to repair the houses that were faultily constructed to begin with.

MR. PATRICK: A supplementary, Mr. Speaker. Will officials from his department be attending this meeting in Ottawa next week, or on April 8th?

MR. TURNBULL: Mr. Speaker, I believe I've already answered that question to the effect that yes, officials from my department will be attending and I expect other representatives from other branches and agencies of the Provincial Government.

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

MR. MINAKER: Thank you, Mr. Speaker, my question is to the Minister of Mines and Natural Resources. During the meeting with the State of North Dakota representatives and the province representatives, was there assurance and guarantee from the U. S. body that water would be made available from the Missouri River system adequate enough to dilute the total dissolved solids expected from the Garrison Diversion down to a level which is accepted and I believe would require somewhere in the order of about 216, 000 acre feet of water?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Well, Mr. Speaker, generally there was some attempts by the people in North Dakota to indicate that they were looking for ways of undoing what were the predicted harmful effects. I can't remember the specific of the honourable member's statement, but the Government of Manitoba at that meeting and before that time and since then has indicated that we were interested in seeing the United States commitment that there will be no pollution in Manitoba waters fulfilled and that we were asking that our official get together with theirs so that they can show us how this will be fulfilled and how the rest of the statements in the undertaking would be complied with by the United States.

Mr. Speaker, while I'm on my feet the honourable member asked a question about a party. There is, I took him to say tonight there is a Flyer opening type of social sometime next week. I believe to that one I am invited, and I believe that the Leader of the Opposition and the Leader of the Liberal Party are also invited. This is something that is sponsored by the Manitoba Development Corporation and Flyer - and I believe the province is hosting the luncheon, at which I believe there will be hospitality of some kind.

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

MR. MINAKER: Thank you, Mr. Speaker. Another supplementary question, could the Minister advise if he has received any correspondence from the Federal Government indicating that they have received guarantee from the U. S. government that waters would be made available, adequate volumes of water from the Missouri River system to dilute the anticipated total dissolved pollution.

MR. GREEN: Mr. Speaker, the federal government is the one that received the note from the State Department of the United States. I am unaware that they have received additional material such as the honourable member has referred to. It would be surprising if they did, because the note says there will be no construction commenced which will have the effect of polluting Manitoba waters, and prior to anything of that - prior to any construction taking place, the meetings of officials are supposed to take place to further discuss the matter, so I am not sure whether they have received the kind of information the honourable member is referring to.

MR. MINAKER: Thank you, Mr. Speaker, my last question to the same Minister - during the meeting with the North Dakota representatives, was there any discussion with regards to channel improvement of the Souris River, and the cost, and who would burden these - to carry the expected increased volume due to the dilution part of the proposed method of reducing the

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(MR. MINAKER cont'd). . . total dissolved solid content.

MR. GREEN: Not to my recollection, Mr. Speaker; there were at various times, people were meeting in different places - but not to my recollection. I will take the honourable member's question as notice to see if anything of that kind was discussed with officials.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID BLAKE (Minnedosa): Thank you Mr. Speaker. My question is directed to the Minister in charge of Co-operative Development. I wonder if he could indicate to the House how many trust accounts for PEP grants are supervised by the officials of his department?

MR. SPEAKER: The Honourable Minister.

MR. USKIW: Well, Mr. Speaker, the nature of that question obviously demands some research, so I'll have to take that question as notice.

MR. SPEAKER: The Honourable Member for Swan River.

MR. BILTON: Mr. Speaker, thank you. My question again is to the First Minister, in the light of his reply to my earlier question. Could the First Minister inform the House that in the event of a change, can we look forward to the appointment of the Member for Rupertsland as the Minister of Northern Affairs.

MR. SPEAKER: The question is hypothetical. The Honourable First Minister.

MR. SCHREYER: It is a case of an embarrassment of riches, I quite admit, but one will find some means of resolving that dilemma.

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

MR. MARION: Thank you, Mr. Speaker. I'd like to direct my question to the Honourable the Minister for Health and Social Development. Has the government now received requests from hospitals for budgetary increases in excess of the 8 percent ceiling which was previously imposed by the government and later opened for individual adjudication according to hospital needs?

MR. SPEAKER: The Honourable Minister of Health.

HON. SAUL A. MILLER (Minister of Health and Social Development) (Seven Oaks): Mr. Speaker, the government has not received direct submissions from the hospitals. The hospitals deal with the Manitoba Health Services Commission and they may indeed be making the approaches now, I don't know, but the relationship is between the Commission and the hospitals, the Department is not directly involved.

MR. MARION: I wonder in that case, will the Minister advise whether he is aware through the Manitoba Hospital Services Commission if Manitoba's largest hospital, the Health Sciences Centre has requested a lifting of the ceiling on its budget and how many other hospitals have applied for the same withdrawal of the ceiling.

MR. MILLER: Mr. Speaker, I read the papers and I recall seeing that the Health Science Centre did request a lifting of that 8 percent. I believe there were other hospitals requesting the same, but those requests are made to the Manitoba Health Services Commission where this matter will, I'm sure, be resolved.

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

MR. MARION: I have a supplementary Mr. Speaker. Has the Minister been advised by the Hospital Commission of any receipts indicating from hospitals that they will not be able to fulfil the same levels of service because of the budgetary constraint?

MR. SPEAKER: The Honourable Minister.

MR. MILLER: No, Mr. Speaker, no - the Manitoba Health Services Commission has not formally contacted me in that particular vein. I'm aware, as the Member is aware through newspaper reports, and I suppose if the Manitoba Health Services Commission wishes to discuss the matter with me and through me with government, they will do so. At the present time they are still talking directly to hospitals and vice versa, because that is the way it does operate and that's the way it should operate.

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MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, assuming it meets honourable members convenience, I would like to proceed now with our practice of moving motions of condolence with respect to the memories of those members, former members of this Assembly who have passed away, and

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(MR. SCHREYER cont'd). . . in the first instance, Mr. Speaker, I would like to ask honourable members to - those that were personally acquainted with the late Samuel Edward Birch, MLA - to do that.

The late Samuel Edward Birch, Mr. Speaker, was I suppose, could be described as a native son of the Province of Manitoba and in particular, a native son of the Carberry Plains. He is one who lived his entire life in that south central part of our province, having been born in the Kerfoot district back in 1889 and living most of his life in Wellwood district and in and about the municipality of North Cypress. For a period of approximately 8 years, 9 years to be exact, he represented the people of that part of our province in this Legislative Assembly, being elected in 1948 and defeated in the general election of 1958 by the lady member who sat in this House subsequently until recent years.

I am not one who had the privilege of being personally acquainted with the late Samuel Edward Birch, although his service here was right up until the year that I first came here as a Member of the Legislature. I am told by those who knew him that he was a successful farmer in his area of the province, one who certainly mixed in a very willing and active way with neighbours in that community and who was very active in the general activities of the communities of that part of the province, having been a director and member of the Carberry Agricultural Society and a Councillor of the Rural Municipality of North Cypress - and in addition to that, just being available to neighbours for advice and encouragement with respect to problems in their farming occupation, with respect to problems in the local municipality.

I think that all in all, one could summarize best the late Mr. Birch's interests in life by saying that his was a life of devotion to family, to friends and to community, and this would make very appropriate the words that were used in describing his lifetime in the local newspaper the Carberry News, and I quote: "Great heart is dead they say, but the light shall burn the brighter and the night shall be the lighter for his going, and a rich, rich harvest for his showing."

I would like to move, seconded by the Honourable the Member for Gladstone, that this House convey to the family of the late Samuel Edward Birch who served as a member of this Legislative Assembly, its sincere sympathy in their bereavement and its appreciation of his devotion to duty in a useful life of active community and public service and that Mr. Speaker be requested to forward a copy of this resolution to the family.

MOTION carried.

MR. SPEAKER: The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON (Gladstone): Thank you, Mr. Speaker. On behalf of the Conservative Party, I am pleased to join the First Minister in extending the condolences to the family of the late Sam Birch. Although I did not have the privilege of knowing him very well, I can recall several times that I did meet him in my youth. He was an auctioneer and a horse trader of the old style - and in those days that was quite an accomplishment and covered a lot of territory, and Sam had quite a reputation as being a very shrewd dealer, but a very fair one.

As the First Minister has stated, he did live a very full life 84 years of age when he was deceased, and he did serve his district in the Legislature for 9 years; he was a councillor of North Cypress, he was an Agricultural Society director; he also was very active in the Church and all around was a citizen that participated in pretty well everything that went on in his district, not as a bystander but in a very active way, and these kinds of people are very hard to come by and they are missed when they are no longer around to take part in these functions.

However, Mr. Birch's farm is still a very prosperous enterprise; his son Bill still runs the farm, and it is one of the show places of the Carberry area. Bill also is following in his father's footsteps in being an auctioneer, and though I am well acquainted with Bill, as I say, I was not that well acquainted with his father. We in the Conservative Party extend our sympathy to the family and add our words to the Premier's.

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

MR. ASPER: Mr. Speaker, I regret to say that I did not have the privilege of serving in public life with Mr. Birch, although certainly his reputation as a former Liberal Member of this Chamber was well known to me.

My only personal touching of - or being touched by his life, was that I grew up in the same area and I recall his presence as an auctioneer of Saturday afternoon in Neepawa as a youngster,

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(MR. ASPER cont'd). . . and he was from what I remember and from those who I have spoken to who served with him, he was a great delight as a human being. A man who couldn't resist, even though he had the pressures of a very successful business career and farming and agricultural career, he couldn't resist the call to duty, to call to public service whenever it was offered to him. And it's true, as my honourable friend from Gladstone said, in rural communities such as Carberry, Neepawa and Gladstone area, there is so much to be done and people of public mind and spirit like Mr. Birch, are too far and few between.

He is missed in the community that he helped grow, it's one of the most progressive, aggressive and prosperous areas of the province, and those who remember him at least will remember him as a man who never refused the call of public duty, contributed vigorously when he was asked to and is a model for younger people to follow. so I join on behalf of the Liberal Party in supporting the condolence motion of the First Minister.

MR. SPEAKER: In accepting and agreeing to the motion of condolence would the honourable members please rise for a moment of silence.

(One minute silence)

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I now come to refer to another distinguished Manitoban who served in this Assembly for quite a number of years and who I suspect was known to quite a number of the members who are currently sitting in this Assembly. I refer of course, to the late Honourable Ivan Schultz a man who could be described as Mr. Ivan Schultz, MLA at one stage in his career; the Honourable Ivan Schultz Q. C. at another stage in his career; and Mr. Justice Ivan Schultz. He too was a native son of this province, born in the Belmont area in near proximity to the area that is now represented by the Honourable the Member for Rock Lake, and during the period of his years here on this earth, he certainly did undertake I would think it could be said, Sir, he did undertake to maximize his educational attainments and to engage in public affairs in a most productive way.

He served in this Assembly for 25 years from 1929 to 1955; he served as a Minister of the Crown under three successive premiers; Premier Bracken, Premier Stuart Garson, Premier Douglas L. Campbell. Among the comments that have been made with respect to his life's work and activities it is said that he took a keen interest in sports and that he was very active in the local community hockey and baseball tournaments. He served on the local school board and it is said here, Sir, that he produced annual reports that were the subject of editorial comment in the Winnipeg Free Press. Now I take that, Sir, as being an indication of something though not quite clear, but I am sure that he must have evoked the attention of many people in this province and beyond the borders of this province, for he served as Minister of Education, as Attorney-General and as Minister of Health and Social Welfare at various times during his years and his career in this Legislative Assembly.

When he reached the age of 75 with his retirement from the Bench he was one who was still very very alert, clear of mind and therefore continued his interests in a whole array of organizations and organizational activity too numerous to mention. I suppose it could be said that he was a joiner, Mr. Speaker, a joiner of many clubs and worthwhile community organizations; Natural History Society, United Nations Association of Manitoba, the Bar Association, the Canadian Club and so on and so forth. I think it is scarcely exaggeration to say that his range of interests were legion and that his stay here on earth and the way in which he carried out his duties as a Member of this Assembly, as a Minister of the Crown and as a Member of the Bench almost make him legendary if not in fact so.

I would move, Mr. Speaker, seconded by the Honourable the Member for Rock Lake, that this House convey to the family of the late Ivan Schultz Q. C., who served as member of the Legislative Assembly of Manitoba, its sincere sympathy in their bereavement and its appreciation of his devotion to duty in a useful life of active community and public service and that Mr. Speaker be requested to forward a copy of this resolution to the family.

MOTION presented.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I wish to take this opportunity to thank the First Minister for the privilege of allowing me on behalf of my colleagues to second this condolence motion. Undoubtedly you've all read the obituary of the late Ivan Schultz.

## MOTIONS OF CONDOLENCE

(MR. EINARSON cont'd). . . I would like to say and I'll always remember him as a man of his community. Ivan Schultz was a kind and generous man; he was tremendously successful, which made him very impressive to his acquaintances and a great asset to his wide circle of friends. As a young man when money was scarce he encouraged sports at which he himself excelled. He appreciated music and influenced others likewise; he loved books and brought the passion of the literary world to all who could be persuaded to enter therein. In intervening years his success took him out of the provincial constituency, an area now within my present boundaries of Rock Lake, but in spite of his absence Mr. Schultz' unflinching devotion to his native community was undaunted. He actively supported every progressive effort in the area, be it hospital, community recreational facilities, his church, or the senior citizens' residence. Baldur High School students enthusiastically recall inspirational messages delivered by Mr. Schultz at graduation exercises 40 and more years ago. He was welcomed home for every community highlight, including centennials, and it was in 1970 when Baldur chose to honour another native son, John Peter Sigvaldson, former Canadian Consul to the Canadian House in London and Ambassador to Indonesia from 1961 to '64 and to Norway and Iceland thereafter it was my pleasure and honour to assist Mr. Schultz, the guest speaker at the touching and impressive unveiling ceremony of tribute - to be classed in a group with such fine native sons, indeed it was an honour to me.

In closing, Mr. Speaker, I might add the comments of a constituent of mine who recently celebrated his 90th birthday and who chose not to be mentioned by name in Baldur, and whose privilege it was to nominate Ivan Schultz at his original nomination to represent the Constituency of Mountain for the Liberal Party. This meeting was held in Homefield, Manitoba, in the year of 1930. This gentleman and his wife proudly agree that there is not one amongst my constituents whose lives have not in some way been touched by the life and unflinching devotion of the late Mr. Ivan Schultz.

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

MR. ASPER: Mr. Speaker, while it's a great and distinct honour for me to join in the motion, I must confess that it's still too early for me to speak dispassionately about the greatness of one of the most outstanding men this province has ever produced, one of my own sources of inspiration and one of the men whose record serves as something that almost anyone in this House would envy to have achieved. I still am overcome by a personal sense of sadness at his passing, which was only a few weeks ago and I know - when we knew the end was near for Ivan, I went to visit him in the hospital and I wondered how I could face him knowing the kind of man he was, knowing that he knew and there was no pretence that it was almost time. And he spent his last few weeks - and apart from being a dear friend and a constituent of mine - he spent his last few weeks cheering up those of us who he knew would be saddened, who would be hurt by his passing. And even today, I think that in paying tribute to the memory of this great man he would not want us to mourn his passing but would in some way hope that the things said here today would celebrate his long and his extraordinary life, the quality and the accomplishment of it. Because he'll be remembered in this Chamber by credentials, by posts he held - but to those of us who knew him as a man, who looked to him as a sense of absolute inspired leadership, he was a scholar, he was an outstanding judge, he was a distinguished lawyer, he was a loyal Minister of the Crown. There is hardly any aspect of human endeavour that he did not excel in at some point of his long and very useful life.

I think if there's one word I would ascribe to Ivan Schultz would say he was a poet; in all his activities, there was a symphony of poetry in his professional work, in his legislative work, political work. His well known love of literature has been mentioned, his passionate dedication to music, his research into music. He could have been a musicologist, he could have been a literary critic and he could have been a philosopher. It's well known that he travelled, there's hardly a portion of the earth that his curiosity didn't take him to.

And in this House those of you who will take the time some day to study the history of those incredible years, the years of the '20s, the '30s and the '40s that Manitoba grew from isolated outposts to a full fledged sister in confederation, will know that those years were the years in which he held several ministeries, all of which were handled with compassion, with fierce dedication, but with understanding and affection for the people of the province. Those years were marked by tremendous progress, and he was proud always as a human being to have been part of those years - particularly the commitment to the rural electrification of

## MOTIONS OF CONDOLENCE

(MR. ASPER Cont'd) . . . . Manitoba, which was a dynamic and, for its day, a very daring step. On the Bench, those of us who practised before him as lawyers will remember him as a wise, a very compassionate and understanding if not stern judge, but one who was unique in that he never lost the affection and respect of his colleagues on the Bench as well as those who practised in front of him and who were not always favoured by his judgments.

There is one story—Ivan Schultz would never confirm it, but I think it's worth repeating—because this afternoon we attended the hanging of the picture of the immediately past Premier of the Province, and here we are paying tribute to a colleague of those early years who was a Minister but not Premier. It's a fact well told that Ivan Schultz might well have become our Premier. There was the time when Stuart Garson, then Premier, had decided to stand down—and it's said that he walked into the caucus room and told his colleagues of his decision to become Minister of Justice and to go to Ottawa, and they were distressed at the decision, but they knew it was coming and they had to pick a successor. There was a question of whether it should be Ivan Schultz who had been promoted for the job, and he didn't really want it. So they began working on another young fellow in the Cabinet, his name was Campbell, and finally the caucus and Cabinet agreed that it would be one of the two. They stepped into the hall of this Legislature, it is alleged that they settled the issue by tossing a coin, and while Ivan Schultz would never confirm that to me, he would always say with a twinkle that if it did happen, he was the winner because he had lost the toss. And but for that trick of fate or chance we might have had a different history book in Manitoba one way or the other.

The point is, Mr. Speaker, I loved and knew this man well; it's with a very heavy heart that I recall some of the moments that I spent with him. Probably the most memorable weekend of my life was spent with him as his guest at the place he hid away in at Caddy Lake, where he was no longer a politician, no longer a judge, no longer a lawyer, but a human being who pursued his own hobbies. He epitomized to me, Sir, the very best that's in every human being, the capacity to greatness—and because that great heart no longer beats, that great mind no longer thinks and that brilliant light has gone out, I think the most appropriate words that were said in connection with Ivan Schultz's passing were those words of the Chief Justice of Manitoba, when he said that his passing impoverishes us all. He was a source of inspiration, a source of pride to our party, symbol of the greatness that we can achieve, and because of those reasons, Mr. Speaker, I am honoured to participate in the motion and concur therein.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I want to just say a few words on this condolence motion. Justice Schultz came from the same part of the country as I did and was a lifelong friend of my family's and of many other families of that particular district and I agree wholeheartedly with the very eloquent statements that have been made in his passing here today, and simply wanted to add a comment because of the family connection.

I think that one story about him that may also be related into the record is that I suspect that if the record were examined it would be found that Ivan Schultz was elected more times probably by acclamation than he was by actual election—and there have been many people, so popular was this man, not only as a politician but as a friend, which he kept up right until his death; kept up his contact right until the time of his death by his yearly letters at Christmas time to untold hundreds of people. He was a great humanitarian, one of the great people which you want to somehow associate with being an elected member of this Legislature. So with the others I would like to pass on condolences to his family, Mr. Speaker.

MR. SPEAKER: In accepting and agreeing to the motion of condolence, would the honourable members please rise for a moment of silence.

(One minute silence.)

MR. SPEAKER: The Honourable Minister of Finance.

HON. SAUL CHERNIACK, Q.C. (Minister of Finance) (St. Johns): Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Agriculture, that Mr. Speaker do now leave the Chair and the House resolve itself into Committee of the Whole to consider the following Bill: No. 28, an Act for granting to Her Majesty certain further sums of money for the public service of the Province for the fiscal year ending the 31st day of March, 1974 (2).

MOTION presented and carried and the House resolved itself into a Committee of the Whole with the Honourable Member for Logan in the Chair.

COMMITTEE OF THE WHOLE HOUSE - BILL 28

MR. CHAIRMAN: Section 1 - we're dealing with Bill No. 28. (Sections 1 to 5 of Schedule A passed) Schedule A . . . The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Chairman, if you are dealing with entire Schedule A which is okay with me, I just have the one correction to make to which I drew the House's attention some time ago, a typographical error appearing on Page 4 under Colleges and Universities Affairs, No. XVII to be changed to XVI.

MR. CHAIRMAN: Is it the will of the Committee of the Whole to deal with Schedule A in its entirety, or do you want to go down clause by clause? Schedule A -- pass. The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, before we complete consideration of this particular bill and Schedule A where we talk about the appropriations that we would like to have considered, I simply wanted to bring to the attention of the House my intention to vote against this particular appropriation and I do so for a basic reason, that this government thus far I think has not lived up to its responsibilities in the application of finances to the City of Winnipeg and has in part, in fact in large part, undertaken some very serious delusions and distractions of this House in the area, particularly of urban transportation.

Over the past two or three weeks we have been attempting to elicit from the government its urban transportation policies and programs. This was something that was signified in the Throne Speech that the Provincial Government would indicate in some very specific and some very direct way how and in what ways it intended to aid and abet the development of a proper urban transportation system in the City of Winnipeg. Since that time, what we have been receiving is in fact a policy in absentia, that we have been receiving certain commitments of funds, certain cost sharing and capital works projects, all of which add up to a policy without ever having a policy stated. The result of that is that we are now engaged in the support of or the acquiescence in a transportation program in the City of Winnipeg which if carried through will have the consequences of severely damaging many residential areas of the City of Winnipeg and in particular, Mr. Chairman, areas in very close - adjacent to this particular Chamber, areas in the downtown portion of Winnipeg.

Now the point I refer to is specifically this, that while the planning and development of transportation rightly belongs in administrative quarters of the City of Winnipeg and must be supported by their own elected representatives, in fact once this province makes up its mind or agrees to commit in a cost-sharing arrangements, it becomes very incumbent upon the province to also indicate what policies it has in relation to urban transportation - particularly when we are engaged in the development of major bridges, overpasses, connecting routes, arterial rights-of-way, all of which will have, if you put the pieces together, the impact of very major and very significant detailing of a framework of transportation throughout the city.

Let me give a specific example, which disturbs me to no end, and that is the proposed plans of development for the Osborne Street bridge, which the province itself indicated that it wanted to develop a certain overpass-underpass kind of arrangement. The consequence will be, if I could point out, that Assiniboine Avenue, the street just to the south of us will become a major thoroughfare connecting Main Street to Osborne Street; will become a major sort of traffic thoroughfare, and therefore will cut through an area which is occupied by close to 2,000 people who up to this time have enjoyed a certain degree of calm and a certain degree of tranquility in their environment and certainly have the right to look forward to more. This is an area which is a historic riverbank area, and I think the citizens and residents of Winnipeg as well, to this specific area, might have had the expectation that that area could have been turned in over a period of years into a total greenway or parkway for the enjoyment, not just of themselves, but the total population. That cannot and will not happen if major traffic flows are directed this way, which will be one of the consequences of the development of the transportation program we have in front of us. Yet that has never been outlined.

Similarly we are looking at the proposals for the Sherbrook-McGregor overpass, which has exactly the same kind of consequences; this Provincial Government is acquiescing in it by helping to share cost. Now no one has said that they agreed with that particular kind of transportation policy which is geared totally to the transmission of automobiles, and yet as a Provincial Legislature we are being asked to support that kind of measure. The same thing is true in the suburban perimeter corridor; land is being acquired, rights-of-way are

## COMMITTEE OF THE WHOLE HOUSE - BILL 28

(MR. AXWORTHY Cont'd) . . . . being acquired, options are being exercised, which this Provincial Legislature is acquiescing to; it in fact amounts to a policy of acceptance or of endorsement of that inner perimeter concept at a time when the whole concept of urban arterial road transportation is under severe question and certainly is under severe question in those areas themselves. And the thing that I deplore most strongly is that we again have not received in any whit or way the slightest spark of leadership from the Minister responsible for Urban Affairs, who should be providing a basic framework and basic guidelines indicating what the province is prepared to support and how it's prepared to support it.

And I would use by contrast the kind of action that the Province of Ontario took about two or three years ago when faced with exactly, or in similar kinds of consequences the City of Toronto was planning to proceed with major expressway systems. They took the step of intervening, cutting off funds and indicating that they would prefer to see a public transit system of high quality; then took the next step of setting up an urban transportation corporation, and then took the other step of working out agreements and arrangements with the City of Toronto to set up an urban transportation review commission jointly supported by the province and the city to look and appraise other forms of expressway proposals, freeway proposals, arterial proposals and to assess their impact and the consequences within that city itself. And the wisdom of that course is now being seen, where in fact that same Toronto Review Commission has provided very knowledgeable and informed assessments of certain freeway proposals, which are now being altered - the announcement in the Toronto newspapers two weeks ago - I think it's strong evidence of the wisdom of that course of action.

It strikes me as so unusual that this particular Chamber can spend literally hours wrestling with aspects of policy that may affect a hundred people or 300 people - or even in the case of the northern co-ops, which was an issue of some significance, affected perhaps two or three thousand people, that's my concept - yet totally ignores something which is going to affect hundreds of thousands of people, people affected in every vital way - where they live, the kind of homes they occupy, the environment they exist in, and the kind of jobs and the economic vitality of their particular community - and yet not a word is spoken, not a thing is said. And all we receive from the Minister responsible for Urban Affairs is the rationale or perhaps the excuse, that after all this is something the city has to decide and we have to go along. Well he doesn't have to go along. It is provincial money raised by provincial taxes, which you have the right to determine how it is to be used; to set certain guidelines and conditions and to try to take some leadership in how that money should be used rather than simply being a passive recipient of other people's proposals.

The field of urban transportation is far too important for this provincial Chamber and this Provincial Government simply to be a passive actor in what is a very major drama going on in the City of Winnipeg. And it's for that reason that I must rise in opposition to what we're doing, because it is one of the opportunities that we have simply to express something else - the indignation that many of us feel who can see constantly the plans and proposals being made that we know are going to affect our own communities, and know that increasingly we have very little impact upon them. And I would even refer in this case that certain basic guidelines that were set out in Bill 36 that was passed by this government, that was designed to protect and ensure that proper planning would take place, is in many cases being ignored and in fact we are complicit in that, because this government goes along with the indifference towards its own procedures that it set out in its own act. And as a result, as a consequence, we just may end up repeating and repeating and repeating the mistakes made in many other North American cities where we have developed urban transportation systems that have ended up committing and devoting 30 or 40 percent of the space to the automobile at a time when the automobile and its use and utility must be severely questioned.

And so, Mr. Chairman, I would simply like to indicate my concern and my opposition to the lack of direction and the lack of leadership that we are receiving in the field of urban transportation; that this Provincial government has had and still has the opportunity to take a stand, to set down conditions, to describe for itself the kind of urban transportation it has. We have a full department of this government devoted to highways. We have nothing similar, at least there is no apparent similarity to a road system and a transportation system of equal importance in the urban area, and therefore we are committing serious sins of omission. And furthermore, we are not in any way - and I don't see any indication there or in the Estimates,

## COMMITTEE OF THE WHOLE HOUSE - BILL 28

(MR. AXWORTHY Cont'd) . . . . that we're not even prepared to take acts of commission where we are not simply - while it's bad enough agreeing to bad planning, it's even worse not to be doing any of your own or undertaking the kind of investigation and the kind of initiatives we should be taking in this provincial level to introduce refined and innovative and modern urban transportation systems.

And I would point out, for example, the cooperation that now exists between the City of Edmonton and the Province of Alberta in developing a light rapid transit system in that city, where the province is committing money and is committing rights-of-way and is negotiating with railways to bring that about; and it has set policy and it has set direction. And here is a party which has close to three-quarters of its members coming from an urban area, and not a word has been spoken. And when we ask for the words to be spoken, we're told it will come tomorrow and it's the old, I guess, Spanish philosophy of government, everything's manāna, and we're going to wait till it rains before we're going to fix the roof. Well the fact of the matter, it's happening right now, and those decisions are being made at the present moment. And I would only hope that the message would be taken that it is time to intervene and introduce a provincial point of view and a provincial perspective on the transportation systems of the City of Winnipeg, and to back it up not simply with the opposition to what is being done, but proposals to what should be done; and a preparation and a preparedness to back that up with the resources that are required, so that this city is able to anticipate and develop a modern useful transportation system that does not injure or damage the very precious residential areas of the city, but in fact looks forward to and anticipates developing a system that is able to knit the fabric and framework of the city in a very wholesome and very enjoyable type of environment. That is the kind of direction we should be receiving and I would only hope that this session will not go by without seeing some steps taken to provide that direction that we badly need.

MR. CHAIRMAN: The Honourable Member for Winnipeg Centre.

MR. J.R. (BUD) BOYCE (Winnipeg Centre): Mr. Speaker. Amen.

MR. CHAIRMAN: (The remainder of Schedule A to Bill 28 passed) Committee rise and report. Call in the Speaker.

Mr. Speaker, the Committee of the Whole has considered Bill No. 28 and directed me to report the same without amendments, and asks leave to sit again.

IN SESSION

MR. SPEAKER: The Honourable Member for Logan.

MR. WILLIAM JENKINS (Logan): Mr. Speaker, I beg to move, seconded by the Honourable Member for St. Matthews that the report of the committee be received.

MOTION presented and carried.

THIRD READING - BILL 28

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, since there was a correction of a technical error, I may have to move this by leave.

BILL NO. 28 was read a third time and passed, by leave.

POINT OF ORDER

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, before proceeding to the next item of business, I wonder if I could raise a point of order - and I see I have present the House Leader of the Official Opposition. I didn't want to interrupt the Honourable the Member for Fort Rouge when he was speaking on Committee of Supply because I wasn't sure of my ground - I don't mean Supply, I mean the Whole - when we're dealing item by item. I wasn't sure of my ground, and therefore I didn't want to get into an argument. But what he was speaking on was a matter which was not before us, in that it was not listed in the schedule at the time he rose to speak but was listed under Urban Affairs, was a payment of transitional grant - \$50,000 an additional amount owing to the City of Winnipeg.

He introduced his contribution by saying he wanted to speak about what was not in the bill - I believe that was the way he introduced it - and it occurred to me, Mr. Speaker, that he ought to have spoken during Estimates, that is during Committee of Supply, on this bill -

## POINT OF ORDER

(MR. CHERNIACK Cont'd) . . . . before the bill was brought in, or on second reading, in which case I believe he could have spoken about what he would have liked to have seen in the bill. But I did think, and I do think that when one goes into Committee of the Whole, then one is dealing section by section - and in the case of schedules, line by line. But as I say, I didn't want to interrupt because I wasn't sure of my ground. I don't know now whether you can entertain a suggestion that he was out of order, because he is no longer on his feet and not speaking - and I said, I didn't want to interrupt him. But some day I would like some clarification and possibly hear contributions from other members - and your opinion, Mr. Speaker - for the future, and not for what has just happened.

MR. SPEAKER: The Honourable Member for Morris on the same point of order.

MR. WARNER H. JORGENSEN (Morris): Mr. Speaker, the point of order that is raised by the Minister of Finance is one that occurred to me as well, but I felt it was the responsibility of the Minister of Finance to raise it at the time, so I never said anything. But one of the difficulties that we were faced with at that particular time is that we were dealing with the entire schedule, and by the time I reached the point where I could find the subject matter of the Member for Fort Rouge's discussion it had almost gone by.

But it's true, Sir, that when we're dealing with Supplementary Estimates, the only items that can be raised are the items that are contained either in the schedule or in the various clauses of the bill. One cannot deal with matters that are not related to Supplementary Estimates as one can on Interim Supply where all of the departments of government are involved; and it is the reason that we on this side of the House chose not to further delay the Supplementary Estimates because opportunity would be provided, a better opportunity would be provided in the debate on Interim Supply rather than Supplementary Estimates. But the point raised by the Minister is a valid one.

MR. SPEAKER: Well, the Chair cannot contribute to the point since it was not in the Chair, but I would say that both speakers in respect to the point of order have validity and I would hope that the members will all take cognizance of this particular aspect in respect to procedure. The Honourable Minister of Finance.

GOVERNMENT BILLS - SECOND READINGS - BILL 34

MR. CHERNIACK: Mr. Speaker, I appreciate my being permitted to interrupt proceedings. And now in order to give all members an opportunity, as mentioned by the Member for Morris, may I ask you to call on the second reading on my motion on Bill No. 34.

. . . . continued next page

INTERIM SUPPLY

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Thank you, Mr. Speaker, I wonder if I might just send a note out at the same time as I begin my remarks because it's a note that's addressed to the Honourable Minister of Tourism and Recreation and Cultural Affairs and I did tell him that I would be speaking on a subject that comes under the aegis of his responsibility and he asked me to notify him and he said he would try to get into the Chamber at that time.

Mr. Speaker, when time ran out on me yesterday afternoon I think I had about five minutes before we reached Private Members' Hour -- and I was speaking at that time on a subject related to the Department of Industry and Commerce, the Department of Labour and the Manitoba Development Corporation, namely the situation at Saunders Aircraft in Gimli and some of the hiring practices and firing practices which have come to my attention there, which have distressed me very much and which I do want to examine at length in the course of, if not this debate, then some subsequent debate at a very early date. I had begun to speak on that subject and I was rather painfully and painstakingly keeping an eye on the clock, Sir, because I didn't have much time at my disposal and I didn't want to broach anything of too major or important a nature at that point in time.

My intention was to start the basis of my remarks on the Saunders Aircraft situation particularly insofar as they relate to my responsibilities as labour critic for my party and to put on the record a number of observations, a number of facts having to do with hiring, firing and funding practices that had been brought to my attention, not only by people who work there but more importantly by some people who now don't work there, and that the point which we agreed yesterday was to be the main thrust of my remarks at this stage of this debate on this bill I thought, Mr. Speaker.

Since that time however, another subject of immediacy and impact has come to my attention which concerns me and a great many Manitobans very greatly, and as a consequence I want to shift direction and move into another area of study and another area of government supervision. I understand I can do that in view of the fact that we are on Interim Supply. We are dealing with the voting of an appropriation of something in the neighbourhood of \$200 million to finance the programs of this government and this province over the next fiscal year, and since those sums cross the whole spectrum of government spending I understand we have a wide latitude in departments and subjects which we want to examine.

That being the case, I would just say for the record at this point that there are some questions I want to put on the record and want to ask the Minister of Labour, and want to ask the Minister in charge of MDC about Saunders Aircraft and about the situation in Gimli but I want to emphasize again what I said yesterday afternoon in the couple of minutes at my disposal on that point, that I recognize I am treading on delicate ground because we are dealing with a situation that's of critical importance to the economy of a community, of a region and indeed of the whole province. Certainly I have no disposition to disturb or upset the delicate balance of government involvement and social involvement and community involvement that have gone into the establishment of an aircraft industry for this province, particularly in the Gimli area. Like all my colleagues, I salute the intention of that development and of that government program. But like my colleague, Sir, I have come to be acquainted with many anomalies and many gnawing questions having to do with the whole operation, not only it's financial viability but the practices being followed on the labour level and I think there are some questions that do demand government attention and government answers.

I hope, Sir, that it can be done without anyone inside or outside this Chamber leaping to the conclusion that we are attempting to dislodge an industry which is important to the welfare and well-being of that community in this province, because that is certainly not our intention. What we are trying to do is make sure it's run properly, that it's viable, that it not only produces jobs for Manitobans but it produces returns for Manitoba's economy and therefore all Manitobans in our society and that it's a business-like, well managed, well run, sensible, rational operation. That's all we're trying to get at, all we're trying to establish and if in trying to establish that we have to ask some questions which rock the boat a little bit, then unfortunately that's part of the price I suppose that one pays in this Chamber on the opposition side, because questions do have to be asked of the government, questions do demand answers from the government and at times it's necessary to shake situations up a little bit in order to get the information I just want to emphasize that point that there is no intention on my part, or our part, of trying

## INTERIM SUPPLY

(MR. SHERMAN cont'd) . . . . to injure the existence or the viability of that industry, that enterprise in any way. On the contrary, what we're trying to do is reinforce it and strengthen it and make sure it's done right and run right and that it isn't going to wind up being run into the ground because that result would be a tragedy for us all, not the least of whom to be affected in that situation would be the residents of the Gimli area themselves, and we want to make sure that that kind of thing doesn't happen through bad management practices and through unrealistic economics. So let me just emphasize that point for the records, Sir, and I will be coming back to an examination of that situation at some future time, in some future debate, and I want now, as I say, to move into an area that has developed overnight to a critical point, to a boiling point, and that demands some attention by and some answers from another Minister immediately.

The area, Sir, is that of the Manitoba Golden Sweepstakes and the whole rationale of the Manitoba Lottery and therefore the Department of Tourism, Recreation and Cultural Affairs. That's why I sent a notice to the Minister and did advise him earlier that I would be speaking at this point on that subject. Sir, I want to register a most strenuous protest at this time over the developments that have occurred within the last 24 hours where the Manitoba Golden Sweepstakes is concerned. I speak for the Sweepstake officials themselves, for many, many persons - thousands of them connected with selling agencies who have operated in that sphere very successfully during the last couple of years, and I think for Manitobans generally, when I say that there is a tragedy, potential tragedy occurring here in the direction which this government seems to be taking on the Sweepstakes question.

I think, Sir, that the conclusion that many persons are forced into today, whether they wish to accede to it or not, the conclusion that many persons are forced into today, is that there has been deception on the part of the government, I regret to say deception on the part of the Minister, witting or unwitting, where the intent of the government on the Manitoba Golden Sweepstakes is concerned. A great many people are concerned and disturbed about the situation and I want, and we want, the Minister to address himself to that concern and to answer them fairly and honestly and to tell us where the Golden Sweepstakes are concerned, just what is going on. We asked some questions in question period and that was in the nature of sort of broaching the subject and breaking the ice, Mr. Speaker, but we recognize that we couldn't cover the wide area of ground in that period of the day, and I have left and my colleagues have left some of the more urgent questions on the subject to this moment now and this phase of this particular debate on this bill.

The thing that has concerned us all, Sir, is a report in today's Toronto Globe and Mail which quotes the Provincial Secretary of the Province of British Columbia, Mr. Ernest Hall, as saying that a western lotteries scheme has been established and it will involve British Columbia, Alberta, Saskatchewan and Manitoba; the tickets will go on sale in June, the first draw will be in October and after that there will be four draws a year.

The eastern report which has not been denied or repudiated by this government up to this point in time, goes on to say, Sir, and I'm quoting from the Toronto Globe and Mail, "that the existing Manitoba Lottery, the Goldenboy Sweepstakes" - they refer to it as the Goldenboy Sweepstakes, I think the correct name is the Golden Sweepstakes - "would initially serve as an administrative base for the new combined scheme and would later be phased out." The report in the Toronto Globe and Mail, Sir, is that our sweepstakes would serve as a base for the West-Can Lottery to be built on initially, in other words, they'd use our expertise, they'd use our back-up, they'd use our knowledge, they'd use the sweat and energy and effort that Manitoba has put into building this excellent lottery institution, and then, Sir, and I'm quoting directly from the Toronto Globe and Mail "would later be phased out".

Now, Sir, this is of deep, deep, concern to me, to this Party, to the entire Opposition I suggest in this House and to thousands upon thousands of Manitobans and I think the Minister must address himself to the anxiety and the worry being voiced by those Manitobans today. Sir, it appears that the government for reasons so far best known only to itself - and I mean the Manitoba government - is embarked on a scheme that can only be described as a wrecking course, a demolition course, that's going to allow other provinces to profit at the expense of Manitoba and it's going to destroy something that we had going here that was very good and very worthwhile and was very valuable to the general economy of this province - not to mention the individual economies of some 286 agencies throughout Manitoba.

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(MR. SHERMAN cont'd)

Sir, the Manitoba Golden Sweepstakes up to this point has been built and been structured into a profitable enterprise for and due to the efforts of, some 286 agencies and it has provided an opportunity to those agencies, all of them non-profit organizations, to help themselves as a brief submitted to the government and submitted to our party by the Lotteries Commission itself points out. That brief stresses that this opportunity has been one which has been consistent with the best principles of good social management in that these non-profit organizations are able to go out and help themselves and not come begging to government's door, not come begging to the taxpayer for handouts for every project they have in mind.

Sir, it must be stressed, and I'm referring here to some specific points made in the Lotteries Commission's Brief and the Golden Sweepstakes Brief, because I think that there are elements of it that must be read into the record, that if it hadn't been for the structure of the Lotteries Commission as we know it, and for the opportunity to be self-sufficient as a result of the Manitoba Golden Sweepstakes, there are many things that this province might have lost, many valuable ingredients in our society that might have been lost. Let me cite a few, as the Commission did, Sir.

St. Paul's High School, one of the best private schools in Manitoba have been able to keep their doors open, largely, in substantial part through efforts made by themselves related to the Golden Sweepstakes. The Royal Canadian Legion Foundation was able to help build a Memorial Sports Centre at the International Peace Gardens. The Legion Athletic Camp serves over 1,000 Manitoba teenagers annually. Another group has helped raise money for a senior citizens home, youth recreation centre and a youth camp and other money to take 12,000 students to the Hadashville Nursery on Conservation studies. There have been tremendous benefits to the Manitoba Centennial Centre, there has been a garden area built up and property purchased for this garden, for a senior citizens home in St. Boniface, and these are just individual situations that are cited to underscore the case for the Commission and for the Golden Sweepstakes and place on the record their existence Mr. Speaker.

The list is tremendous, it goes on and on and I don't intend to take up either the time of the House or the time available to me by running through an entire catalogue of institutions and organizations of this kind that have profited as a result of the Golden Sweepstakes. Suffice it to mention those that have been mentioned and to say that these institutions which are of tremendous value socially and economically in our province have been able to survive and have been preserved in substantial part by the kinds of things that have been made possible in a fund raising way to them through the existence of the Lotteries Commission and the Golden Sweepstakes.

Now even a fairly cynical businesslike appraisal of the situation would command the continued existence of the Golden Sweepstakes on those grounds if none other, Mr. Speaker, simply the fact that these ingredients in our society, in our community, have been able to profit and succeed and survive and they haven't had to go cap in hand to the various levels of government and to the taxpayer over and over again to keep feeding them and keep them going. The alternative, if there is not the opportunity to raise funds in the way that is provided through the Golden Sweepstakes, the alternative that's open to them, and the only alternative, Mr. Speaker, is to go to the government, to this provincial government and to various levels of government seeking that taxpayer funding, that taxpayer support. So if on no other grounds, and there are many other grounds, but if on no other grounds but sheer economics, it would seem to me, Sir, that the viability of a fund-raising operation such as the Golden Sweepstakes is totally justified and commends itself without question to this House for support. And it cannot be argued, Mr. Speaker, that a switch from the Manitoba Golden Sweepstakes, a switch from the individual Manitoba operation as it exists today into a western conglomerate like the West-Can Lottery will guarantee that same kind of profit, that same kind of return, that same kind of support for these Manitoba institutions.

As a matter of fact, Sir, the absolute opposite is more likely to be the case. The people who have worked and toiled to build up the Manitoba Sweepstakes insist, on the basis of their experience, over the past years in this field, they insist, Sir, that there's no way that this province can do other than suffer, that the institutions who have worked with and through the Manitoba Golden Sweepstakes up to this point in time can do other than suffer economically as a consequence of abandoning Manitoba's independent operation and allowing ourselves to be

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(MR. SHERMAN cont'd) . . . . absorbed into the West-Can Lottery type of organization.

Sir, if you look at it from another economic perspective, look at the jobs that are concerned, the jobs that are involved here; look what the Manitoba Lotteries Commission and the major agencies themselves have been able to do in terms of creating jobs, part-time and full time as a result of the Lottery. We're concerned, all of us, with the maintenance of a high standard of employment in this province and all operations and enterprises that suit that end, that feed that goal are to be preserved and cherished; they're to be reinforced and strengthened on every possible hand, not deflated and weakened such as this kind of a sell-out to other provincial lottery ambitions would constitute.

Mr. Speaker, as I said a moment ago, people at the Lotteries Commission office, people connected in an official capacity and people associated with the selling agencies who have worked under the lotteries umbrella these past few years insist to us virtually to a man and to a woman, Sir, that they will lose and the province will lose and that they cannot understand the reasoning of this government and this Minister in taking the tack that has been taken. The Minister said this afternoon, and I don't have the record of his remarks in front of me so I certainly can't quote him literally, but the impression that I got from his remarks was that he had been given the impression from many people in selling agencies that those agencies would not suffer unduly for any length of time as a consequence of this kind of changeover. He said that his own, his own opinion was that there would be a reduction in commissions, there would be a reduction in profits and returns accruing to these agencies, but the impression that they had given him was that there would be no such reduction and in fact that they in Manitoba would be better off. Now that's the impression I got from the Minister's remarks and I certainly will stand to be corrected on that and I certainly will check the record in Hansard, but that is the impression I got from him, that he said to us that he got the impression that many selling agencies that they weren't unduly concerned that there would be losses. He himself thinks that there will be an initial period of decline and reduction, but that he got the impression from them that that probably wouldn't be the case and everything would turn out all right.

Well, Mr. Speaker, I don't know what selling agencies the Minister has been talking to because I find myself incredulous at that statement. We on our side have talked to a good many people connected with the Golden Sweepstakes and not one, not one man, not one woman, not one boy, not one girl who had anything to do with the selling side of the lotteries function has said to us that they think the institutions they serve and the institutions in this province associated with the lottery can profit and improve their position by going into a West-Can lottery. In fact they have said the precise opposite, that all that can happen is that they can be hurt and that our Golden Sweepstakes now regarded as probably the best example of a well run, well regulated, worthwhile lottery operation on the North American continent will become second rate, third rate, fourth rate and ultimately disintegrate. The Manitoba part of it will be phased into a western conglomerate that will see the selling agencies in this province deprived I predict, Mr. Speaker, of as much as 80 percent, possibly as much as 80 percent of the commission revenues now available to them because the facts of the matter are this, Sir.

The facts are that today people selling in the aegis of the Manitoba Golden Sweepstakes are selling tickets to ticket buyers all over Canada and the United States and the commissions on those operations accrue to those institutions in Manitoba. The West-Can operation would regulate the selling function within provincial boundaries and borders to the obvious disadvantage of those individual selling agencies in Manitoba because tickets would be sold as they are now presumably across western Canada and other parts of Canada and into the United States, but the Manitoba institutions, the Manitoba selling agencies would be commissioned only on those tickets that were sold in Manitoba, sold by Manitoba selling agencies inside Manitoba. And an examination of the records, the financial records of past Golden Sweepstakes and past lotteries operations in this province indicate, Sir, that in many instances as much as 80 percent of the volume of sale on a sweepstakes operation takes place outside the province, that as much as 80 percent of the volume of ticket sales is in other provinces of Canada other than Manitoba and in the United States. So the conclusion, Sir, that one must come to is that if we're forced into a situation where we have to be part of a West-Can lottery operation and we have to restrict our operations within our own borders and boundaries is that the potential for loss, the potential for loss on sales commissions can be construed as being as high, Sir, as 80 percent. That seems high but I suggest to you on the basis of mathematics that is a demonstrable danger. I'm not saying

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(MR. SHERMAN cont'd) . . . . it would be 80 percent but the potential is there because the mathematics are such that there's that much volume outside the province. Even if it were 50 percent, even if it were 30 percent, it would strike a very very serious blow to the selling agencies in the Province of Manitoba and the institutions which they now serve.

So I find it incredible, Mr. Speaker, that the Minister should have been exposed to any suggestion by anybody in the field that the province, the institutions in this province, the selling agencies in this province cannot be hurt by entering into the West-Can program proposed. I find it incredible that this government should expect us to believe that there will be no reduction in sales commissions, that there will be no loss, because the facts are that there will be an enormous loss that I suggest to you would be a tragic loss in the effect it would have, Sir, on the institutions served to this point in time in Manitoba by our Lotteries Commission and by our Sweepstakes. It would be a tragedy, Sir, for the reasons that I've pointed out economically; it would be a tragedy for reasons that I don't need to go into socially and institutionally as far as the community is concerned.

Mr. Speaker, there are five or six or perhaps more questions that I think must be put on the record now to the Minister and that the Minister must address himself to I suggest immediately, not some time hence but now, because although the bill having to do with the lotteries operation is coming into the Chamber presumably in the near future, the concern, the anxiety that now has spread through the entire lotteries community in Manitoba demands that their worries be set at ease, demands that they have some answers so they know where they're going within the next few days.

Sir, I can't for the life of me understand the rationale of the government in following the direction that it seems to be following. I can't understand the reasons for dumping the Manitoba Golden Sweeps in favour of the West-Can plan. I know that there are legal considerations involved and we're all familiar with the federal legislation and the difficulties under which lottery operations are forced to function, but surely, Mr. Speaker, there are other methods that could be entered into by the Minister and his colleagues and by the Attorney-General of this province and his colleagues in terms of reciprocal legislation, permissive legislation between provinces to permit the Manitoba Golden Sweepstakes to survive as an individual entity. Surely there is legislation that can be formulated by persons of good intention and common sense that will make it possible for society to enjoy the lottery activities that have become popular and that if they operate outside the law strictly speaking, only operate outside the law because the law has not caught up with them. Society wants the opportunity to participate in lotteries obviously and if that is an illegal, an illegal exercise, if it is illegal technically speaking for us in Manitoba to sell our lottery tickets elsewhere, then, Sir, it's the law that's wrong, not the Manitoba Golden Sweepstakes. And surely men of goodwill and common sense responding to society's current moves and current desires can modify the law, can amend the law, can bring in laws that would make the existence of individual provincial lotteries possible without having to jettison and demolish this institution in Manitoba that has achieved such success and such prominence and produced such value.

Sir, the people who are connected with the Manitoba Golden Sweepstakes feel betrayed at the present time by the things the Minister has said in recent weeks. They feel that he has misled them, that he has led them down the garden path and that he has engineered with his colleagues the destruction, the demolition of an institution which they feel has proven its worth, and they can't understand why. I concede that in this House the Minister has not I think to my knowledge ever given any firm assurance, firm undertaking that the Manitoba Lotteries Commission as such and the Manitoba Golden Sweepstakes as such would be permitted to survive as a specific entity; I don't think that he has ever committed himself to that position in this House. But I do say this, that wittingly or unwittingly he has outside the House, and as recently as a couple of weeks ago on a local well-known radio program, given the impression, given the impression very emphatically to people in the lotteries business, in the lotteries community, that he would consult with them and that he would protect their interests and that he would guarantee that no sweeping changes, no revolutionary steps of this type would be taken without seeking their advice and their direction and tacitly, by implication, their approval or at least their concurrence. And what they say, Sir, is that they never received that consultation, that they never had that approach from the Minister, that they were never given the opportunity to participate and that in fact that what he did was just try to brush it aside as something that

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(MR. SHERMAN cont'd) . . . . was an annoyance and a nuisance to him, and if he maintained an arm's length relationship and didn't let it bother him it might go away, and they might go away. And that's the feeling they have. I submit that the Minister has not done that in this House but I suggest to him that wittingly or unwittingly he has done it outside the House, and he now has a large community of very distressed, very unhappy Manitobans who feel that he has led them down the garden path and betrayed them.

And I would go one point further, Mr. Speaker, one step further on that argument. I think that not only have Manitobans connected with the Golden Sweepstakes perhaps been led down the garden path in this situation, but I think this Minister and this government have been led down the garden path. I think they've been sucked in by the other western provinces. I think that they have been made fools of, made patsies of by the other western provinces. Here we've got a successful, streamlined, efficient, honest operation that is respected by other lotteries institutions and lotteries aspirants the length and breadth of the continent, and we, Sir, are prepared to sacrifice that and let the other western provinces build on our backs and take away from us the kinds of revenues that have been honestly developed. I think, Sir, that that is a tragic error on the part of this government in naivety. I think they've been sucked in, they've been led down the garden path, they have sold out wittingly or unwittingly to those other western provinces without examining what the benefits are for Manitoba. We don't know what the formula is, what the percentages are, what is going to accrue to Manitoba under this new program. Sir, it's a disaster, and I . . .

MR. SPEAKER: Order please.

MR. SHERMAN: And I register the feelings of the lotteries people on that score.

MR. SPEAKER: The honourable member's time is up. The Honourable Minister of Tourism and Recreation.

MR. TOUPIN: Well, Mr. Speaker, I had not intended to speak unless I felt I had to on Supply but I feel that a few words are in order at this time although I feel that the bulk of explanations pertaining to the intent of government and of this House will be brought forward on Bill 27 when the bill is read for second reading, sent to Committee and then for final third reading in the House. There's a lot of assumption being made by the Honourable Member for Fort Garry, and obviously the honourable member takes advice like I do, but we take advice it seems from different people and that's understandable. I don't necessarily meet and discuss and reach the same conclusion if I discuss and take advice from people that the honourable member doesn't reach or doesn't intend to hear. So the assumptions that the honourable member is making in regards to the intent of Bill 27 - and again we're talking about permissive legislation - is certainly different than what I gather from the field. And here I'm saying from officials of the Department, officials of the Lottery Commission itself and from members of the Lottery Commission. If we take as an example the last sale that we've had in Manitoba which was just short of 12,000 to reaching a million in sales, 70 percent of that I'm informed was sold outside of Manitoba, of which 30 percent was sold in the western provinces, say in Saskatchewan, Alberta or British Columbia. Now that is somewhat impressive, but we're not talking of 80 percent or beyond. We have to look at the laws of this country that govern this province. That to me is important. If there is a law within this province, or a law in Canada that I have to attempt to live by there's two ways that I can deal with that. First of all is to attempt to get that law changed. And we've tried that and it's not possible to have the section of the Criminal Code that actually ties itself in to lotteries changed at this time. And that's the information I get again.

Now if we want to comply with the section of the Criminal Code pertaining to lotteries we have to have reciprocal arrangements with other provinces if we want to sell in other provinces. Now we haven't got reciprocal arrangements with other provinces and we cannot set up agencies in other provinces in Canada to sell our tickets. Some are being sold, I must say, by agencies either by mail and so on, and that really brings the 30 percent being sold in the western provinces and the total of 70 percent sold outside of Manitoba, in the States and Montreal and Toronto and so on. But we are not living within the section of the Criminal Code. If the section of the Criminal Code was enforced by Attorneys-General in Canada one day, maybe next month, maybe next year we would only be able to sell in Manitoba. And what does that mean? If you take the amount of tickets that we sold during the last sale means 30 percent of the over-all amount, so obviously I or the agencies involved can't live with that so we have to

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(MR. TOUPIN cont'd) . . . .find ways and means to deal with that problem. So my predecessor, the government decided to start discussing with other provinces in Canada, and we felt that the province that's closest to us would be most likely to accept to discuss these problems with us and we more or less reached a consensus, at least there is a letter of intent on the part of Saskatchewan, Alberta and British Columbia - and Manitoba - to enter a Western Canadian Lottery scheme in the future. Now if we do this, this is in a sense a reciprocal arrangement with three other provinces in Canada. The bill, as you'll notice, leaves it open for Manitoba to enter into an arrangement with other provinces, not only the Western Canadian provinces.

Now this will allow us to first of all what we feel to give the sellers approximately the same amount of commissions, and the agencies involved approximately the same amount of commissions, and again I'm quoting what some advisers are telling me, that the amount of sales could be approximately the same or more by having this type of arrangement. I'm not talking of the percentage payable to agencies or to sellers but the over-all amount of tickets being sold should not go down.

But we cannot have our cake and eat it too, unfortunately. I at one time thought it would be possible to have the Western Canadian Lottery Commission acting for, say, three or four or five given provinces in Canada, and still maintain our own lottery scheme. But that is not possible. You either have one or the other; it's not a question of having both. I'm convinced that if we could have had both, we could have sold successfully both lottery tickets, but we can't do that. That doesn't leave the possibility aside of having Attorneys-General in Canada continue discussions pertaining to reciprocal arrangements across Canada, and to me that will assure, at least in one way, the survival of the intent that we passed on the 10th of October, 1969, of having lotteries sold in Manitoba - and I'm glad to see that the Honourable Member for Fort Garry voted for that bill before us at that time. I must say that not all members voted, because it was left, there was no party position taken on that bill; it was left to the conscience of every individual. So really what I am saying is that we didn't feel that we had any choice at this time but to try and ally ourselves with other provinces in Canada to assure the eventual success of the sale of lottery tickets in our province and elsewhere in Canada. Apart from assuring about the same percentage of commission to agencies and about the same percentage to the seller - and that I can explain when we get to the bill - there will be a certain percentage set aside as a reserve fund to be used by the participating provinces, and that percentage, that reserve fund, will benefit all provinces included in the interprovincial lottery scheme because, we call it now Western Canadian.

If there were, say, other provinces in Canada, like the Maritimes, Ontario or Quebec desirous to participate, we would look at it.

I'd like to point out what I indicated on the question period that we had discussions with those involved with the Olympic Lottery and we're hoping to have this arm of the Western Canadian Lottery Commission equally be an agent for the Olympic Lottery and using the agents in different provinces involved as sellers for the Olympic Lottery, at a certain percentage for the seller, for the agency and for the participating provinces. So taking that picture in total, I believe that we will not get less in revenue for our citizens of Manitoba, but more, because the tickets of the Olympic are selling like hotcakes and our tickets are constantly going up in sales.

I haven't discussed with all agencies involved; unfortunately I couldn't. When I took this department it was well under way, but I did meet with quite a few of them jointly with the Premier and, you know, the agencies that sold most tickets--and I must say that there wasn't a general consensus on the part of all the agencies that we should go into Western Canadian Lotteries. There seemed to be a desire to try and go for both and equally go for reciprocal arrangements in all provinces in Canada. But we can't have all of those things; we're attempting to help solve the problem in Western Canada and eventually, by means of permissive legislation, get a better thing going for the citizens of this province, and equally have a united front in Canada for all Canadians. I know that I can't go into details of the bill; it would be, you know, the discussion would carry on much too long, but I do intend to, you know, discuss thoroughly Bill 27 with all members of the House and to attempt to get the answers that we may have in committee. And I say again that my personal feeling, my personal conservative feeling at this time, would be that there could be a lowering of over-all revenue for those agencies initially, but eventually taking in consideration that we are contravening the section of the

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(MR. TOUPIN cont'd) . . . . Criminal Code outside of the province, that we haven't got many options open to us but to get reciprocal arrangements in all provinces in Canada, and that has failed with the previous Attorney-General, it has failed with the efforts being made by the present Attorneys-General in Canada and they have discussed it and they will discuss it again, that this seems to be the avenue where we should go at this time to assure a survival of what we feel is good for Manitobans in general, for those agencies involved and for all the sellers.

I cannot be more specific and I can only indicate to my honourable friends of the House that we'll have a lot of opportunities to discuss it and I hope I'm right in saying that in a very few months after the beginning of the operation of the Western Canadian lottery scheme, that it will be better over-all for all those now involved, but I can't give that commitment; it's impossible. Thank you.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BOB BANMAN (La Verendrye): Thank you, Mr. Speaker. I'd like to make several comments about two different problems I'm facing in my area at present. One of them is the lack of housing lots in both the rural areas as well as the towns and villages. The existing service lots have jumped substantially in price because there are very few available. The old supply and demand policy affects the price of lots and this is of major concern to us in the smaller rural towns because housing is becoming fairly expensive. The registration of a planned subdivision is becoming very frustrating and time-consuming, and I am told by people now that trying to register subdivisions, both individuals and companies, and I may add that most of the developers in my area are small developers and there's a fair amount of private individuals also attempting subdivisions, and they tell me that this task is becoming increasingly difficult.

There seems to be a large lag time. Papers circulating between different governmental agencies are becoming very hard to regulate. The time that it takes to transfer from one agency to another agency is becoming increasingly longer in duration. It was reported to me by one gentleman - that is a private individual who has undertaken a subdivision at this moment - that the firm of Underwood McLellan did a survey and found that people wishing to go through the process of registering a subdivision have to go through in excess of 80 agencies and different qualifications in order to bring that subdivision into the state of registration, and I think the government should have a close look at co-ordinating the different governmental agencies and try to speed up the interdepartmental and intergovernmental process of registering the subdivisions, speeding up the process and thereby possibly freeing some more land, making some more land available to the prospective buyers and thereby trying to alleviate to some extent the price of lots at the present time.

Another matter brought to my attention, and this comes under the Department of Clean Environment Commission and also the Department of Health, is the fact that many farmers are experiencing difficulty in obtaining building permits from the Clean Environment Commission with regard to hog barns, poultry barns, cattle barns, in areas where there are river lots. Now the river lots were established many years ago and are relatively narrow in width but will reach two to three miles in length. The problem being experienced by these farmers at present is that when they ask for a permit the width of their property is roughly 600 to 700 to 800 feet, and under the Public Health Act - and I read from the Act: "No person shall keep hogs, or permit hogs under his control to wander, or build or maintain any building or compound for keeping hogs, any part of which is within 200 yards or 600 feet of the boundary of his property owned or lawfully occupied by him, except with the permission of the Medical Officer of Health."

Now what is happening, I have a particular case here where a gentleman is proposing a hog barn, his lot is only 593 feet wide, and yet he has in excess of 200 acres of property. Now the problem facing this gentleman is that in order to comply with this the--well, in effect, there is just absolutely no way he can comply with the regulations set forth by this Health Act.

Now in the Act it's also stated that - and it was, I think, provided for for exceptions, and it says, "except with the permission of the Medical Officer of Health." Now what happened in this case is that the Clean Environment Commission has checked into the matter, came out and did a survey on it, advised the Department of Health that the permit should be refused. The permit was then refused by the Department of Health and the gentleman is now in the position where he has been told once again that he cannot build.

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(MR. BANMAN cont'd)

Now the thing that concerns the municipalities involved - and I have several municipalities that have river lots in my areas, namely Ste. Anne and La Broquerie; Ritchot has some; I know the Honourable Member from Lakeside has some river lots in his area, and he is having the same response that I have with this regard - the thing that the municipal councils are after is that before a permit such as this is refused they would like the Clean Environment Commission, and if the Department of Health becomes involved such as in this case they would like that these people would at least contact them before they made a ruling on this particular matter. The councils feel that in many cases with the help and probably with some of their expertise in the field, and most of the councillors that are involved in these things know what the problems of the area are, they could possibly screen some of these applications and facilitate the bringing about of a little more harmony and possibly the building of proper facilities and in the right locations.

I would ask the Minister of Health, together with the Clean Environment Commission, to have a look at this matter. It's a unique situation. As I mentioned, the lots are fairly long and require somewhat of a different approach than the normal approach, the cut and dried approach being used at the present time.

QUESTION put and motion carried.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I wonder if there's any point moving in and possibly out of Committee of the Whole. It's a short bill. I'm getting some nods but I don't know if it's to the 5:30 or the Committee of the Whole. There is disinclination I gather. Well, Mr. Speaker . . .

MR. CRAIK: It isn't a case of wanting to hold it over for purposes of speaking, it's just a question of whether you can get it in or not.

MR. CHERNIACK: Well then, Mr. Speaker, may I ask, this is Interim Supply and there is an element of--(Interjection)--Thank you, Mr. Speaker.

I move, seconded by the Member for Wellington, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider and report of the following bills for third reading:

No. 34, An Act for Granting to Her Majesty certain sums of money for the Public Service of the Province for the fiscal year ending the 31st day of March 1975.

MOTION presented and carried, and the House resolved itself into Committee of the Whole with the Honourable Member for Logan in the Chair.

COMMITTEE OF THE WHOLE HOUSE

MR. CHAIRMAN: (Bill No. 34 was read clause by clause and passed.)

Bill be reported. Committee rise and report. Call in the Speaker. Mr. Speaker, the Committee of the Whole has considered Bill No. 34, directs me to report same without amendments, and asks leave to sit again.

## IN SESSION

MR. SPEAKER: The Honourable Member for Logan.

MR. JENKINS: Mr. Speaker, I beg to move, seconded by the Honourable Member for St. Matthews, that the report of the Committee be received.

MOTION presented and carried.

MR. CHERNIACK: Mr. Speaker, I don't think I need leave but of course we needn't proceed if there is any objection by members. I'll move the motion and then we'll see.

I move, seconded by the Honourable the Minister of Northern Affairs, that Bill No. 34, an Act for granting to Her Majesty certain sums of money for the Public Service of the Province for the fiscal year ending the 31st day of March, 1975, be now read a third time and passed.

MR. JORGENSON: May I call it 5:30, Mr. Speaker?

MR. SPEAKER: There are procedural problems in calling in 5:30. It leaves the Bill open with no one having . . .

MR. JORGENSON: May I move the adjournment of the debate, Mr. Speaker.

MOTION presented and carried.

MR. SPEAKER: The hour being 5:30, I am leaving the Chair to return at 8:00.