

THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Wednesday, May 3, 1967

COMMITTEE OF SUPPLY

MR. CHAIRMAN: The Honourable the Attorney-General.

MR. LYON: I had completed any contribution I could make to the point of order, Mr. Chairman.

MR. MOLGAT: Mr. Chairman, if I may say another word on the point of order. I think many of the things that the Attorney-General said were correct, but the situation nevertheless remains that we have before us several departments, some of them very important departments which have received no consideration at all so far. The Minister can say it is the fault of all the members and this may well be, but the situation is still the same, that these departments have not received consideration and I submit that we should continue in committee in exactly the same way as we were previously.

MR. CHAIRMAN: Well, so far as I'm concerned, I have only the rules to follow and I've read to you Rule 62A (1) and (2) which require me to forthwith put every question necessary to dispose of the remaining resolutions.

MR. MOLGAT: Mr. Chairman, if I may again on a point of order, I obviously cannot force the government to make a change, it's their decision. But I'd like to point out that when we reach the Rules Committee, I will object to the manner in which departments are presented to us in the House, because following this procedure we could end up every year by having the departments that the government does not particularly want to have considered left to the very tail-end of the whole discussion and they may never reach discussion, or reach discussion at a time when there are pressures on the House of other activities, such as Law Amendments and so on. If that's going to be the rule by which we play the game, then I think it ought to be clear at the beginning of the session what order we proceed with in departments, not from day to day finding out where we're going to next, that there be a clear indication from the very outset, and I will have more to say when we reach Rules Committee. At the moment, the government obviously has a majority and can decide what they want.

MR. DOUGLAS CAMPBELL (Lakeside): Mr. Chairman, I wanted to add merely the fact that I'm sure is obvious to everybody, and that is that although undoubtedly the rule is exactly as you have read it, and you have to and we have to abide by the rule unless it is either changed or suspended for the time being, and all that is required is simply that the Leader of the House speaking for that side and the Leaders of the different groups speaking for this side, give leave for this rule to be suspended for the time being, and if we just could have that leave we'd be home free. So I suggest simply that, by leave, we carry on in the Committee of Supply.

MR. CHAIRMAN: The resolution before the Committee, Resolution No. 67 ...

MR. MOLGAT: Mr. Chairman, I'd like to ask you a question then, Sir, if you're proceeding in this way. Does this mean that we can move no amendments to any of these resolutions, because an amendment presumably is speaking too. Does it mean that we will simply go through them automatically now?

MR. LYON: I don't imagine -- I'm confident, Mr. Chairman, it's the same procedure because it is the same wording that is utilized with respect to the amendments on the Throne Speech. I think the questions are put automatically with respect to the different items in order to pass them through, and I'm confident at this stage that amendments are not permitted. I think that's the intent of the rule.

MR. CHAIRMAN: Yes, I gather that. It says: "The Chairman shall forthwith put every question necessary to dispose of the remaining resolutions."

The following resolutions were called and passed:

Mines and Natural Resources - Resolutions Nos. 67 to 69.

Industry and Commerce - Resolutions Nos. 44 to 51

Legislation - Resolutions Nos. 1 and 2.

Executive Council - Resolutions Nos. 3 to 7.

Provincial Secretary - Resolutions Nos. 70 to 81.

Attorney-General - Resolutions Nos. 18 to 27.

Treasury - Resolutions Nos. 96 to 103.

Health - Manitoba Hospital Commission - Resolution No. 36.

MR. DESJARDINS: Do we have a chance to vote on this or what? What is this?

--(Interjection)--Well, what are we doing? Just wasting time?

MR. CHAIRMAN: Well, we've finished now.

MR. DESJARDINS: I certainly don't intend to vote on Resolution 36.

MR. CHAIRMAN: Capital Supplies - Capital Expenditures. Schedule A - Requirements of: The Manitoba Telephone System, \$19,750,000 -- passed; The Manitoba Water Supply Board, \$690,000 -- passed; The School Capital Financing Authority, \$10,000,000 -- passed. Schedule B - The Manitoba Agricultural Credit Corporation, \$4,000,000 -- passed; Red River Valley, Assiniboine River, Seine River and Lake Manitoba Flood Protection, Soil Erosion, Water Control and Drainage Projects, \$6,550,000 -- passed.

Committee Rise. Call in the Speaker.

MR. MOLGAT: Mr. Chairman, have we not some matters to discuss in Committee of the Whole? Are there not two bills before us? While we are in Committee, wouldn't it be as well to proceed with those bills?

MR. LYON: No, this is the Committee of Supply and we would have to reconstitute it by the regular motion.

MR. CHAIRMAN: Committee Rise. Call in the Speaker. Mr. Speaker, the Committee of Supply has adopted certain resolutions, directed me to report the same and asks leave to sit again.

IN SESSION

MR. JAMES COWAN, Q.C. (Winnipeg Centre): Mr. Speaker, I move, seconded by the Honourable Member for Pembina, that the report of the Committee be received.

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

MR. EVANS: I beg to move, seconded by the Honourable the Attorney-General, that the resolutions reported from the Committee of Supply be now read a second time and concurred in.

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

MR. CLERK: Resolved that there be granted to Her Majesty a sum not exceeding \$630,299 for Legislation, Resolutions 1 and 2.

MR. HILLHOUSE: Mr. Speaker, I wish to move, seconded by the Honourable Member for Lakeside, that while concurring in this resolution this House is of the opinion that Item 2 (b) should stand as:

(b) (i) Leader of The Official Opposition - \$12,500; and

(ii) Research Assistant to the Leader of the Official Opposition - \$5,500.00.

MR. SPEAKER presented the motion.

MR. HILLHOUSE: Mr. Speaker, this resolution that I had moved is in line with the position that we have taken as official opposition in respect of the increases of salaries and other remuneration granted to Cabinet Ministers. At no time did my Leader ever express any wish or desire that he should be treated any different to a Cabinet Minister on the basis of the old Cabinet Minister's salary and allowance, and this resolution is moved so as to put him officially in the position that he has taken consistently during the past number of years. Now the amount that's being allotted for the Leader of the Official Opposition in this item is \$18,000.00. My Leader feels that what he needs more than anything else is research help, but he does feel too that he should be entitled to be paid on the basis of a Cabinet Minister before the last increase. So for that reason he feels and we feel that his salary as Leader of the Official Opposition should be \$12,500, and that in order to assist him in carrying out the onerous duties of his office he should at government expense be provided with a research assistant, and that is all that this resolution provides.

MR. DESJARDINS: Mr. Chairman, I think that this resolution could go a long way in proving the sincerity of the members of the government, especially of the front bench. Now I think that we are consistent, we're asking the same wage, the same salary for our Leader. We always felt that he should be treated as a Cabinet Minister and we're asking the same thing as we felt the Cabinet should have, in other words go back to before the election. This is not varying the amount at all, and if this government does not want to be marked as vindictive, if they want to show their sincerity, this will certainly do for better government because we are asking for help that will help us be a better opposition, something that we need and something that is -- we're always in a hurry to point to other provinces and to show what is happening and what is being done. I can't see - I can't see, Mr. Speaker, how anybody from

(MR. DESJARDINS cont'd)....the front bench can constantly vote against the motion that I've made repeatedly, that we should do away with this \$3,000 tax-free, and then turn around and refuse to vote for this resolution that we have in front of us. We could ask for the same thing of \$3,000 tax-free and be very consistent, because there is a position that does not have any expenses at all, where a Cabinet Minister -- the department pays for all the expenses and the cars and so on. But we are not asking that. My Leader is willing and eager to accept to cut his salary from \$18,000 to \$12,500 and that the rest be used for a question of research, to help us in being better opposition.

Now this is not going to be one cent more spent by the Province of Manitoba, because if this isn't done, if this is done like this, do you realize, Mr. Speaker, that they are placing my Leader over and above the Cabinet Ministers because they are paying him \$18,000 where they are paying the Cabinet Ministers \$15,000.00. Now I think that in all sincerity this would -- it's fair, you're not going to force the person to pay income tax on certain things, on money that he's not going to keep, because he's not going to keep this money. This is not going to change anything. This is not going to change anything with the government or to the people of Manitoba, and I would hope, Mr. Speaker, that this government would in this case show their sincerity and their eagerness to help with better government for the Province of Manitoba because a strong opposition makes for a better government.

MR. SPEAKER: Are you ready for the question?

MR. GUTTORMSON: Mr. Speaker, I would like to direct a question to the Treasury bench in regard to this item. It's my understanding that when the Cabinet passed the Order-in-Council last September which provided them with an increase in salary, they would get that money immediately. It is further my understanding ...

MR. SPEAKER: I wonder if the honourable gentleman would keep to the resolution before the House.

MR. GUTTORMSON: Yes, Mr. Speaker, I'm just trying to make a point. It is my understanding that the Ministers are paid on a monthly basis; it is my further understanding that the Leader of the Opposition will not get this money until a year from now. Now this has been the procedure in the past, that his salary is paid one year hence, so that it seems to me grossly unfair that he should get his money a year from now, and if I'm incorrect on this point, I would hope that the Leader of the House or the Provincial Treasurer would correct me tonight. But it is my understanding that this increase that's being voted for the Leader of the Opposition will not be forthcoming for one year. Would the Minister reply to that please?

MR. EVANS: Mr. Speaker, the facts of the matter are that these are the sums of money being voted for the fiscal year ending March 31st, 1968 at the amount shown in the estimates. No, the money will be available this year.

MR. GUTTORMSON: Would the Minister explain why the increase for the Leader of the Opposition in the past was never available until a year afterwards?

MR. SPEAKER: I still am convinced that that has nothing at all to do with the resolution before the House.

MR. GUTTORMSON: Mr. Speaker, on a point of order, I am speaking of -- we're dealing with the salary of the Leader of the Opposition and this is the very point I'm discussing.

MR. SPEAKER: You're discussing something that's gone in the past.

MR. GUTTORMSON: Well this is a matter of clarification. I say that in the past the Leader of the Opposition received his pay the year following after it was voted here.

MR. SPEAKER: The resolution calls for it to be reduced to \$12,500.00.

MR. GUTTORMSON: The point I'm speaking on is when it will be paid. We're still speaking in connection with the salary, Mr. Speaker.

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

MR. DONALD W. CRAIK (St. Vital): Did read assistant or assistants?

MR. HILLHOUSE: Assistance.

MR. CRAIK: Assistants. That's a plural, it's not a person then.

MR. HILLHOUSE: Well it can be singular or plural, depending where you can get it and how much you got to pay.

MR. CRAIK: If it's singular, will you hire through the Civil Service?

MR. HILLHOUSE: I beg your pardon?

MR. CRAIK: If this is singular, it involves government...

MR. HILLHOUSE: Well that would be up to the government. As long as they provide the money, I don't care where they get them.

MR. SIDNEY GREEN (Inkster): I'm not sure whether I understood the question or the answer, but I think the question was - is it assistance or assistants. --(Interjection)-- Mr. Speaker, is he talking about assistants - ts?

MR. SPEAKER: The resolution reads assistant - one. Are you ready for the question?

MR. CAMPBELL: Mr. Speaker, before the question is put, I would just like to be sure that we have the answer correctly from the Honourable the Provincial Treasurer. I understood him to say that inasmuch as these are for the fiscal year that we are now in, that the amounts provided here will be available immediately.

MR. EVANS: Yes, Mr. Speaker. I think any different arrangement in the past was because it was by way of an increase or extension of the indemnity. In this case, it's listed as a salary and will be available this year.

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

MR. FROESE: Mr. Speaker, what is the motion before us? Could I have the motion?

MR. SPEAKER: I'll read it again. Would the Clerk pass it up please? I read it once. In order that there will be no misunderstanding -- Order please. Moved by the Honourable Member for Selkirk, seconded by the Honourable Member for Lakeside, that while concurring in this resolution, this House is of the opinion that Item 2 (b) should stand as: (b) (i) Leader of the Opposition - \$12,500.00; and (ii) Research Assistant to the Leader of the Opposition - \$5,500.00.

MR. HILLHOUSE: The Leader of the Official Opposition. We're not dealing with my friend ...

MR. MOLGAT: Mr. Speaker, I'm very reticent to speak on this subject quite frankly, although in view of the fact that what we are proposing is a decrease, I suppose I will not be misunderstood if I speak. The reason for the request for clarification of payment goes back to the last time an increase was put through, and it has been the practice to pay this amount for the Leader of the Opposition at the session, and so if the practice was followed as in the past and this resolution passes, this would be paid a year hence, that is at the next session when we meet.

Now if the resolution passes in the order in which it is presented and it permits then the employment of a research assistant, it would be a little difficult for me to proceed and employ one on the basis of being paid once a year when the House meets, hence the problem that faces us in this particular matter. This was the case before and we had a debate here in the House about it eventually, because it had turned out that I think at that stage Madam Speaker and myself had ended up in the position that the increase that had been put through was not paid whereas the other increases had been because they were of a different nature. So that was the purpose of the question, and if it is clear that this will be paid, is it intended on a monthly basis or what? Strictly insofar as the staff.

MR. EVANS: Whatever the gentleman wishes to arrange.

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

MR. HILLHOUSE: Yeas and nays please, Mr. Speaker.

MR. SPEAKER: Call in the members.

YEAS: Messrs. Barkman, Campbell, Cherniack, Dawson, Desjardins, Dow, Doern, Fox, Froese, Green, Guttormson, Hanuschak, Harris, Hillhouse, Johnston, Kawchuk, Molgat, Patrick, Paulley, Shoemaker, Tanchak, and Uskiw.

NAYS: Baizley, Bjornson, Carroll, Cowan, Craik, Einarson, Enns, Evans, Hamilton, Jeanotte, Johnson, Klym, Lissaman, Lyon, McGregor, McKellar, McKenzie, McLean, Masniuk, Shewman, Spivak, Stanes, Steen, Watt, Weir, Witney and Mesdames Forbes and Morrison.

MR. CLERK: Yeas, 22; Nays, 28.

MR. SPEAKER: I declare the amendment lost.

MR. PHILIP PETURSSON (Wellington): I was paired with the Honourable Member for Churchill. Had I voted, I would have voted for the amendment.

MR. SPEAKER: I wonder if I may make a request of the honourable members as we are travelling along. I think it would be much easier for the Pages if the honourable gentlemen would rise in an orderly manner rather than as they have been doing in the recent past. I am suggesting that many members seem to retain their seat, even though their intentions are to stand, until the last moment, and on occasion it does make it a little difficult for the Pages to do the job they have to do, so I would ask the co-operation of the honourable members.

MR. GUTTORMSON: Mr. Speaker, I am absolutely shocked at the action of the government on that last amendment. Here was ...

MR. LYON: What item is the speaker speaking on, Mr. Speaker?

MR. GUTTORMSON: This is a reasonable request. We're not asking for any more money, it was just a request that the Leader of the Opposition be paid in this manner so that he could

MR. SPEAKER: I wonder if that matter has not already been dealt with by the House and whether there is any point in proceeding any further in discussing it at this point.

MR. GUTTORMSON: Well I have some points I wish to raise, Mr. Speaker. I spoke on the amendment before and I'm speaking now on the main motion.

MR. SPEAKER: The matter is closed and I would rule it out of order.

MR. GUTTORMSON: I'm speaking on the main motion, Mr. Speaker.

MR. SPEAKER: What motion?

MR. GUTTORMSON: Dealing with the salary.

MR. SPEAKER: The motion has been dealt with.

MR. GUTTORMSON: No it wasn't, Mr. Speaker. We dealt with the amendment before.

MR. SPEAKER: Oh.

MR. GUTTORMSON: As this item stands, the Leader of the Opposition is going to be paid \$18,000, and this is more than any Cabinet Minister. The Leader of the Opposition is not provided with a car; he has made numerous trips to Ottawa on behalf of the province; he travels all around the province on business, all of which expenses he pays out of his own pocket, and I personally know that in the past it has cost him a lot of money privately as the result of the expenses that he has incurred doing the job that he feels should be done for the Province of Manitoba in his capacity as Leader of the Opposition.

Now with this resolution we put him in the position of straight \$18,000 which is fully taxable, and yet the Cabinet Ministers, who are paid for travelling wherever they might have to go in the course of their duties, get an expense allowance of \$3,000, and yet this man is paid a straight \$18,000 and there is no expenses. It just doesn't add up, Mr. Speaker. The Leader of the Opposition, who requires research assistance, asked that he get a lower salary and the balance of the money be paid for assistance and we turn it down. It just doesn't make sense. We are not asking for more money; we are just asking for common sense. I can't understand the government rejecting the amendment in view of the request by the Leader of the Opposition.

I know in the past the great amount of money that he has spent out of his own pocket for the province going to Ottawa, representing the province with the TCA delegation, and there are countless other times, going to Churchill, going to The Pas, going to Virden, and this is all paid out of his own pocket and yet he doesn't get a penny for expenses. It doesn't make sense and I wish the government would reconsider their stand and do something about it.

MR. DESJARDINS: Mr. Speaker, I too am very surprised, although I am used to this kind of thinking of this government. We are asking now for what? A 66 percent increase on a salary. For years we stood up and asked that our Leader be treated the same as a Cabinet Minister. We felt that this was fair. This government did not hear us; did not listen at all. Now that they wanted an increase, what do they do? They blackmail us, because they included the same salary, \$18,000. And if you look at this, \$18,000 for any Minister, even a Minister without Portfolio who is not named, \$18,000, and then they offer salary and representation allowance. That's \$15,000 salary - they were getting \$12,500 before - and \$3,000 tax-free.

My Leader was getting \$6,000; now they have got him at \$18,000, but salary - period, not representation allowance. We voted the same motion on every salary. Our opposition wasn't as much to the amount but the way this was done. We referred everyone back to \$12,500. When this failed, we asked that the words - and this is the motion that I made - "that the words representation allowance be deleted." In other words, it was \$18,000 salary. These are members that have a department and every single cent that they spend is paid by the department. They have a car, the gas, everything is paid - and this is the way it should be, mind you, they are travelling all over the place - everything is paid. Then they voted themselves \$3,000 tax-free and they said this is for our expenses, but all their expenses are paid. This is the year that will be famous for that and for bringing in a five percent sales tax, even on clothing.

And now today, what are we asking? Are we asking for one cent more from the people of Manitoba? We are asking to decrease the salary of my Leader. We want to put it back

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(MR. DESJARDINS cont'd).....exactly at \$12,500, the motion that we made for every single Cabinet Minister, and we are suggesting that this \$5,500 be spent, not tax-free for expenses--and mind you we would be justified doing that because the opposite is true in this case, he pays his own car, his own gas, everything. He has one secretary and a little office out there and we represent, with the people to my left, more than half of the votes of the people of Manitoba. This is what we have and they have research assistance, commissions, they have everything. This is a government of commissions and you know what kind of commissions they have; you know who they place on these commissions. We are not asking one more cent; we are asking that we could use - we could use \$5,500 of this money to hire somebody to help us. They are always talking about other provinces; let them go and see in Quebec how many research assistants the Leader of the Official Opposition has, or any other province and you tell us what they have.

This is the thing - there's not one cent less. What is their reasoning then, Mr. Speaker? What is their reasoning behind that? They don't want us to be any kind of opposition if they can help it; we will not have anybody to assist us at all. They are not interested in that. You think then they are interested in the blue eyes of my honourable friend that they want to see him getting \$18,000 more than them across the ... No, it was blackmail, that's all it was; it was blackmail to pass their own salary. This is what they were doing. And now what are they doing? He's not going to take this \$18,000

MR. LYON: Mr. Speaker, on a point of order, I really must object to the rather inflammatory language that my honourable friend is using with respect to this item. The question of sincerity or motivation of different honourable members or of a group, or if the government comes into question, I'm sure that my honourable friend will try to temper his remarks in that regard.

MR. DESJARDINS: It's pretty hard to find a parliamentary way to say certain things that are obvious at times. That's right, that's what I said. --(Interjection)-- Does the Honourable Minister of Education wish to make a speech now? Do you wish to make a speech?

MR. JOHNSON: You finish yours.

MR. DESJARDINS: All right, then you wait until I finish mine then.

Mr. Speaker, I say that the only reason is to try - if you don't like that word - is to try to embarrass our Leader; and the other reason might be that they think that this is smart, that they are going to have him pay income tax on \$18,000 although his actual salary will be \$12,500. Now if they feel that this is the right way to vote, this is up to them, but I also, like the Honourable Member from St. George, am shocked by this action.

MR. EVANS: Perhaps I can give some information. The intention from the beginning was to treat the Leader of the Official Opposition in exactly the same way as a Cabinet Minister. I think there is nothing within the federal Income Tax Act which prevents us from making exactly the same arrangements for the honourable gentleman who occupies that position as for any Cabinet Minister, and that is our intention.

MR. HILLHOUSE: ...Provincial Treasurer will take into consideration the fact that if you give my Leader \$18,000 and he has to hire a research assistant, he would have to deduct that salary out of the \$18,000 and he would have to pay full taxation to the government on that \$5,500 because that is not money spent to earn his salary. It's not deductible.

MR. EVANS: ...that question after my short address, I'll say that I think that's not my understanding. My understanding is that income tax exemption can be secured up to one-third of the total amount under the federal Income Tax if the amount is paid pursuant to an Act of the Legislature, which would be the case in this case, because when the Supply Bill is passed, the amounts payable are payable pursuant to an Act of the Legislature.

MR. HILLHOUSE: ...expense account. We weren't considering an expense account at all; we weren't even thinking about an expense account. What I'm thinking about is this, if my Leader is paid \$18,000 and he has to hire a research assistant and he has to pay that individual \$5,500 a year, that is not money which he pays out to earn his \$18,000 and he's taxable on it. --(Interjection)-- He is.

MR. FROESE: Mr. Speaker, it's rather difficult now to bring any matter forward in the way you would like to because we're no longer in committee and matters of this type should have been discussed in committee, but not having been able to discuss these matters in committee, any amendments that are now put forward, if the government votes for them and they might probably want to, does this constitute a motion of non-confidence? Is that what it is? Is that why the government rejected the previous motion? I think this is very awkward that this

(MR. FROESE cont'd)....had to come about this way. This department's estimates should definitely have been discussed much earlier than to wait till the 80-hour time limit was used up and that we couldn't discuss it in committee.

I supported the previous motion because it was brought forward by the Official Opposition and it was their desire to have that \$18,000 split up so that the \$5,500 would go toward an assistant and that the Leader of the Official Opposition would only have the balance of that on which to pay income tax as already has been mentioned.

Now we find from the estimates here that the Leader of the Official Opposition will be getting \$18,000 in addition to his regular indemnity. We also find here now that the Leader of the New Democratic Party will be getting \$6,000 in addition to his regular indemnity. Then we find that the Deputy Speaker and the Chairman of Committees will be getting \$1,000 for their additional duties, but when it comes to a leader of another party, he is not recognized, even though he probably has to put in many more hours than any chairman of committees, but under the rules that this government brought forward and more or less imposed on the House, they don't recognize a leader of another party that does not come under the rules of the House and therefore there is nothing for him.

I personally do not ask for a large indemnity or a salary of this type, but I too would like assistance such as the Official Leader of the Opposition has been asking for. Certainly I could use such assistance to a very good degree and it would certainly be very valuable, because so much of the work when it comes to research and getting details makes it very difficult and cumbersome for any member of this House and especially in my position. Therefore, I will not oppose the increases in the salaries of the Leaders of the other parties, but I feel that I have to take exception to 2 (d) which is the salary to the Deputy Speaker and the Chairman of Committees when the same are not extended to me or to the leader of another group in this House, and therefore I will not concur in the motion that is before us.

MR. CLERK: I - Legislation, Resolutions 1 and 2 separately and collectively, \$630,229.
II - Executive Council, Resolutions 3 to 7 separately and collectively, \$1,746,561.

MR. SPEAKER: The Honourable Leader of the New Democratic Party.

MR. PAULLEY: Mr. Speaker, I would like to move, seconded by the Honourable Member for Gilbert Plains --(Interjection)-- or Ethelbert Plains - it's pretty close - I know your area better than you do my honourable friend - that while concurring in Resolution No. 3, this House regrets that the government increased the salaries and tax-free allowances of the Executive Council without first having obtained the confidence of the Assembly.

MR. SPEAKER presented the motion.

MR. PAULLEY: Mr. Speaker, the reason that I am proposing this motion is to set the record straight. The members of the New Democratic Party have been accused, not only in this House but outside as well, of having supported or voted against the recurring resolutions of the Liberal Party in this House protesting against the salaries of the Cabinet Ministers, not particularly the amount of the salaries, Mr. Speaker, but the methodology which was used in arriving at those salaries, namely, by Order-in-Council.

I need not tell you, Mr. Speaker, that when the first resolution was proposed in Committee of Supply dealing with the salaries and the allowances, tax-free allowances to the Minister of Education, that members of the New Democratic Party in this Assembly joined with the Liberal Party, and I believe also the Honourable the Member for Rhineland, in a protest as to the methodology or as to the Cabinet, by Order-in-Council - which was their right and is their right and I do not dispute this - to increase the salaries of the Cabinet Ministers. We stated at that time, and I want to re-emphasize it at this particular time, that we objected strenuously to the Cabinet announcing or giving to themselves an increase in salary by Order-in-Council without first of all appearing before this Assembly and receiving the confidence of this Assembly.

Mr. Speaker, I need not tell you that as a result of the election last June 23rd, that the administration squeaked through insofar as having a majority of members in this Assembly. The administration only received about 39 percent of the popular vote of those who voted in the provincial election last June 23rd, and we felt, and if I recall correctly, Mr. Speaker, I was the first member in Opposition to make protest after the salary increases and I protested because I did not agree with the manner in which the Cabinet increased their salaries before they came into this Assembly.

Then as I say, Mr. Speaker, when we were confronted by a resolution of the Liberal Party in this House protesting the increase of the salary of the Minister of Education, the first salary as I say dealt with in Committee of Supply, we joined with the Liberal Party in voting against the

(MR. PAULLEY cont'd)...increase as a matter of principle. That vote having been lost, on every occasion since, indeed even this afternoon, we did not vote with the Liberal Party because we do not believe in merit rating of Cabinet Ministers any more than we agree with merit rating of individual members of this Assembly, and have not voted with the Liberal Party on these resolutions.

I realize, Mr. Speaker, and I'm prepared to accept as Leader of this group that there is and there has been criticism because of the stand that we have taken, that stand of course, Mr. Speaker, voting against subsequent resolutions proposed by the Liberal Party. And if I, as Leader of this party, can be faulted for asking my colleagues to agree with me - and they gave me their confidence - if I can be faulted because of the fact that my colleagues gave support, after due consideration to my contention that there should not be merit rating in this Assembly for Cabinet Ministers any more than for individual members of the Assembly, then let me be faulted. But I feel, Mr. Speaker, it was a reasonable, rational and understandable position for any responsible group in this House to take, and it is for that reason and that reason alone, Mr. Speaker, that we have voted against the resolutions of my honourable friends to my right after the first resolution was defeated.

Whether my amendment to the concurrent resolution insofar as the Executive Council is concerned will be understood and accepted, Mr. Speaker, or not, I have to trust and hope that it will. The reason, Mr. Speaker, that I propose this resolution now is because the Executive Council is headed by the First Minister of the province, and I say, Mr. Speaker, that he is the individual, and as President of the Executive Council, that this is the proper place to raise this protest once again in this House.

So I say, Mr. Speaker, fault me, fault my group if you like, I think that we have conducted ourselves in a proper and responsible manner in this House with the votes that we have had to consider dealing with the question of salaries, because I want to say, Mr. Speaker, that even my honourable friends to my right have never really questioned the amount of the increase, but questioned the methodology which was used to establish increases in Cabinet Ministers' salaries. I am not sure whether the amounts are right or they are not right, but, Mr. Speaker, I recognize - I recognize that legally the Cabinet had every right to increase their salaries. There is nothing in The Assembly Act, there's nothing in any of the Acts that I'm aware of, in the legislation which we have in Manitoba, to prevent the Cabinet from doing what they did, nothing legally at all, but I say morally they were wrong. I still say that they were morally wrong in the manner in which Cabinet salaries were increased, and that again, Mr. Speaker, is the reason for the resolution which I have just proposed now for consideration of this House.

And I want to re-emphasize, Mr. Speaker, if I may, at the pain of being repetitious, the reason that we have not supported my honourable friends to my right, the Liberal Party, after the first vote is, as I have suggested in my remarks at this particular time, that we cannot have merit rating of Cabinet Ministers unless and until we are prepared to have merit rating of all of the members of this Assembly.

MR. HILLHOUSE: I'm glad to hear the explanation of the Honourable Leader of the NDP as to why he did not support my second resolution to reduce a Cabinet Minister's salary. I welcomed his support when I made my first resolution. When I made my second resolution in this House, the Honourable Leader did not state then that he was not supporting me because he didn't believe in merit rating.

A MEMBER: Yes, he did.

MR. HILLHOUSE: Oh no he didn't. No, he didn't. He said he was not supporting me because I was playing politics. No, Sir, I never mentioned merit rating any time. He mentioned merit rating after the Honourable Member from St. Boniface spoke, but when I spoke he accused me of playing politics and nothing else. Now he says because he has come back into the fold as a Johnny-come-lately and now sees the error of his ways, he wants to get on the band wagon, and he says that the position that he took was reasonable, rational and responsible. I say, Mr. Speaker, if I were playing politics when I moved my second resolution well what is the Leader of the NDP doing now? Playing tiddly-winks? The position I took and I've taken consistently throughout in every motion I have made - all of which have been opposed by my friends to my left - was that I was fighting for a principle. The principle in respect of my first resolution was the principle which was involved in the other resolutions, and they refused to accept that principle in respect of the other resolutions for the simple reason they said I was playing politics, and that they had already taken a stand on the principle as announced by me in respect of my first resolution. Now Mr. Speaker, the only reason why my

(MR. HILLHOUSE cont'd).....friends to the left have now joined the band wagon is because they think it's the popular thing to do.

MR. SPEAKER: The Honourable Member for St. John's.

MR. SAUL CHERNIACK, Q.C. (St. John's): Mr. Speaker, I have grave doubts as to whether the most recent speech, the most recent contribution by the Honourable the Member for Selkirk, deserves the attention which I am now about to pay to it. I really think it doesn't deserve it and yet I can't help but rise to my feet to indicate to the Honourable the Member for Selkirk that if he cannot hear or read, then he ought not to speak so loudly and clearly.

He introduced this evening's contribution by saying that he is glad to hear the reasons given, as if he hadn't heard them before. I don't know - he's nodding his head - so I don't know whether he did hear them before or whether this is the first time he heard them, but the reasons were given to him, not on one occasion and not only by the Leader of my party, and I cannot believe with his perceptive abilities and I assume with his physical capacities, that he could not hear what was said to him unless he doesn't want to. I have before me the debate which took place on the resolution of the salary of the Minister of Health, which was the one following the Minister of Education's estimates, and on Page 647 my Leader was talking about the motion of the Honourable Member for Selkirk and he said we should be responsible, and he said: "I say to the Honourable Member for Selkirk, let's be responsible. I suggest that this motion that we have before us at the present time is no more or less than a political gimmick on behalf of the Liberal Party of Manitoba." And the Honourable Member for Selkirk then interrupted my Leader before he had concluded and he said on a question of privilege, "I do not think the Honourable Leader of the NDP can impute an improper motive to me;" my Leader said: "I am not imputing an improper motive at all; I'm stating a fact in my opinion..." and then he went on - I'll just continue reading..."and I suggest to the Honourable Member for Selkirk that I am perfectly entitled to my own viewpoint that this is the reason because I'm sure that my honourable friend the Member for Selkirk would not suggest merit rating for Cabinet Ministers or merit rating for Members of the Legislature."

MR. HILLHOUSE: Mr. Speaker, I never at any time during my speech mentioned merit rating. You just -- you imputed something to me that I never said. The merit rating business was reported by the Honourable Member for St. Boniface.

MR. SPEAKER: Order please. I wonder if this matter cannot be resolved in order that we can proceed with the business of the House. This is becoming an argument between two honourable members and I don't think it's going to lead the House anywhere at all. Can we deal with the matter before the House, and that is the resolution of a motion put forward by the Leader of the New Democratic Party? Are you ready for the question?

MR. CHERNIACK: Mr. Speaker, do I not finish what I was speaking about?

MR. SPEAKER: The Honourable Member for St. John's wishes to proceed? I'm sure he will assist me...

MR. CHERNIACK: I appreciate the time element. I do feel it is important to put something on record which was challenged.

MR. SPEAKER: He has no intention of ...

MR. CHERNIACK: ...and I will as quickly as I can ...

MR. SPEAKER: The Honourable Member for St. John's has no intention of promoting an argument, I am sure.

MR. CHERNIACK: I only want to read from Hansard, Mr. Speaker.

MR. PAULLEY: He only wants to put the record straight for the edification of ...

MR. CHERNIACK: And on Page 647 ...

MR. SPEAKER: Order please. The Honourable Member for St. John's has the floor and I request the honourable members' attention, please.

MR. CHERNIACK: On Page 647 there is the continual interruptions from the Honourable Member for Selkirk as he was interrupting my Leader - but I won't deal with that - but he said, my Leader said: "...having established that the Minister of Education is entitled to an emolument of \$18,000 or whatever it is, surely the Minister of Health is entitled to no less or, may I say, no more." Prior to that, on Page 646, my Honourable Leader said: "Now we New Democrats do not agree with discrimination between Minister or individuals. We have agreed by motion that the Minister of Education is entitled, whether we agree with it or not in opposition, to a salary of some \$18,000 plus the amount that the individual concerned will be allowed to receive as a member of this House. We do not agree, as suggested by my honourable colleague for St. John's, in a merit rating system for Cabinet Ministers any more than has been

(MR. CHERNIACK cont'd.) established in this House, or indeed in any House;" and then he went on. I don't think it necessary for me to cite further except to set out the date, January 31, 1967, and by all the names that appear on the two pages which I have cited, the Honourable Member for Selkirk not only was present but presumably was listening, because he was interrupting.

MR. HILLHOUSE: Would the Honourable Member permit a question?

MR. CHERNIACK: Yes.

MR. HILLHOUSE: Which member of this House referred to merit rating?

MR. CHERNIACK: Clearly, my Leader spoke of the fact that he did not approve of merit rating.

MR. HILLHOUSE: Did he impute, did he at any time impute to me the statement that Cabinet Ministers should be based on a merit rating?

MR. CHERNIACK: I paid attention and I read the Hansard. He never did impute any such thing to the Honourable Member for Selkirk, neither then nor today.

MR. HILLHOUSE: Well that's the point. I'm just saying that I never at any time said Cabinet Ministers ...

MR. SPEAKER: There we go again. Order please. I'm sure the honourable gentlemen could settle this in the halls. The Honourable Member for St. Boniface.

MR. DESJARDINS: Mr. Speaker, while these two honourable gentlemen settle this in the hall I'd like to thank the members of the NDP, the New Democrat Party, for their belated support. It was just a coincidence, of course, that this support comes now that the Leader of the New Democratic Party has had his salary increased, just a coincidence, and also just a coincidence I'm sure that the -- (Interjection) -- What's that? You mean it's not a coincidence? I can't win, Mr. Speaker. I give them the benefit of the doubt and shame . . .

MR. SPEAKER: Would the honourable gentlemen please address their remarks to the Chair and I think probably we won't have any problems from here on.

MR. DESJARDINS: Well, as you know, Mr. Speaker, I invited those that would be rowdy to go in the hall. This is not my style at all. I was thanking the members for their belated support. A few weeks ago or a month or two ago this was not worth taking the time of the House. I think the Leader of the New Democratic Party took 20 minutes to tell us that after a two-minute speech on the motion by the Member from Selkirk. I think that it is safer, now that the indemnity of the members has been passed also, but nevertheless, for people that did not feel that they should take the time of the House for this, we've had about an hour's debate now and I'm sure this is going to go on for a couple or more hours; I think that it's better late than never and we certainly would thank the New Democratic Party for their support, and I think now that we all agree on this the members of the Opposition see that they want to say to the members of the government that in the future they should come in and do things that we feel would be aboveboard anyway; discuss any future increases for anybody in this House right here in this House where it could be debated and the people of Manitoba can hear about it.

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

MR. PAULLEY: Ayes and nays, please, Mr. Speaker.

MR. SPEAKER: Call in the Members.

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

YEAS: Messrs. Barkman, Campbell, Cherniack, Clement, Dawson, Desjardins, Dow, Doern, Fox, Froese, Green, Guttormson, Hanuschak, Harris, Hillhouse, Johnston, Kawchuk, Miller, Molgat, Patrick, Paulley, Shoemaker, Tanchak, and Uskiw.

NAYS: Messrs. Baizley, Bjornson, Carroll, Cowan, Craik, Einarson, Enns, Evans, Hamilton, Jeannotte, Johnson, Klym, Lissaman, Lyon, McGregor, McKellar, McKenzie, McLean, Masniuk, Shewman, Spivak, Stanes, Steen, Watt, Weir, Witney, and Mesdames Forbes and Morrison.

MR. CLERK: YEAS, 24; NAYS, 28.

MR. SPEAKER: I declare the motion lost.

MR. PETURSSON: Mr. Speaker, I was paired with the Honourable Member for Churchill. Had I voted, I would have voted for the motion.

MR. DOW: Mr. Speaker, I move, seconded by the Honourable Member for Assiniboia, that while concurring in this Resolution No. 3, this House is of the opinion that item 1 (b) be reduced by \$18,000, being the amount shown in the estimates as Minister without Portfolio, Salary and Representation allowance.

MR. SPEAKER presented the motion.

MR. DOW: Mr. Speaker, I find that in this particular item that this government had 14 cabinet ministers, which is somewhat similar to the United States of America in number, and I have confidence in the fact that with 14 of the calibre of men and ladies that we have in our Cabinet, that we do not need a Minister without Portfolio, and there seemed to be some discussion in my mind that nobody was prepared to say that there would be any other cabinet ministers appointed and therefore that's the reason I move this as an item of money that is not required in these estimates.

MR. LYON: Mr. Speaker, I do not intend to prolong the debate. My main reason for rising was to tell my honourable friend from Turtle Mountain that there are only 12 members of the Cabinet at the present time, not 14. There may be 14 -- I'm sure there are more than 14 departments, but there are only 12 members of the Cabinet and this particular item, Minister without Portfolio, as I understand it that's the maximum amount that could be paid to him but it is not necessarily the amount that would have to be paid to him.

MR. MOLGAT: Mr. Chairman, I think that the point is that there is no need for the expenditure. The Minister says there are only 12 ministers, but I think if you go through these estimates you will find that there is provision for 16 cabinet ministers on full salary.

MR. LYON: That's standard procedure.

MR. MOLGAT: Well, my honourable friend can say standard procedure all he wants. It's based, Mr. Chairman, based so that my honourable friends in the back benches -- to keep my honourable friends in line, and it works, Mr. Speaker. It works.

MR. LYON: I wonder if that is why the same practice was followed when the Liberals were in office. Was it to keep the Liberals in line or not?

MR. MOLGAT: Well, Mr. Speaker, I wasn't much for one to be kept in line. I used to speak my piece and get along very well in doing it and had no objections at all, and whether it was the practice then or not I don't know. My colleague from Lakeside who was then in charge I think could probably put the situation right. In any case, as I make it out in reading the estimates, there is room for 16 cabinet ministers all told under the various items, and I just cannot see any sense, Mr. Speaker, in having this sort of item appear here. I think that the proper way to do this if the government definitely intends to proceed on it, is tell the House and we will consider it on its merits, but to put these items in here and dangle them the year round in front of poor backbenchers is unfair to the backbenchers, I submit, absolutely unfair to them. It puts them in an impossible position, Mr. Speaker, and I have sympathy for those gentlemen across the way. A number of them are nice fellows and I don't like to see them placed in this sort of a position. And so, I think in fairness to the backbenchers across the way we should remove this item.

But seriously, Mr. Speaker, I think that the situation here is very clear. There is no need for this position; no need whatever. There are plenty of cabinet posts as it is. I frankly think that with 12 we have enough to operate the Province of Manitoba. As my colleague the member from Turtle Mountain pointed out, the whole of the American Government in Washington is run with 14 cabinet ministers to run the whole of the United States of America with some over 200 million people. I think with some effort, if my honourable friends could put their minds really to it, if the front bench across the way were really going to stick with priorities and hard work, that they might be able to manage the Province of Manitoba, with a little less than a million people in it, with 12 of them. Now I'm not always in agreement with their policies - I would admit that readily - but I think that with some effort they just might be able to manage it, and to put this item in here I think is unnecessary; I think that the expense, if it were to be spent, would be unnecessary. I can see no reason for it. There has been no explanation from the government side, although the Leader of the House suggested that it had been done in the past, and it amuses me how pre-1958 matters are usually shown as the example of what not to do, and how when in '58 the change came, how everything became rosy, just at times it has appeared convenient that some pre-1958 matters are of interest to my honourable friends. So I would suggest that the motion is perfectly in order, that there is nothing to be gained by leaving this here, that it puts the backbenchers, as I say, in an unenviable position. I wouldn't want them to be accused by anyone of jockeying for these things or these sort of things, and just to put their minds at rest to save the taxpayers some money we should support the resolution.

MR. JOHNSON: ... one ever hear such nonsense. How 12 men could sit and run a government as they did and do what they did, is beyond my comprehension.

MR. MOLGAT: Mr. Speaker, I didn't get the comments of the Minister, I wonder if he might repeat them.

MR. CHERNIACK: Mr. Speaker, I want only to point out to the Honourable the Attorney-General that the standard procedure that he describes did not occur last year, because last year there was an item of \$3,000 when in fact there was a Minister without Portfolio, so that if it were standard, then the most that they ought to say in this item is \$3,000, but since in previous years in my time - which is short - they did not ask for a salary for the Minister without Portfolio at the same level as cabinet ministers, I just want to correct him, that it was not standard last year.

MR. LYON: Mr. Speaker, on a point of order, I just want to recorrect my honourable friend. I was not referring to the Minister without Portfolio when I talked about previous ... I was talking about other departments having votes for Ministers, so I suppose we are both corrected now.

MR. FROESE: Mr. Speaker, whatever monies are included in the estimates, those are the items that we are voting on and we are now asked to vote on something that they don't intend to use. In past years we have had similar items appear, and in order to balance the budget we had to raise taxes; so we had to raise taxes to provide for these money items. -- (Interjection) -- I know they are budgeting for deficits but maybe this is how they want to recapture and balance the budget. I don't think this is the proper way of doing it, though, and we have asked for other things that we would like to have voted for, but here is something that we don't need, we won't use, and they are putting it in the estimates and asking us to vote for it. I certainly will not be concurring in it.

MR. LYON: Mr. Speaker, is my honourable friend seriously suggesting that in estimate items of \$354,577,861 that \$18,000 is going to balance the budget?

MR. FROESE: Mr. Speaker, I am very willing to answer that because we are imposing a five percent sales tax; I have been asking for higher teacher grants; and in my position \$72,000 would go a long way to increasing the teacher grants, and this is what I was asking for. And here we are inserting items worth money to \$72,000 which will not be used, so I think this is nosensical.

MR. HILLHOUSE: Mr. Speaker, I'd like to ask the Leader of the House whether or no it is the intention of the government to appoint additional cabinet ministers and whether that money is in there for that particular purpose, and if it is not the intention of the government to appoint new cabinet ministers.

MR. SPEAKER: I'm sure the honourable gentleman realizes that that question is somewhat out of order at this stage?

MR. HILLHOUSE: Well, Mr. Speaker, with respect, there's that provision in the estimates and it's for that particular purpose, and I think we have a right to know if they do intend to appoint them, because if they don't intend to appoint them that money should not be in there.

MR. SPEAKER: I am sure the honourable gentleman knows exactly what I mean.

MR. HILLHOUSE: The other question that I'd like to ask the government: if it is not their intention to appoint additional cabinet ministers, is it their intention to use any part or portion of that money under Section 4 of the Executive Council Act to increase the salaries, remuneration and expenses of their ministers?

MR. SHOEMAKER: Mr. Speaker, I was hopeful that my honourable friend would answer that question, because this is the question that I intended to ask him. Now my honourable friends opposite accuse us from time to time of not being able to comprehend anything. He may be right to a point but I can still count up to 15, and there's provision in the estimates for 15 ministers. Am I wrong?

MR. LYON: You're coming along.

MR. SHOEMAKER: I'm coming along. I can count up to 15 and if you don't intend to spend the money like the Honourable Member for Rhineland has suggested, why put it in the estimates? Gee, I sat on town council a few years and I'm telling you that an item wouldn't remain in the budgets there very long if you didn't intend to spend them. They'd sure whack 'em out there in a hurry. Every department was asked to bring in their estimates for the year, and they'd start getting their pencils out - the red ones - and stroking out the items that they didn't think you need. It's the same thing here only on a large scale, and if we don't need these items, if it's not the intention of the government to use them, for Heaven's sakes let's strike them out. There's just no point at all of asking any department to bring in an estimate unless the figures are nearly correct, and if it is not the intent of the government to spend the money and appoint

(MR. SHOEMAKER cont'd.) three more cabinet ministers, well then let's strike them out.

MR. CLEMENT: Mr. Speaker, I would only like to say a brief word once again about the Cabinet Minister situation. It seems to me that we have ample room for quite enough extra cabinet ministers without having one without portfolio. I know, as one who has operated a fairly decent-sized business for quite some time, that it is very important to keep a man in the background that you can put wherever an opening may come, one who is qualified, but, Mr. Speaker, I suggest that the government across the way has at least three very qualified men now and I don't see why there's room to have three extra. You have the Honourable Member for Brandon who should have been in the front benches long ago, the Honourable Member from Lansdowne, the Honourable Member from Morris, the Honourable Member from Winnipeg Centre, and now we hear about the Honourable Member for St. Vital. Surely we're not going to create four more portfolios and I would, from strictly a business point of view, and if you want to talk politics, why surely three is enough. Why do we need to have another one and, if they are going to appoint four, who are they going to be and what are you going to do with them? I'd ask the Leader of the House sitting there.

MR. CAMPBELL: Mr. Speaker, we frequently blame somebody else for the fact that we get up to speak and this time I'm afraid that I'll have to hold the Honourable the Attorney-General guilty because he was indiscreet enough to refer to what the former administration did and suggested that they followed this same procedure, so I just went into the office to get the estimates of the last year that we had the honour of presenting them to the House, and I find that we did not follow this practice. I might just observe in passing, Mr. Speaker, that we had no difficulty in keeping the backbenchers in line because the forward-looking programs and sound business administration that we gave to the affairs of the province commended themselves to the backbenchers in a way that made any outside encouragement unnecessary, but I would just run through the various departments.

In the case of the Executive Council; I think I mentioned this the other day that the Premier of those days got a good bit less than now - \$10,000. There was a Minister without Portfolio and there was a body in the job - \$3,000 he got; the predecessor of my honourable friend the Member for Gladstone was in that position; it was not something that was being . . . In the case of the next department which, as shown in the next position in those days, was Treasury; and in this case the Minister there shows as Minister, total for the year \$8,000 but just \$4,000 to be voted because of the fact that he was occupying two positions and he drew \$4,000 from each of them. In the case of Provincial Secretary, the same thing: Minister, total for the year \$8,000 but only \$4,000 was shown under that department because he was occupying two positions and he drew \$4,000 from each. In Education there was a full-time Minister and he is there for the \$8,000. In Agriculture, there again the Minister was carrying two departments, and we go on through the list and every single solitary item proposed here had a body occupying that position, and I think that is the principle that we're trying to enunciate here, Mr. Speaker, that unless there is somebody actually in the position or the administration of the day is prepared to tell - take the House and the public into its confidence and tell the House, and through them the public, that his position is going to be filled, in my opinion they have no right to ask for the money.

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

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

MR. SPEAKER: Call in the members.

A STANDING VOTE was taken the result being as follows:

YEAS: Messrs. Barkman, Campbell, Cherniack, Clement, Dawson, Desjardins, Dow, Doern, Fox, Froese, Green, Guttormson, Hanuschak, Harris, Hillhouse, Johnston, Kawchuk, Miller, Molgat, Patrick, Paultey, Petursson, Shoemaker, Tanchak and Uskiw.

NAYS: Messrs. Baizley, Beard, Bjornson, Carroll, Cowan, Craik, Einarson, Enns, Evans, Hamilton, Jeannotte, Johnson, Klym, Lissaman, Lyon, McGregor, McKellar, McKenzie, McLean, Masniuk, Shewman, Spivak, Stanes, Steen, Watt, Weir, Witney, and Mesdames Forbes and Morrison.

MR. CLERK: Yeas, 25; Nays, 29.

MR. SPEAKER: I declare the motion defeated.

MR. CLERK: Resolved that there be granted to Her Majesty a sum not exceeding \$6,377,474 for Agriculture and Conservation. Resolutions 8 to 17 separately and collectively.

Resolved that there be granted to Her Majesty a sum not exceeding \$8,746,110 for

(MR. CLERK cont'd.) Attorney-General. Resolutions 18 to 27 separately and collectively.

MR. SPEAKER: The Honourable Member for Selkirk.

MR. HILLHOUSE: Mr. Speaker, I wish to move, seconded by the Honourable Member for Lakeside, that while concurring in this resolution this House regrets the failure of this government to provide proper facilities for the detention and correction of juveniles.

MR. SPEAKER presented the motion.

MR. HILLHOUSE: Mr. Speaker, this government took office over eight years ago and at the time of taking over office we were promised that something would be done towards providing proper detention places for juveniles while awaiting trial and after sentence, and we were also promised that certain reforms would take place in the handling of juveniles, and I regret to say that since the government has been in office that it has not carried out any of these promises.

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

MR. HANUSCHAK: Mr. Speaker, I just wish to put on record the support of the New Democratic Party for this motion presented by the Honourable Member for Selkirk. The condition in the dentention homes, particularly the juvenile detention homes, and in particular the one on Vaughan Street, are certainly deplorable. It is high time that new facilities were provided, not only new facilities were provided but also proper staff to do the type of corrective job that ought to be done in dealing with juveniles.

It had been suggested some time ago by the Honourable the Attorney-General that he was considering using a portion of Fort Osborne Barracks for that purpose. Whether that would be a wise move or not I do not know. It may, it may not be, but what I would suggest, Mr. Speaker, is that if that building can be put to this use and it could be used effectively for this purpose, fine. But what we are urging is that the government do provide proper facilities, provide the best facilities to do the job effectively, and when I say the best I'm not speaking in terms of comfort or luxury, I'm speaking from a functional point of view, from a practical point of view, the best in terms of lending itself to the staff to do a proper and effective job with the inmates.

MR. MOLGAT: Mr. Speaker, I have a resolution on the Order Paper which will I hope be coming up for discussion as we have an understanding that we'll be dealing with Private Members' resolutions and I will have most of my comments at that time. I just want to re-emphasize the fact that the present Attorney-General is on the record, Mr. Speaker, over a number of years, recommending in most determined terms, that the facilities at Vaughan Street were totally inadequate. I have visited those facilities on a number of occasions and I couldn't agree more with the statements that were made. In fact, as I have said in this House previously, if you took the amount of square feet in the office of the Attorney-General plus that of his secretary in the waiting room - just that suite of offices - there's more space there, Mr. Speaker, than there is in the whole of the boys section of the Vaughan Street Detention Centre. And yet in that detention centre we have at times as many as 35 to 40 boys, ranging in age, Mr. Speaker, from 12 up to 18, with all types mixed together; no possibility - there's no point in saying no attempt; it couldn't be done - of any segregation. No hope of having any segregation at all. And while it's meant as a temporary centre - from its very name, a Dentention Centre is not meant as a jail - it nevertheless ends up by housing some of those boys for fairly long periods of time, sometimes because it's a question of remands before the courts, other times because there is need for more information, other times I believe because there's no place else to send them. And it is an intolerable situation.

The Minister, when he took office some years ago, recognized that but nothing has been done in spite of repeated promises by both he when he was in office and the present Provincial Secretary, who gave us an absolute promise in this House two years ago that he was going to do something about this. In fact at that time he had the plans; someone was working on the plans, Mr. Speaker. But nothing's been done. So, Mr. Speaker, I feel that the government deserves to be condemned on this item. It seems to me that the place to start in our crime problems is the prevention of crime - to start with the youngsters. We have a great deal of difficulty with adults and hardened offenders. The place to start is with the young people before they get into serious trouble. To do a proper job we need segregation of those youngsters.

Mr. Speaker, the son of any one of the honourable members sitting in this House could be in that Vaughan Street Detention Home. Don't go imagining that that can't happen: Don't go imagining that the youngsters who are in there come from any particular section of this city, that more of them come from certain areas than others. It's not the case. Youngsters can get into trouble regardless of where they come from. Regardless of where they do come from they

(MR. MOLGAT cont'd.) should be segregated on the basis of their offences, their age, and whether they are repeaters or whether it's a first offence. And that's impossible under the present facilities. So, Mr. Speaker, I intend to support this resolution and I will have more to say when my resolution comes up for discussion in the Private Members business.

MR. SPEAKER: Are you ready for the question?

MR. LYON: Mr. Speaker, I'll ... be as brief as my honourable friends opposite, merely by saying first of all I cannot support the amendment, (a) because it is not accurate in fact; and (b), because of course all of these amendments, as was mentioned by one of the honourable members earlier, reflect on the competence of the government.

My honourable friend from Selkirk talks about the detention and correction of juveniles in his sub-amendment, and that involves necessarily much more than the initial detention of juveniles; it involves their total detention after sentence and so on. The correction of juveniles involves much more than Vaughan Street Detention Home, which has been the subject of a great deal of comment here, and it is not my intention at this time for the same reason given by the Leader of the Opposition to go into a long, detailed study of Vaughan Street which is one segment of the overall treatment program for juveniles, because there will perhaps hopefully be an opportunity, if time permits, to have a few words on that subject as and when the resolution of which he speaks is considered.

But I do wish to say this to my honourable friends, that in the terms of the amendment proposed by the Member for Selkirk on the total detention and correction of juveniles, I think this government is doing a very good job. I don't say that this government is doing a perfect job because I couldn't say that of any government in Canada, that they are doing a perfect job. I am not trying to make invidious comparisons when I say that the situation vis-a-vis the detention facilities for juveniles in Manitoba today is considerably better than it was when we first assumed authority for these matters in 1958. At that time we had a temporary juvenile home for girls. There had been no home for girls, a permanent one, for about three years prior to that, and our first job was to provide a new home for girls. That we presently have in East St. Paul, a home in which I think all members of this House can take some pride because it is modern, it is up-to-date and it has a good staff some of whom are professional people, and it is a home that receives girls who are committed to terms of detention from provinces like Saskatchewan where they have no such facilities whatsoever, and now I understand as well from Northwest Territories where no such facilities exist. So if we are talking about total detention and correction of juveniles we must look at the total picture.

I refer as well to the Manitoba Home for Boys, an institution which is not unknown to members of the House - again, an institution which is certainly not perfection because there is no such thing as a perfect - or an institution which achieves perfection in the detention field anywhere in Canada that I am aware of. But here there is provision for segregation, for work programs, for recreation programs, for the kind of correctional work that is carried out under professional guidance on a par with anything that I have seen in other parts of Canada. Now I'm going to be the first to say that those are old facilities at Portage la Prairie except for some of the cottages which are newer, but they are segregated cottages. And I do say that the job that is done there under the Superintendent, he and his staff strive as much as they can with all of the techniques that are available to people working in the correctional field today, to do as much correctional and rehabilitation work as they can. The crying need, of course, and the crying shame of the whole situation is that the number of repeaters that not only our correctional system in Manitoba but the Federal correctional system turns out, is something that no one has yet found the answer to on the North American continent. And this is something that all persons who are interested in corrections must devote much more attention to because we must admit, as a society, that we have not yet on the North American continent, to the best of my knowledge, found the answer to proper rehabilitation and correction programs for juveniles or adults in this country.

To deal very briefly with the Vaughan Street situation, we have made considerable renovations and repairs to those facilities and I'm the first to say that we are not satisfied with the facilities. In fact it had been our hope a year ago when my predecessor was presenting the estimates to this House -- there was a certain amount of money set aside for the beginning of construction of new detention facilities, and it's no secret to any of the honourable members present that that money, along with a number of other capital items and other items that were set aside for current programs in 1966, had to be diverted; and where was it diverted? It was diverted to the flood protection program along the Red River Valley that this province had to

(MR. LYON cont'd.) undertake - and I'm sure with full concurrence of every member of this House - last year. There's no secret to it. That's where it went. In government unfortunately we must establish priorities from time to time as to where money is going to go, and when that crisis was upon the population along the Red River, that is where the money went. I make no apology for it. I suggest that the money had to be spent because there was a pressing need for the kind of defensive work - diking and other aid work - that was carried on at that time, notwithstanding the fact that there was federal contribution to the work that was carried on. So it still is our intention, and we can talk about this later on, to provide alternative facilities as soon as the fiscal priorities permit, but last year that is what happened to the appropriation.

Now, no one will be any happier, if I so happen to be in this portfolio, no one will be any happier than myself to see new detention facilities, but I want to re-emphasize again this is only one step of the whole detention and correctional program. It's an important part of the program, but on the average the time of detention of a boy - I'll pick the boys because I don't offhand recollect the figure for girls - the time of detention in Vaughan Street for boys, on the average is four days, and we try during that time to give them as much as we can in terms of -- during that time of course they are seen by probation officers, they're seen by a psychiatrist; and this preventive detention period before they go to trial is used for the purposes of building up a case history on the children. That the facilities there could be improved, no one is going to argue. Not me; not this Minister. But we do have to achieve or we do have to have fiscal priorities in the terms of the work that we can carry on in government. The money was voted last year; it had to be diverted to this other cause which I suggest was a pressing cause, and we will get on with either new or alternative facilities for that detention home just as soon as we can in consideration of all of the other priorities that face government.

MR. JOHNSTON: Mr. Speaker, would the former speaker submit to a question? You stated that moneys that was going to be devoted to facilities for detention homes were used in the flood last year. Is that correct? Could he tell me what the amounts were and where we would find them in his department's estimates this year?

MR. LYON: The money that was voted last year - I forget the exact amount, \$1-1/2 million, \$1.7 million, something in that area - was not spent, was not available for the purpose for which it was voted.

MR. JOHNSTON: Mr. Speaker, could the Minister tell me where they would be in this year's estimates, that amount of money?

MR. LYON: It's not in this year's estimates.

MR. DOERN: Mr. Speaker, I'd like to ask the Honourable Minister this question. Is the total amount of money available always the same? You talk about diverting. Can't we just simply put it in and raise it through taxation? You're not diverting from one source to the other; you're just raising it through taxation.

MR. DESJARDINS: Mr. Speaker, I was sorry to hear the way the Minister spoke this evening. Just a few minutes ago he asked the Member from Rhineland what's \$18,000, and now we're talking about priorities. In this session that we've had a raise for all of us and also for the cabinet ministers, when this is allowed to continue I think it is disgraceful for the people of Manitoba. I was elected in 1959 and then the same Attorney-General was promising to do something about detention homes - 1959. And we're talking about priorities. It's a crying shame to let things go the way they are, Mr. Speaker. I visited this Vaughan Street Detention Home and I'm telling you that I certainly wouldn't want to see one of my boys in there. I think they have three little rooms with kids sleeping on the floor; no beds! they had to take doors out. They had one room for recreation and meals, and a little office for the guards. They were trying to keep it clean but you should have seen it. If you have kids sleeping on the floor, kids 13 years old with 19 year-olds, you have perverts with young kids who are there waiting to be -- yes, you have perverts sleeping there - and I have two letters that I'd be ashamed to read here to the ladies, to the people in the gallery and to the members here, but I would like to table this - if I can get them back, I guess they can take photostatic copies for the members to read. And once you've read this and you see where some young children, some young boys have been abused by bullies, sex maniacs, and the way they've been abused, you would put this so high on your priority list and you would forget about your salaries and so on. I would not want any of us to have any of our boys there waiting for awhile. I'd like to have these things done.

MR. LYON: Are you suggesting that there were adults who were in proximity to juveniles who were causing problems? Was he suggesting that there were adults in the juvenile facilities who were causing problems of the nature of which you speak? I'm just asking the question because . . .

MR. DESJARDINS: Well, I have this here that will give you some of the ages. I won't name the boys. These are people who were there on April 5th of this year. I'll run down the ages: 14, 15, 16, 16, 16, 14, 17, 15, 17, 14, 14, 17, 17, 16, 17, 13, 17, 18, 11, 16, 11, 16, 16, 16, 17, 17, 16, 14, 14 and 13.

Well, call them all juveniles if you want but when you have someone that's been there for the third time or so — I think I read some 18-year old who's there for rape, and a kid 11 years old who probably is an orphan and stole a bicycle or something, I think this is pretty bad; and the time they've been there: 10 days, 10 days, 9 days, 10 days, 9 days, 8 days, 6 days, 5 days — it's not an average of four days; 5 days, 5 days, 4 days, 4 days, 2 days, 2 days, 2 days, 1 day, 58, 44, 42, 30, 33, 30, 19, 14, 16, 20, 14, 11 and 11, and you have assault, incorrigible, theft, rape, breaking and entering, and if you'd read these letters, and we can probably have more, I think this is awful. I think something has to be done right now. I'm not blaming the Attorney-General but I'm saying that this is bad, what's going on. I don't know when was the last time he was there -- and I'll read a letter here that'll give him some idea. This was written to Mr. Dewalt, the Chief Probation Officer, by Mr. W. J. Crawford, Superintendent of the Juvenile Detention Centre, December 1st.

"On Tuesday, November 2, 1966, in my capacity as Superintendent of the Manitoba Juvenile Detention Centre, this writer interviewed two correctional supervisors with respect to complaints being voiced by several staff members. Supervisors expressed alarm at declining staff morale, feeling that a general booking off was imminent if some of the employees' problems were not investigated. The result of further staff interviews led to the scheduling of a staff meeting held on Wednesday, November 23rd, where it was proposed that complaints could be voiced and compiled into the following brief:

"The more specific complaints are made within a framework of deplorable physical conditions which automatically produce extreme overcrowding, health and sanitation difficulties, and inability to segregate children by age, seriousness of delinquency, agency or mental and emotional condition. Despite these consistently bad working conditions, the staff concedes their inability to influence the promised construction of a new detention centre and is prepared to deal with the more subtle problems arising in detention.

"Initial complaints focus on the lack of responsible communication between Juvenile Court and juvenile detention. Administratively the two are autonomous entities although in practice the Court remand controls the numbers in detention. In the incidence of a disturbance while overcrowded with remanded cases, the Juvenile Court bears no responsibility. It is felt that some pressure should be exerted to reduce both the numbers of children and the number of days kept in detention on remand. The most effective link between Juvenile Court and juvenile detention is the office of the Probation Officer. This officer is usually aware of the reasoning, anticipated duration of detention, the plans for the child's eventual release, and the probable outcome of the child's court appearance. However, it can be graphically illustrated that the officers are not being responsible in their regular business of detention wherein they can keep both children and staff aware of the changing circumstances affecting the child. In some instances children are given false information as a fright prior to court appearance.

"It is urgently recommended that both the frequency and the quality of visits to detention should be increased. While on their visits to detention it would seem that probation officers are somewhat negligent in their knowledge of smoking rules in detention. To offer a cigarette in a private office is discretionary, while it is forbidden to allow a child under 16 a cigarette in detention.

"Furthermore, the manual directs probation officers to obey the mealtime restriction on visits. The most serious . . . complaint against court officers revolves about the staff's perceived lack of respect shown to them by these probation officers. It is an alarmingly consistent complaint to be made against a group skilled in the maintenance of social relationships. I would hope that the Juvenile Court staff will attempt to recognize the very real problems existing in a tense and overcrowded situation such as ours, by communication more with and showing a proper regard to our correctional supervisors.

"The correctional supervisory staff is very concerned with the present practices of using the Detention Centre as a short-term punishment, a practice completely at odds with detention

(MR. DESJARDINS cont'd.) philosophy. In recent weeks, several children have remained in detention for a weekend or so for reconsideration, only to be promptly released for school or work Monday morning. This practice eliminates any positive perceptions formed by other children and contributes to a negative group morale. Individual probation officers, CAS workers, and in particular group foster homes, are guilty of transferring punitive responsibility to our supervisory staff. There is a rather consistent trend in the juvenile probation organization to see the detention of a child as proper initiative to undertake psychiatric assessment for that child. This is a rather arbitrary motivation for assessment, and results in an extremely long period of detention for the child whose manifest behaviour prior to detention should provide rationale for assessment rather than police arrest.

"Truancy, as laid down in manual directives, is considered a problem in the educational system. It is, however, becoming a practice to remand the child in detention for truant behaviour. This is in effect a sentence on the child, who once having served his remand period, is released. In many cases these children manifest emotionally disturbed behaviour as opposed to the more common aggressive behaviour as exhibited in detention.

"Perhaps the most devastating use of detention is the detaining of those returned by the training schools as unmanageable for reconsideration or transfer to adult court. This practice results in the most dangerous type of child being held for long periods of time awaiting court decision. The anxious and aggressive behaviour common to these children" - I think that the Attorney-General should list to this after ... - "The anxious and aggressive behaviour common to these children renders it impossible for him to have dormitory freedom, inhuman and impractical to isolate for long term periods, and yet poor policy to transfer to adult quarters.

"Parallel to this type of child, is the very disturbed and hyper-aggressive child whose self-destructive tendencies make basement isolation an impossibility and cruelty. The incidence of self-inflicted wounds in isolation are well documented. The correctional staff wish a firm policy statement regarding alternatives to our very dangerous isolation facilities that will fully meet the needs of the child, correctional officer and adult detention staff.

"The juvenile detention facilities were erected to detain 13 males and 11 females." Thirteen males and 11 females - what is the count on this ... ? "These maximums are reasonable but of late as many as 58 males and 24 females were detained at one time, creating a chaotic ratio of 20 males to one officer and eight females to one matron. These crowded and anxious conditions present a very real physical threat to both staff and children in conditions like this, the ages ranging from 9 to 17 years of age, with children being held for neglect, shelter, psychiatric assessment, shoplifting, rape and murder. Under these conditions the 9-year old shelter case is treated like the reform school escapee.

"Once again, some firm policy statement should be made to either decrease the number of children detained or increase the number of correctional supervisors. There is little concession in our facilities for the staff's comfort and this must affect their efficiency. Although salary scale was scarcely mentioned, it is one of the few areas that positive change can occur in.

"Space is severely limited for our staff. The correctional staff work in drab, anxious facilities eight hours a day, five days a week, on shift and subject to emergency call. Every-day demands and security requirements result in their inability to withdraw from this setting for such commonplace benefits as coffee or lunch breaks. Meals are taken with Children's Agency workers and police making consistent demands upon them. To provide for some relief and privacy, the staff wish to inquire whether or not some nearby or existing facility could be developed for staff use. This facility could double as an interviewing room for court and police workers.

"It must be evident to those reading this report that the juvenile correctional supervisory staff are concerned with very constructive issues and policies as affecting detention, its children and staff. The focus of complaint concerned policies and collateral agencies. The absence of bitter, hostile complaining and legitimate demands for personal benefits is short of a miracle. In conclusion, the correctional staff has specified some very real complaints which are considered damaging to very conscientious and capable staff morale, and it is requested that these complaints be investigated, considered, discussed and clarified."

Well, the Attorney-General didn't seem to pay too much attention. Either he's not interested or he knows about this. If he knows about this, how can he speak the way he did just a few minutes ago? And, Mr. Speaker, I hope that the members of the press and the members of the House will read - they will not be able to I'm sure release this letter, but read these letters

(MR. DESJARDINS cont'd.) from some kids who are crying for help, crying for help and -- I want those letters back; they're tabled. I hope that you can take copies if you wish.

Now this is not a question of blaming anybody, but can the Attorney-General get up and say that he's doing his best, that he cannot vote for this? First of all he said it wasn't true; what my honourable friend from Selkirk said wasn't true; and then he said well this was one reason. Well, I think that it's true and I think that there's an awful lot more to it than was said by the Member from Selkirk.

Then it only leaves his second reason; he said this would be a non-confidence vote in the government. Well can we have confidence in a government that has been promising to look into this, to do something since 1959 at least, the year that I was elected here, and will allow things like this to continue and say to a member just a little while ago, "what's \$18,000?" And say that we have priorities, and increase their salaries, take a \$3,000 tax-free allowance and increase the salary of the members of this House? I would gladly go back to the other salary to start putting my share in this if all the members of the Cabinet, members of this House do this. Read this letter again when you get Hansard tomorrow. Get copies of those two letters. Look at this list also, the day to day sheet, at the ages and so on, and then close your eyes and say, "What if my boy was here?" And then you come and tell me where on the list of priorities you will place the correction of this awful thing.

MR. PAULLEY: Mr. Speaker, I intend to say a few words on this very important resolution. I do not approach it with any sanctimonious approach, self-righteousness, that only I happen to be correct and everybody else is wrong. I do not approach it, as some may do in this House and outside, that only because of divine guidance or otherwise that I and I alone know what the solution to the problems may be. I do not approach the proposition of juvenile detention and correction as some may do, that the time to consider the matter of detention and correction is after a juvenile, male or female, happens to be in an institution.

It seems to me from the remarks that we have just heard that the correctional approach would be after detention. (I see my honourable friend has left the Chamber.) I think, Mr. Speaker, the time for consideration of correction is not after detention at all; it's prior to detention. And while I will agree with the resolution that we have before us, that the detention facilities in Manitoba are not adequate, they are archaic and in some respects reflect on darker ages, I think that what we have neglected to do in Manitoba is to make adequate provisions in the field of prevention. I do not agree with my honourable friend the Attorney-General that the government was correct on the basis of priorities to utilize the finances of the province for flood protection at the expense of correction in the facilities of juvenile delinquency.

Having said this, Mr. Speaker, I want to say this as a parent, as I hope a responsible member of the community, I do not agree with many who say that our young men and our young women, our teenagers, are irresponsible. I think by and large, Mr. Speaker, that our young men and women today, and particularly our teenagers, are far more responsible than the teenagers in my day. I think that they are far more capable of taking an active part in the affairs of the community than they were a number of years ago. I regret very much that the media of the press, the publications or such today, are more spectacular, may I suggest, than they were a few years ago; that they are laying emphasis on the deficiencies of our young men and women, and our young men and women are not entitled to receive this type of publicity.

I know that my honourable friend the Leader of the Liberal Party has a resolution for the consideration of this House, to turn an army barracks into a detention home for our young people in Manitoba. Maybe he is more concerned with detention than he is with correction. But I say this is not the approach that we should be taking. I fault the Government of Manitoba for not making adequate provision for psychiatrists in our courts. I fault the Government of Manitoba for not making provision for adequate social welfare workers before our juvenile courts in Manitoba, and I think that this is the area, Mr. Speaker, that we should be directing our efforts.

And what have we heard tonight? Complaints because the guardians or the guards in our detention homes aren't adequately looked after; our facilities in our detention homes aren't proper; they aren't adequate. But, Mr. Speaker, I haven't heard too much in the debate that has taken place on this resolution that we have before us, on adequate provision for prevention for our young men and women before they are committed to our detention homes, and I say, Mr. Speaker, if there is nothing else that we can do in this House other than to make more provision in our community lives or our community facilities, to reach these young men and women.

Yes, we do need better facilities than Vaughan Street, it's true. I don't think anybody in

(MR. PAULLEY cont'd.) this House can stand up and say that they are satisfied with Vaughan Street facilities, but, Mr. Speaker, may I say until such time as communities are able to provide adequate facilities for our young boys and our young girls to be indoctrinated into a proper process of democracy; we are going to have to make provision for detention homes. I know when I say this that many of our communities have not been able to have adults in great enough a number to come to the aid and the support of our community clubs, and I say this is regretful, and if there is a void created because of the lack of participation of we adults, then government must step in, because I suggest, Mr. Speaker, it's far less costly for government, for the community, to make provision before correction or detention is necessary, and this is where I fault the Government of Manitoba today and this is where I am faulting at least some of the members who have participated in this debate tonight, that the emphasis has been laid on the detention aspect instead of the prior detention aspect and this is the area, I suggest, of social endeavour, Mr. Speaker, that we should be lending our effort.

And in conclusion, Mr. Speaker, I want to re-emphasize what I said. Our teenagers, our young men and women are far more responsible than we are giving them credit for. They do not need saving; they need encouragement. And it is up to those of us who happen to be in this responsible position today to give them that leadership and that encouragement. We don't want them in dark Vaughan Street detention homes. We want them in live communities, taking part in the local atmosphere, the arts, the handicrafts, and the likes of that. This is the job of this Legislature, not the creation of buildings of brick and stone simply to take them out of society and keep them apart, but rather to give them the leadership and the education, particularly those that may not have the facilities, the financial support that some of us in this House may have. They are well worthwhile; and better, I suggest, Mr. Speaker, for government to give leadership in the field of prevention now instead of the field of incarceration later, and this is what I fault the government for and this is the reason I am going to support the resolution of the Honourable Member for Selkirk because, while his resolution deals with the failure of the government to provide proper facilities for the detention, coupled with that the resolution of the Member for Selkirk says that the House regrets the failure of the government to provide for the proper correction of juveniles, and I suggest that in this area comes the proposition that I have suggested, that the government has failed to provide the facilities prior to the necessity of correction or detention.

So I find myself in a position, Mr. Speaker, where I have to support the resolution, and further to that, Mr. Speaker, I regret very very much that because of the limitation of hours of debate in estimates that we haven't been able to give full and proper consideration to the estimates of the Department of the Attorney-General.

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MR. DOERN: Mr. Speaker, the Attorney-General in his comments referred to the fact that last year there was, I suppose, an amount set aside or an amount considered for this, and in view of the flood or other purposes they were not able to go ahead with the program at the Vaughan Street Detention Home. But I think he's assuming one thing there and that is a fixed amount of income, and the amount that this government is spending this year is considerably more than what was spent last year.

This reminds me very much of a story that is often told by the Leader of the New Democratic Party about the vote at the beginning of the Second World War when \$500 million was needed to begin the war effort, and needless to say the government looked into its bank account, which was zero, and had to come up with the amount of money and it was created by the members in that House simply voting for a resolution, or voting for the supply of \$500 million. So I think that the government can create the money in the sense of can tax for these purposes, and this is simply what is done. We came up with a great deal of more money in education which was needed, and if the government intended to go ahead with construction on Vaughan Street which they failed to do this year, I think it could have been simply done.

Now, the Honourable Member for St. Boniface mentioned the average stay, or at least he quoted some figure of an average stay of four days, and of course this figure is quite misleading because in fact a very large number of people who are detained at Vaughan Street stay there only a few minutes, and they are ...

MR. DESJARDINS: Mr. Speaker, on a point of privilege. I did not say anything about an average of four days. That was the Attorney-General.

MR. DOERN: Fine. So the official statistics seem to indicate that four days are spent, but this is very misleading because a large number of people who are taken there, of boys for example, are released as soon as their parents are informed and they come down - they are counted as a statistic. So if you add one of those to a boy who has been there eight days, divide by two and you get your figure of four days, and this is quite misleading because the average stay of those who actually stay there for a period of time, is probably a week or ten days.

Now I think the interesting thing about Vaughan Street is to go there, and I don't know how many of the members in this House have actually visited it but I made a trip there last fall with the Honourable Member for Burrows and I can tell you it was quite an eye-opener. There are facilities for fifteen or twenty boys and yet, as the Honourable Member for St. Boniface also pointed out, they will sometimes have fifty. So where do they sleep? They sleep on the floor. If they have enough mattresses they strew them all over the floor, down the halls, on the floors of the rooms, in the so-called dining room area, and I suppose when they run out of mattresses they let them sleep on the bare floor. It's a very unhealthy situation. It's impossible to control people who are crowded under such circumstances. So the facilities are completely unrealistic. There's no segregation there, and you can see in any one room a variety of ages, a variety of offences; people who are homosexuals put in the same room with people who are innocent; people who are on serious crimes of robbery with people who are there for petty crimes; ill-fitting clothing and so on.

Now the important thing that really struck me in this whole business of Vaughan Street is the fact that there is nothing for these boys to do. There is no constructive work; there is no constructive training that is given to them; there is nothing constructive that they can do to fill out the hours of a day. And if you walk into Vaughan Street at any given time you will simply see a bunch of boys sitting in a room around a table doing nothing. At least, that's what they superficially appear to be doing. But what goes on in some of those conversations, etc., may be much more serious than would appear to a casual observer. They have a radio and a television set and they seem to sit around watching this or looking at the floor or being engaged in light conversation. We were told they had a library, and I thought this would be rather interesting. The library consisted of a small bookcase about three feet by three feet filled with 20 or 30 old books - and I mean of 40 years' vintage - and a few torn magazines. This was the library. There are no subscriptions to magazines being taken there; there are no well-planned facilities for anyone to do any reading. Nothing but a few dirty old books. Now in a prison there are libraries, and I suppose one of the reasons there isn't a proper facility there is they're rough with magazines, etc. But I think that could be closely checked. I think somebody in charge of a library could hand out magazines that are bound in heavy covers.

MR. SPEAKER: I think the honourable member would agree with me that we're really not discussing the general operation of the home or libraries or that sort of thing. I wonder if he would agree with me in order that we could proceed with the business of the House without getting

(MR. SPEAKER cont'd.) entangled with irrelevant matters in this respect.

MR. DOERN: Well, Mr. Chairman, I think the motion is the need for a new facility and I'm trying to point out some of the weaknesses with the present facility.

MR. SPEAKER: I appreciate the honourable gentleman's attitude but I don't think we should be talking about libraries and that sort of thing at this particular time. I wonder if he would agree with me in order that we could get along with our business.

MR. DOERN: Well, I'll keep my remarks brief then.

Since you have a situation in Vaughan Street where you have groups of boys with nothing to do, I think that there have to be some measures taken to correct that situation, and I think that, for example, although there is a teacher who is employed there and who attempts to teach all the boys from every age level and all the girls from every age level and every grade, this is completely impossible. There should be a number of teachers there to at least give some instruction, however of a general nature, to the people there, because to miss a few days of school or a week or two of school is enough to lose a year, and it's a much more serious thing than simply keeping someone there for a week. There's a need for handicraft instruction there and there's a need for some useful activities, because, as I said, otherwise these boys are simply sitting around staring at the walls, watching a bit of television, and, Mr. Speaker, I suspect that much more serious things are being done than that; that since they have nothing to do they are talking to one another and that some of the older boys are actually teaching the younger boys crime. By simply discussing their own crimes or by giving them tips on certain things, etc., I suggest that in effect in some cases these boys are actually learning criminal skills in Vaughan Street, because they're not segregated and they're not occupied.

Just on the point of Fort Osborne Barracks. This has been discussed as a possible new detention centre. I think it may be fine assuming that some extensive renovations are taken place there. I don't think you can just take a building, put bars on it and say, "Here is our new detention centre." I hope that when the time comes - heaven only knows when that will be - that a proper architect will design a proper facility, and if it's to be Fort Osborne, that the interior be redesigned for detention. The staff facilities in Vaughan Street are completely inadequate. They consist of a number of small rooms, often very musty, and they're very unpleasant. It's very difficult to counsel anybody in there. In fact they are so bad they remind me of our little phone booths out in the hallway here. The social workers have asked for repeatedly, and only in the last few months, have asked for a new detention centre. Any lawyer that you talk to who is familiar with this has demanded it, and so have laymen. So I think that the government is -- I know the government wants to build a new facility and I know that the Attorney-General wants to build a new facility; they've wanted to build one for eight years; but when will they build one? Never by saying that we had to divert money to the flood, or never by saying that all the moneys are being spent. If they have to raise additional money for it, let them do it. They're expanding the budget every year so expand it another million dollars or a couple of million dollars and build a proper facility.

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

MR. MOLGAT: Ayes and Nays, Mr. Speaker.

MR. SPEAKER: Call in the members.

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

YEAS: Messrs. Barkman, Campbell, Cherniack, Dawson, Desjardins, Dow, Doern, Fox, Froese, Green, Guttormson, Hanuschak, Harris, Hillhouse, Johnston, Kawchuk, Miller, Molgat, Patrick, Paultey, Petursson, Shoemaker, Tanchak, Uskiw.

NAYS: Messrs. Baizley, Beard, Bjornson, Carroll, Cowan, Craik, Einarson, Enns, Evans, Hamilton, Jeannotte, Johnson, Klym, Lissaman, Lyon, McGregor, McKellar, McKenzie, McLean, Masniuk, Roblin, Shewman, Spivak, Stanes, Steen, Watt, Weir, Witney, and Mesdames Forbes and Morrison.

MR. CLERK: Yeas 24, Nays, 30.

MR. SPEAKER: I declare the motion lost.

MR. CAMPBELL: Mr. Speaker, I have a matter that I would like to discuss under the heading of this resolution. If we had reached the Honourable the Attorney-General's estimates in the usual form I would have raised it under item No. 22, because it deals with the question of coroners and their investigations. The Honourable the Provincial Secretary, I am sure, will recall that when his estimates were before the House - perhaps in that connection it was his capacity as Minister of Public Utilities - that I began a discussion with regard to what appeared to me to be some highway traffic consideration in connection with a fatal accident

(MR. CAMPBELL, cont'd) that happened last November, but the Honourable the Minister mentioned to me that he thought there was at least some likelihood of the matter being before the Court and we did not proceed with it further at that time, and later my honourable friend informed me, as I had requested him to do, that definitely the matter was before the courts and so that consideration or aspect of the case was not referred to again.

But in connection with the same case, Mr. Speaker, I do want to raise this question of the action of the coroner in that particular case, not that it can do any good to the family that's involved now so far as that particular case is concerned, and there's no use of recriminations and recollections and criticism unless they can be productive of a better understanding for the future. As I understand this particular case, my complaint is that the coroner in this case did not show, so far as the family was concerned, the reasonable regard for the feelings of the family who, when a fatal accident has occurred in that way, are naturally in a state of considerable shock, tension and anxiety, and are deserving in my opinion of the utmost in consideration and co-operation from the coroner.

Now, to briefly recount the circumstances, Mr. Speaker, and I do hope to make it brief, this accident occurred on a Wednesday at 4:20 in the afternoon. It was a fatal accident for this one girl, a girl of sixteen. I'm quite prepared to give the name if anyone wishes to have it. The Wednesday afternoon is important in this case because the point that I am making is due to what I esteemed to be the lack of consideration on the part of the coroner - it was impossible for that family to hold the funeral of that young lady until the following Monday - five days - which was not only an inconvenience to the family and an inconvenience to a great number of school children and the school administration because she being a schoolgirl it was planned that a large number of children from the school should attend the funeral and Saturday would have been the most convenient time, of course, for the school children, but much more important than that, the fact that the family - a death is difficult enough at any time but a death under the tragic circumstances of an automobile accident of this kind has an added feature of shock to it, and on Wednesday afternoon the accident occurred, this girl was taken immediately to the hospital as I suppose the other children were too - they were young folk, two boys and two girls. The others I think were not dangerously injured but this girl I believe was dead on arrival at the hospital. Well that was Wednesday afternoon. Identification of the girl took place the next morning by a member of the family. I'm aware that that identification is necessary, of course. The autopsy, I'm not exactly sure when it took place; it's necessary in some of these cases that there be an autopsy and I think it was shown to be desirable in this case, but it seems to me -- and there may be other investigations that are necessary too; I'm not acquainted with all the procedures and whatever is necessary should be done; of course it should; but when the necessary things have been done then surely the body should be released so that funeral arrangements can be made. Surely the time that must elapse for the terrible tension and suffering to the family of getting this very very sad situation dealt with in the only way that it's possible to deal with, should be cut down as far as possible. Surely their wishes in the matter, if they can be accommodated at all consistent with the requirements of the law, should be met to the utmost degree.

The family went to a funeral home and made arrangements with the funeral home for the funeral on Saturday. This was about the earliest that they felt that it could be done and it was certainly a convenient time for the school children and they wanted to get it done as quickly as possible. This was arranged with the funeral director and as soon as the arrangements were made and they found that the funeral director could have the funeral on Saturday afternoon, they phoned the coroner to be sure that that would be suitable to him, and he said no, it could not then be held. And that family was compelled to wait another two days before that funeral could be held.

Now, Mr. Speaker, it's possible - for certainly I have not talked to the coroner - it's possible that there are some circumstances here that I don't know, but to the extent that I do know, it seems to me that the coroner should be instructed by the administration that consistent with performing their duties properly, that every possible consideration should be shown to the family in tragic accidents of this kind, and I would think that just the ordinary courtesy, let alone the ordinary sympathy, of people would dictate that that should be done, and in this case it was not done and it was requested.

So, as I mentioned in opening these remarks, Mr. Speaker, this particular case is finished and done with. Nothing can make up for the heartbreak of the family that was occasioned by the delay in this case. Nothing can make up for the inconvenience that was caused to the school

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(MR. CAMPBELL, cont'd) children of a couple of rooms of that school. But the reason that I raise it now, and I know this is a time that we wouldn't ordinarily raise matters unless we believed them to be important, the reason that I raise it now is so that it can be given some publicity and so that the Attorney-General's department can take the necessary steps, which I hope they will do, to instruct the coroners that, consistent with performing their duties, that the very utmost in consideration and co-operation should be shown to the families who are faced with tragic accidents of this kind.

Mr. Speaker, naturally I am not going to attempt to discuss the other side of the case because my honourable friend the Minister of Public Utilities assures me that it is before the courts. I am prepared of course to give the Minister the necessary information if he requires any more, and he's welcome to get it from the Honourable the Minister of Public Utilities who knows the case quite well; and I am sure that I could have secured some attention to this matter had I gone to the Attorney-General's office privately. I'm sure that he would have taken some action. But I wanted to deal with this question in public, Mr. Speaker, for the simple reason that I think the public should know that in some cases this lack of -- or in this case what appears to me to be a lack of consideration was shown, and that we can publicize this fact so that the coroners will be put on notice - and I hope that the department will add their voice to my suggestion - that they're put on notice that under the circumstances, that while performing their investigations and doing their duty to the utmost that is required, that the position of the families of the victims should be kept constantly in mind.

I know that in some other jurisdictions, and I believe it's Toronto, Ontario, that there has recently been a very interesting and somewhat controversial discussion with regard to the office of coroner, and that actually a coroner, quite a well-known one, has been dismissed by the Ontario government. I am suggesting no such drastic action but I am suggesting that note should be taken of a particular case like this when it comes up, not that anything can be done about this and recriminations are useless, but that from this experience a better policy can be developed and that the department can take appropriate action to see that mistakes of this kind, if indeed it was a mistake as I believe it to be, do not happen again.

MR. FROESE: Mr. Speaker, I wish to touch on a matter - this would concern the same resolution that the Honourable Member for Lakeside spoke on. However, this is a different matter that has to deal with the police services, and while we in other years have discussed this matter quite fully in committee, this year the opportunity did not present itself and I will only have this one opportunity to discuss the matter. I would have liked it better in committee so that I could have put some questions and get some answers. However, I hope that when I am finished the Minister will reply.

We have in rural Manitoba a number of villages that require police protection and police services, and in past years we've heard requests on numerous occasions of these smaller incorporated villages asking for this type of service. Many of these communities are of a size that to have services of their own, to employ a special person to give this service, would be a great cost to them, and I just might mention the Village of Gretna which requires this service very badly. We have others in other centres in my riding - I might mention Plum Coulee is in the same position - and these centres probably have an assessment of half a million dollars, and in order to employ a person of this type for this service this would mean 12 mills for that village in order to get this type of service.

Now I understand that the municipalities are getting this service - and if I am correct they can get it free - and why should we penalize the smaller villages that need it much more than the rural municipalities need it, because we've had break-ins, not recently but not so long ago, repeated break-ins in various communities of this type, and this is why we need this type of protection. I understand from the Minister that they're apparently presently negotiating a new agreement for this type of service, and I see also that there is an increased allotment in the estimates, in this year's estimates, for this purpose and I would like the Minister to tell us whether they are providing services of this type for these communities that need this type of service and this type of police protection, because this is a real concern to these councils. They've called me; they've written me; and they've also written the department and asked for this type of a service. They I think would not hesitate to participate but certainly to carry the cost all by themselves is asking for too much and is placing too great a burden on these communities, and I am sure that some of these communities would not mind sharing this type of a service with other smaller centres so that it could be a joint proposition.

So, Mr. Speaker, I do hope that something will be done in this connection and that some

(MR. FROESE, cont'd) type of a service can be arranged for these communities.

MR. LYON: Mr. Speaker, if there are no other inquiries under this department, I'd be glad to give a few brief summary remarks. However, I will take my seat if there are any other questions because once having spoken I've exhausted my right to speak and couldn't -- if there are no other inquiries ... With respect to the points raised by the Honourable Member for Lakeside, I'm not of course familiar with the case but would be happy to look into it. I agree with what he says, subject only of course to the requirements of pathology and of the holding of the inquest. The coroner in charge of a fatal case should of course at all times observe all of the delicacies that are attendant upon the dealing with a family at this particular time, and there can be no argument about that question. I'll be quite happy to look into it. It's rarely that we do hear this kind of complaint, however, because the doctors by and large who are coroners are the ones who have some considerable experience with these matters and are used to dealing with families in situations of grief. But we'll be quite happy to look into the matter.

As to the point raised by my honourable friend from Rhineland, the question of the new RCMP agreement is -- we signed a new agreement with the RCMP last year. Now there is provision within that agreement for future services to be worked out for the smaller communities such as he suggests. The Department at the present time is working on alternative plans for the implementation of this type of service, subject always of course to the phasing in of sufficient manpower by the RCMP in this connection. Manpower is going to continue to be a problem over the next number of years because there just are not enough RCMP constables to go around. I'm aware of the situation of the Town of Gretna, that he speaks of in his own constituency, and I believe there is one other town that has been in touch with us, and just as soon as we are able to work out a plan that we feel will meet the requirements of the town and at the same time not be too burdensome on the Provincial Treasury, we'll be glad to assist as much as we can. I should say, however, that one of the great problems as with most of our problems now, is the fiscal question as to how much the province can bear in terms of supplying services which are really municipal in nature, but we are going to do our best to work out a satisfactory formula.

MR. CLERK: Resolved there be granted to Her Majesty a sum not exceeding \$119,788,021 for Education ...

MR. SPEAKER: The Honourable Member for Emerson.

MR. JOHN P. TANCHAK (Emerson): Mr. Speaker, I have a motion here. I move, seconded by the Honourable Member from Assiniboia, that while concurring in Resolution No. 28, this House regrets that the Manitoba Government has failed in past years to take full advantage of the generous Federal Government assistance for the construction and operation of technical-vocational schools, and has thereby retarded the development of this phase of education in Manitoba.

MR. SPEAKER presented the motion.

MR. TANCHAK: Mr. Speaker, there was quite a bit of talk about vocational schools and I'm not going to take too much of the member's time. We know that technical-vocational schools would have - I use the past tense because I believe we haven't enough at the present time - would have provided facilities of learning for the bulk of our youth, our students, and that would represent some 80 percent of the students who do not go into university. We also know that technical-vocational schools would have provided the best possible and flexible opportunity of training for the jobs in this changing world of work, in our technological world as we like to refer to it.

Now, before I go ahead, I would like to say that I am not one of those who believes that we should be building educational facilities, institutions such as vocational schools and high schools and community colleges and so on, helter-skelter throughout the Province of Manitoba. We have some and I believe that we should consolidate these. I believe that a need first must be established and proof of feasibility. Evidently the government has established this need because, by his own admission in this House, the Premier and I believe the Minister of Education himself have stated that ten new vocational schools are needed in the Province of Manitoba. He's said that in this House and he said that in the last election campaign. Therefore, I have to accept this statement as a statement of fact that these schools are needed, and I would like to say that this need did not come upon us suddenly. The need must have developed over the past at least nine years, and ever since this government came into power. It must have been here for at least the last six years, and the reason I mention the last six years because I think

(MR. TANCHAK, cont'd) it was in 1961 whereby the Federal Government had agreed to share some of the expenses, the upkeep, and also the construction of these schools. So if the need was here, why did Manitoba not take full advantage of this generous offer by the Federal Government or the generous offer of federal assistance?

I have here some statistics which were taken out from the School Progress, June 1st, 1966, and I have compared these statistics with other statistics and I believe that the statistics are true. And these statistics show us that in total, in the past six years, Canada has spent \$1,000,102,000 on technical-vocational schools throughout Canada. That's \$1 billion. And the heading is: "Why Billion-Dollar Price Tag Still Isn't Enough". According to School Progress, they do not think that is quite enough.

Now where does the blame lie? The money is there for the provinces to apply for, for the provinces to take action and show that they're interested in it. But evidently some provinces did not take full advantage and one of these provinces is our own province, the province of Manitoba. If the need was there, why didn't this government show more activity? Why didn't this government take fuller advantage? Why did this government permit this retardation of development of this phase of education in Manitoba.

In these statistics we have all the provinces listed. I'm not going to read all of them - I promised to be brief - but it shows Manitoba here as taking advantage to the extent of \$11.7 million worth, \$11.7 million worth. That's not in total, that's only the federal grant - the total from the federal, the federal share, but the total at that time - and that was June, 1966 - the total spent by Manitoba was \$16.2 million. That's including the federal share in there. Now if we take Saskatchewan, which I think is right for us to compare our province to the Province of Saskatchewan, (we're almost the same population) Saskatchewan spent \$35.8 million in the six years. Then as we go to Alberta - of course it might not be too fair to compare with Alberta but just in passing I'll mention it - Alberta spent \$113.8 million.

Now out of these three prairie provinces we see that Manitoba is at the bottom of the totem pole, and I think that this government should take the full blame for that. I'm not going to blame the present Minister because he wasn't Minister of Education throughout the whole time. There is naturally some activity now, or I would presume that there should be. We have a Commission established and they're just beginning to study, and the Commission's intent, or the way it was published in the paper, is to probably sit on this matter for years before they submit a report. We don't know how long, and in the meantime we're creating this retardation of this phase of development.

MR. GREEN: Mr. Speaker, on behalf of this group may I say that we associate ourselves with the resolution that is being put forward by the Honourable the Member for Emerson. Both this Party and the Liberal Party, I think during the election campaign, pointed out the relative non-use that has been made of federal funds by the Manitoba Government with regard to the technical-vocational schools. I would point out, Mr. Speaker, that we don't believe in spending federal funds merely because they are available, that certainly the fact that money is there - it's taxpayers' money; it belongs to the people of Canada - doesn't mean that we're for spending it, but we think that the need for technical-vocational schools has certainly been demonstrated and therefore that the government should have used the program. While we don't feel that federal funds should be spent merely because they are there, we would also like to point out, Mr. Speaker, that there is some disadvantage in not using the funds when they are there, because federal funds are funds that are gathered from all the provinces in Canada and if we don't use them then we suffer the double disadvantage of subsidizing the other provinces and not getting subsidized ourselves. So programs that are undertaken federally certainly have to be looked at with great consideration by the province, and in the case of technical-vocational schools we certainly think that the remarks made by the Member for Emerson have been borne out.

MR. FROESE: Mr. Speaker, I'll be very short. I, too, will support the motion because I feel that we could have accepted all these grants from the Federal Government to advantage -- and when I say to advantage I mean that this would not have put us in a straightjacket in any way because these facilities are needed in this province and we will be needing more of these schools and these facilities in the future and I think other provinces, especially the provinces to the west, certainly have used these grants much more extensively over these past few years and I think we have failed in this direction.

MR. JOHNSON: Mr. Speaker, I wouldn't get up at this time except -- I'll be brief -- but I've said it all, over and over again in this House: we've lost no federal money; we've spent

(MR. JOHNSON, cont'd) \$18 million and we have a further tremendous program, probably the biggest building program ever conducted educationally in this province, with the Institute of Applied Arts now on the drafting boards. We have announced a policy of building regional vocational high schools; we have asked the Boundaries Commission to group divisions for this purpose; we've assured the House we still have the money available to us.

I don't think there's a province in this Dominion that had to rebuild a school system in the last few years. Could our people have built what they have built and in addition to that built the vocational facilities the members are suggesting? Seven, eight years ago 85 percent of our boys and girls had no opportunity for post-vocational training. Our first technologists graduated in 1963 out of our Manitoba Institute of Technology. We have gone up from 6 to 800 spaces to 3,200. The members have seen the kind of institution we're planning in vocational centres at The Pas, and MIT -- and they're bulging. We're aware of the need; we're getting on with the job and we hope when we're through we'll have a system which we can all be proud of.

I know the government can be chagrined for dragging its feet. On the one hand we're going too fast, on the other hand we're going too slow. I would say that with the capital monies that have gone into the Manitoba school system since 1958 -- that magical year as the Member from Lakeside always says -- the value of the public school systems, the total value of the buildings in 1958 was 80 million; over 123 million capital in schools and universities has been expended by the people of Manitoba in that short a period of time. There's a revolution occurring in curriculum. I know in my time as Minister ideas have changed dramatically in what's being created throughout this province by way of vocational high school facilities.

I'm just saying that with the massive job that has been before the department and the government in the last few years I think we're making commendable progress, we have identified our problem, we're on with the job and I would hope the honourable members change their minds about voting for the resolution of the Honourable Member from Emerson.

MR. SPEAKER: The Honourable Member for Gladstone promises a few words.

MR. SHOEMAKER: A few words, yes. Because this subject has been pretty thoroughly discussed on the resolution that I had moved in this House nearly three months ago, and I want to thank my honourable friend the Minister for the letter that I received from him today. --(Interjection)-- Well, we still want to be assured of in the rural areas that we get a fair shake when the ten promised technical schools are being built. I think the important thing is to announce shortly where they're going to be built.

My honourable friend has, I think, by delaying the program -- we will be spending a lot of money foolishly by temporary quarters, temporary housing, temporary class rooms and so on throughout the province because my honourable friend, and his department, has told nearly every rural school division that is presently faced with a "building program" to delay your building program until we find out how you will fully benefit by the technical and vocational schools." And as I said before, it's fine and dandy to make these announcements so long as we can rest assured that the locations will shortly be announced so that we will not be spending a lot of money on "temporary" housing that will have to be scrapped.

So, Mr. Speaker, I hope that my honourable friend will not overlook the rural areas, that he will shortly announce the locations so that every rural school division in the province of Manitoba will be able to plan, sensibly plan, their building programs and construction programs for the future.

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

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

MR. SPEAKER: Call in the members.

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

YEAS: Messrs. Campbell, Cherniack, Clement, Dawson, Dow, Fox, Froese, Green, Guttormson, Hanuschak, Harris, Hillhouse, Johnston, Kawchuk, Miller, Molgat, Patrick, Paulley, Petursson, Shoemaker, Tanchak and Uskiw.

NAYS: Messrs. Baizley, Beard, Bjornson, Carroll, Cowan, Craik, Einarson, Enns, Evans, Hamilton, Jeannette, Johnson, Klym, Lissaman, Lyon, McGregor, McKellar, McKenzie, McLean, Masniuk, Roblin, Spivak, Stanes, Steen, Watt, Weir, Witney and Mesdames Forbes and Morrison.

MR. CLERK: Yeas, 22; nays, 29.

MR. SPEAKER: I declare the motion lost.

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MR. FROESE: Mr. Speaker, I beg to move, seconded by the Honourable Member for Gladstone, that while concurring in Resolution No. 29 this House regrets the failure of this government for not granting the same teacher grants to multi-district divisions as are extended to unitary divisions.

MR. SPEAKER: I feel I must declare this resolution out of order.

MR. FROESE: Mr. Speaker, on what grounds?

MR. SPEAKER: ... you have a what?

MR. FROESE: On what grounds?

MR. SPEAKER: I rule that this resolution is out of order.

MR. FROESE: Well, Mr. Speaker, I beg to differ and I'd have to challenge your ruling because the resolution is quite in order, because the money is already provided in the estimates and all we need is to grant it. The money is there; all that's needed is to grant it.

MR. SPEAKER: You're challenging the Chair?

MR. MOLGAT: Mr. Speaker, I think in fairness to the House it might be a good idea if you would tell us why it is out of order. I'm not disagreeing that it may be out of order but I wonder why it is so.

MR. ROBLIN: I think because only the - a person needs a message from His Honour the Lieutenant-Governor to bring in a resolution calling for an expenditure of funds.

MR. FROESE: Mr. Speaker, on a point of order. The money is already contained in the estimates. All that is needed is to be divided and that it is granted to these districts. The money is already there; it doesn't need any additional new money.

MR. SPEAKER: For the benefit of the honourable member, in my opinion I believe this matter has been thoroughly discussed and dealt with under the matter of estimates and continually through the session and I feel that we'll be looking forward to nothing but repetition and therefore I rule it out of order.

MR. FROESE: Mr. Speaker, then there is no alternative to me then but to challenge your ruling.

MR. SPEAKER: Call in the members.

MR. ROBLIN: Mr. Speaker, I think if you first put the question and get the ayes and nays, we'll see whether after that we want a recorded vote.

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

MR. SPEAKER: Call in the members.

MR. ROBLIN: Mr. Speaker, we need - if there are three people who want a vote we'll obviously have one but perhaps we should find out.

MR. FROESE: Mr. Speaker, you did not state the motion before we voted either.

MR. SPEAKER: I didn't hear the honourable member. ...Mr. Clerk.

MR. ROBLIN: I think the next item, Sir, is to take the question if the House is ready on the Concurrence Resolution.

MR. FROESE: Well, Mr. Speaker, I would ask honourable members whether they would not support me in at least having a division, because this is ...

MR. SPEAKER: The Honourable Member for Lakeside.

MR. CAMPBELL: Mr. Speaker on the point of order. I think it's important that we should so far as is possible understand the situation of what we're doing. Different interpretations have been put on the question of whether this is out of order or not. I have the feeling that the substance of this amendment has already been decided at this session. As a matter of fact if my recollection is right I think that the Honourable Member for Selkirk and I supported the honourable member in getting a division on this although we didn't support him - I think it was yesterday ...

MR. MOLGAT: Either yesterday or this afternoon ...

MR. CAMPBELL: Yes. It seems to me that the substance of it was the same as the substance of the moment; and it seems to me that likely that's the reason on which Mr. Speaker ruled it out of order.

MR. FROESE: On a point of order, Mr. Speaker. The matter is quite different because the money voted in Committee is sufficient to cover the grants, the additional grants to the multi-district divisions ...

MR. LYON: I hate to interrupt.

MR. FROESE: It's already contained in the estimates. All I'm asking now is that ...

MR. LYON: I have to interrupt my honourable on a point of order. On a point of order, Mr. Speaker, we cannot comment upon the Speaker's ruling. The only question there was is

(MR. LYON, cont'd)whether or not there should be ayes and nays on the Speaker's ruling being maintained. There was no support and I suggest we're back to the calling of the resolutions.

MR. SPEAKER: I would ask the Clerk to proceed with the business of the House.

MR. CLERK: Resolved there be granted to Her Majesty a sum not exceeding \$83,648,821 for Health. Resolution 33 to 37 collectively.

MR. SHOEMAKER: I move, seconded by the Honourable Member for Birtle-Russell that while concurring in Resolution No. 33, this House regrets that the government has after nine years in office failed to produce a policy to ensure adequate medical and hospital care throughout Manitoba, has failed to ensure that there be sufficient hospital beds to accommodate the sick from whom it is collecting premiums.

MR. ROBLIN: Mr. Speaker, I rise on a point of order. In hearing the resolution read, I do not have the advantage of having it in front of me, but it seems to me that this is the same matter that was raised in a private member's resolution and it raises the point as to whether we can discuss the same matter twice; that's the point on which we had to consider the last ruling and not having it in front of me I'm not able to say with any certainty but it sounds to me on hearing it that it is in substance exactly the same question that has been raised in a resolution standing in the name of the honourable gentleman who has moved this amendment.

MR. SPEAKER: I must suggest to the House that this is developing into a problem in the last short while and with all the business that has gone before and this matter, too, if my memory serves me correctly, has been thoroughly discussed throughout debates and I wonder if we can look forward to repetition or whether or not ...

MR. DESJARDINS: Mr. Speaker, on a point of order I think you'll remember that we never did have a chance to discuss the Manitoba Hospital Commission. This was supposed to come back --(Interjection)-- No, this wasn't passed. The Minister of Health agreed to come back to --(Interjection)-- it's another number. It's resolution 36 but it's the same thing that - it's partly this and we've had lots of happenings ...

MR. SPEAKER: Order, please. I believe in this case, too, that under the estimates for the Department of Health as I mentioned to the Honourable Member for Rhineland with regard to his resolution that the same thing applies and therefore I rule it out of order.

MR. MOLGAT: Mr. Speaker, on the point of order. I think that the rule is not that something has been discussed before, the rule is that if something has been decided before by the House, and if we are dealing with a matter on which the House has decided then certainly the rule says that you can't bring up the same matter again; but if it is not a matter that has been decided then, because it's been discussed once, twice or seventeen times, doesn't change the picture; it can be discussed again. It might not be wise to discuss it again but the rule doesn't say that you can't. Only where it has been decided. Now I don't believe that there has been any decision on this ...

MR. SPEAKER: Order. I would like the Honourable Leader of the Opposition to understand whether it's wise or not matters not to me but rather whether or not it should be dealt with from the point of view of the contents of it. I'm not concerned whether it's wise to deal with it or not. I'm just applying my own opinion to the matter. He used the word 'wise' and suggesting that probably - he inferred so far as I was concerned that probably I would lean one way or the other, and that is not the case.

MR. MOLGAT: I'm sorry, Mr. Speaker, if you got any inference from my comment. It wasn't meant. What I meant by that one was whether it was wise for members to be talking on the same subject seventeen times was a wise course. There was not inference -- I'm sorry, whatever you understood wasn't meant, because I wasn't referring to anything about yourself; purely whether it was wise for members to repeat discussion. But be that as it may, my only concern here is that I don't believe that the matters here have actually been decided by the House. I don't think there's been any decision on any resolution or bill or anything of the sort.

MR. LYON: Mr. Speaker, on the point of order. I do believe we suffer from some considerable disability and I know it's not intentionally, that we do not have copies of the amendment here in front of us.--(Interjection) -- I know they're in scarce supply. But I think reference probably is made by yourself, Sir, to Rule 31 of our own rules, the well known rule about anticipation and revival of motion: "No member shall revive a debate already concluded during the Session or anticipate a matter appointed for consideration or of which notice has been given." If it's not one it must be the other in this case because certainly the matter has been before us.

MR. SHOEMAKER: Mr. Speaker, on the point of order. There is a resolution as my honourable friend has said on the Order Paper. It appears on page 3 of today's Order Paper, but it has not been concluded.

MR. LYON: ... the whole purpose being of course that we should not be debating the same subject twice under two separate motions. That's the only purpose for the rule, not to inhibit debate but to channel it into one source.

MR. SPEAKER: I would ask the Clerk to proceed with the business of the House.

MR. CLERK: Resolved there be granted to Her Majesty a sum not exceeding \$48,360,402 for Highways, Resolutions 38 to 43, respectively.

MR. DESJARDINS: Mr. Speaker, I had one under 36 and with all this bit I didn't know that we were covering everything in Health all at once. The Whip was ... Could I ...

MR. SPEAKER: What vote, Mr.?

MR. DESJARDINS: Well the vote on this department, on this resolution. I don't think it was called. We were arguing this motion and you called it out of order.

MR. SPEAKER: That's right.

MR. DESJARDINS: And we never had a vote on this resolution, --(Interjection)-- Then we called Highways -- the Clerk called Highways.

MR. SPEAKER: As I understand it we don't take a vote until we've gone through ...

MR. DESJARDINS: Not when we get on Highways. The Clerk called Highways, Mr. Speaker. I think that we had to have the vote -- this question was never voted ...

MR. SPEAKER: Well we've passed through several departments during the evening.

MR. DESJARDINS: We need a resolution on -- can I go ahead, Sir, on ... I would like to move, seconded by the Honourable Member from Gladstone that while concurring in Resolution No. 36 this House regrets that the government has after nine years in office failed to produce a policy to ensure adequate hospital care throughout Manitoba, has failed to ensure that there be sufficient hospital beds to accommodate the sick from whom it is collecting premiums.

MR. SPEAKER: ...the Honourable Member for St. Boniface realizes that this is exactly the same, excepting the word "medical," that the Honourable Member for Gladstone put forward.

MR. DESJARDINS: That's right, Mr. Speaker, but the reason for this is that we never passed 36. This was certainly not repetitious. This was left in abeyance; we were supposed to come back to Manitoba Hospital Commission which is, there's \$63 million, and we were supposed to come back to this, and we didn't finish after our eighty hours, and this is the next chance we have to speak on this item here, Mr. Speaker.

MR. LYON: On an additional point of order.

MR. DESJARDINS: And this motion -- this motion that you referred to before doesn't say anything about hospital; just medical.

MR. LYON: Mr. Speaker, I would raise the additional point of order regrettably that Resolution 36 is not before us. The amendment that was previously moved in Resolution 36 -- Resolution 36 was called; an amendment was moved and then the amendment was defeated and then you move on. This is what the Clerk has been doing all evening and with the greatest of respect I am sure ... --(Interjection)-- I'm merely trying to bring this to the attention of the speaker. I believe that Resolution 36 is not before us now.

MR. DESJARDINS: On a point of order, Mr. Speaker. You notice that the word "medical" was struck out and then you look at the top, that it was Resolution 33 and I changed that to 36. So it was 33 that was passed, not 36.

MR. LYON: But the department's voted in toto.

MR. DESJARDINS: You look at your copy.

MR. LYON: The Department, Mr. Speaker, on the point of order, is voted in toto.

MR. DESJARDINS: You mention ...

MR. LYON: All of the items. All of the items. They're all voted ...

MR. DESJARDINS: No I didn't vote before ... you called it out of order ...

MR. SPEAKER: Resolution 33 was the one we dealt with and I ruled out of order. It now is resolution 36 with the words "medical" and "and" struck out.

MR. DESJARDINS: Mr. Speaker, and you did give me permission to proceed in Health anyway.

MR. SPEAKER: I did not.

MR. DESJARDINS: To make the motion?

MR. SPEAKER: I've still got it in my hand; I haven't read it.

MR. DESJARDINS: Mr. Speaker, on a point of order you did give me permission to proceed with Health. I didn't say that you said anything about this motion being in order. But I asked you if I could proceed on Health before and you told me to go ahead. Now you can rule on the motion but not on the point brought in by the Attorney-General.

MR. LYON: Mr. Speaker, I suggest that Highways -- the Highways items are now before us because after the item is called there is no vote on it and unless a movement is made immediately before the next item is called, the item passes without a vote.

MR. DESJARDINS: Mr. Speaker, on a point of order again if I may. This is exactly what I did. What I said a minute ago is I asked permission to go in the Department of Health. I'm not saying that you declared the motion out of order, but please permit ...

MR. SPEAKER: Order, please. I think the difficulty is that I have nothing before me. The Clerk has it there. Are we on Highways, Mr. Clerk?

MR. MOLGAT: Mr. Speaker, if I may on the point of order. I think the situation here is the same as when we're in Committee and the Chairman of the Committee called item 32 -- passed; item 33 -- and someone who wanted to say something on item 32 didn't get up just when the 'passed' was called, sometimes they are called a little quickly. Here I think the movement into Highways was fairly rapid after the decision that the other amendment was out of order and what happened was that the member ...

MR. SPEAKER: I think we can resolve this --(Interjection)-- I have it before me now. The Clerk has placed in my hands the resolution 33 to 37, separately and collectively \$83,648,000. We apparently got as far as 33, and that I ruled out of order; 35 must have passed us because you are now on 36 and 37 will follow. So we must go back there. In the meantime I intend to deal with this one as I did with the previous one and rule it out of order.

MR. DESJARDINS: Could you please tell me, Sir, on what grounds? For what reason, Sir?

MR. ROBLIN: The Speaker is really not supposed to give reasons when asked by members. That's clearly in the rules, he is not to do that.

MR. DESJARDINS: There's only one thing, Mr. Speaker --

HON. THELMA FORBES (Minister of Urban Development and Municipal Affairs) (Cypress): Order!

MR. DESJARDINS: You're not the Speaker now. That was last year. We had enough of that. We had enough of that. Sit down.

MRS. FORBES: On a point of privilege Mr. Speaker.

MR. DESJARDINS: You're not the Speaker. You're not the Speaker.

MRS. FORBES: You aren't either.

MR. DESJARDINS: You're not the Speaker.

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

MR. ROBLIN: ...here is sometimes more often observed in the breach than otherwise if one behaves as a gentleman.

MR. DESJARDINS: Well, why don't you start yourself?

MR. SPEAKER: Order, please. I have no intention of giving any further explanation than I've already given and I trust that the honourable gentlemen will accept that opinion which I gave insofar as the Honourable Member of Rhineland was concerned and insofar as the Honourable Member for Gladstone is concerned. The same applies to the motion by the Honourable Member for St. Boniface. I am of the same opinion for the two motions that both the honourable gentlemen handled and I rule them out of order and I ask the Clerk to proceed.

MR. CAMPBELL: I would like to speak on a point of order. The Honourable the First Minister mentioned a moment ago that Mr. Speaker does not state his reason for ruling a motion out of order - if I understood the Honourable the First Minister correctly.

MR. ROBLIN: If I said that I doubt that I was correct. What I was referring to was when people ask the Speaker for an opinion on a point, that really is not considered the thing that they should do. Whether or not he states reasons is another matter altogether.

MR. CAMPBELL: Yes, but Mr. Speaker, my point of order is that it is entirely within the authority of Mr. Speaker, as I understand the rule, to give the reason if he wishes to it - quite within. I think there's another -- well there are some other matters that could be raised.

My point of order is this, Mr. Speaker, we are engaged in what is a new procedure here as far as concurrence is concerned. For the first time in the history of this Legislative Assembly as far as I know it, for the first time we are taking the departments all in one motion

(MR. CAMPBELL, cont'd) - every department in one motion. --(Interjection)-- Did we last year? We took them that way last year did we? I apologize, I thought this was the first time. Anyway it's a new procedure the second year. And as I understand the procedure, Mr. Speaker, any one of the single votes or resolutions that are contained in that item is available for discussion and I certainly do not intend to appeal your ruling, Mr. Speaker, but I would suggest that inasmuch as we do not have a formal vote on these motions or resolutions that a little time be given to the members to get their wits collected in order to move their resolution in the right way.

Now as I understood the situation, my honourable friend from St. Boniface was not as quick on the trigger as he usually is and didn't get up until the next item had been called; but I further understood that you, Mr. Speaker, gave him authority to revert to the Department of Health which "skated him back on side" so to speak. Mr. Speaker, if we could just take a little more time on these various resolutions then perhaps we would all perform a little more acceptably.

This is a comparatively new procedure to the most of us and I wouldn't like to see such arguments as have developed in the few minutes develop again because they don't help any of us and I think they're not useful so far as us understanding the rules of the House. So I would suggest, Mr. Speaker, with all deference that when you find it necessary to rule a motion out of order that you would for the benefit of the members themselves state the rule if that is available or otherwise give the reason. I think it would be useful to all of us.

MR. PAULLEY: Might I ask, Mr. Speaker, on the point of order, have you made a ruling in respect of the resolution as proposed? And if you have then I would ...

MR. SPEAKER: ... Member for St. Boniface? That was the one you mean? Yes, I have ruled.

MR. PAULLEY: Then I respectfully suggest that in accordance with all time-honoured customs it's not a debatable motion, either it substantiated your ruling one way or the other, that there's no debate.

MR. CAMPBELL: I'd like to ask the honourable member is he suggesting that I was debating your ruling?

MR. PAULLEY: No, the only thing I would suggest, Mr. Speaker, and I'm not suggesting that my honourable friend was debating the ruling, but it's my impression that once Mr. Speaker has made a ruling that the debate on the whole matter relevant to the ruling of Mr. Speaker ceases.

MR. ROBLIN: ... would say I think both gentlemen are right but I think that the member was right to state that opinion. It did not bear on the ruling and I think my honourable friend is right too.

MR. CAMPBELL: I would like to explain, Mr. Speaker, that I was speaking on a point of order and not discussing your ruling per se.

MR. SPEAKER: I would like the Honourable Member for Lakeside to acknowledge my appreciation for his comments. Would you like us now to carry on?

..... continued on next page

MR. CLERK: Resolved there be granted to Her Majesty a sum not exceeding \$48,360,402 for Highways. Resolutions 38 to 43.

Resolved there be granted to Her Majesty a sum not exceeding \$3,614,304 for Industry and Commerce. . . .

MR. SPEAKER: Order, please. The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I beg to move, seconded by the Honourable Member for Turtle Mountain that while concurring in Resolution 44, this House regrets that while claiming to encourage secondary industry the Manitoba government has failed to properly assist some of those firms who approached government agencies and in particular The Manitoba Development Fund after financially assisting Damascus Steel Products Limited on a too little too late basis finally forced them out of business by withholding sufficient assistance when urgently needed and then proceeded to close the plant and sell the assets, causing the Damascus shareholders to lose their total investment.

MR. LYON: Mr. Speaker, I hesitate to rise on another point of order, and I don't have the benefit of my honourable friend's amendment in front of me, but I do believe I heard him to say something about the Manitoba Development Fund and a particular loan that it made and I rise on the point of order merely to point out that the Manitoba Development Fund is not part of the Department of Industry and Commerce but rather it appears under Executive Council, items 3 to 7, which have previously been voted upon, or previously passed by the House, so I suggest it should be looked at in that light.

MR. MOLGAT: Mr. Speaker, on the point of order, I might point out that we have discussed previously under the Department of Industry and Commerce estimates the Development Fund. I received a speech, after considerable effort, given by the Minister of Industry and Commerce which was largely devoted to questions of the Development Fund, which was largely inaccurate I might add, and I would think that it would be fair to be able to debate this item under his Department.

MR. SPEAKER presented the motion.

MR. MOLGAT: We have had some debate on this particular subject of Damascus Steel previously in the House and the dealings of this company with the government agency has been put into Hansard by my colleague the Member for Lakeside. It's not my intention to review in historical detail the dealings with this company because they are part of the record of this House. I want to point out again however that the statements that were made in the House in defence of the decisions of the Development Fund by the then Minister of Industry and Commerce do not appear to be substantiated by what has happened outside of the House to this corporation.

This company has a long history of dealings with the government, Mr. Speaker, going back as early as 1959 when there was an indication that the Fund would be prepared to proceed with them on an investment in a corporation to establish a screw factory here in Winnipeg. This was a factory that did not exist in western Canada, it was an entirely new industry. The only other one close in any vicinity was in Hamilton, I believe, so it was in fact bringing an entirely new industry into Manitoba. Well then the story of Damascus Steel and its dealings with the government after that, as I said are part of the record, and a most unsatisfactory story insofar as the corporation itself. It seemed that there was a constant reluctance on the part of the government agency to assist them, that promises would be made and then not lived up to; that at the moments when they needed money they couldn't get it, yet it indicated to them if they took certain steps they would be able to get the funds. The final result was that the Development Fund closed down the plant, put in an administrator and in the course of a few days closed down the plant.

The question was asked here in the House by my colleague, the Member for Lakeside, why this was done. The answer given by the Minister of Industry and Commerce at that time was that the firm's management was incompetent; that was the reason why the company had failed according to the Minister of Industry and Commerce. That was stated in this House in the early part of May 1965. And yet we find, Mr. Speaker, that the very manager of this firm who was rated as incompetent by the Minister of Industry and Commerce now has a very important job as head of another factory in eastern Canada. He's the manager of Dosco Fastener Division, Montreal plant. It's a \$35 million operation, 289 employees. Dosco, who are not a small Canadian corporation, have found him suitable to be the manager of their plant in this location and he went to them directly from his unfortunate experience here in the Province of Manitoba. I might say that he was originally a Manitoban, had been employed in United States,

(MR. MOLGAT cont'd.) had come back here because he was interested in seeing Manitoba go ahead. He was interested in developing such a factory, that he had other people who were just average investors, not wealthy people, Mr. Speaker, just average investors, people who work here in Winnipeg, have average jobs; he did get some assistance from some people in his family who had confidence in the man. They may not have had a high powered organization with big offices, fancy sales staff, fancy operation, but from everything I've been able to find out they were producing a good product.

The government had the plant investigated. Arthur D. Little made some report, I think that Arthur D. Little reports, in general, were commendations of the operation. All was not perfect admittedly. At the very time when they needed further funds the government agency cut them off. They appealed at that time to a number of people, Mr. Speaker, including their own member in the Legislature who was then a government supporter, but he apparently was unable to get anything done. At a town hall meeting during the course of the last election, and this was held in his constituency at the new Rosewell Community Club, the various members for the constituency were on the platform and the question was asked of him, that is the then Member for Kildonan constituency, Mr. Mills, was asked by someone in the audience the following question, and I quote from the information given to me: "Do you feel that the shareholders of Damascus Steel Products were fairly treated by the present government?" The reply given by the member was: "No." He felt the shareholders had been unfairly treated and felt sorry for them although he did know the final outcome. Then he added: "I tried to bring it up at caucus but they closed me off and wouldn't allow me to speak on it." This was the experience of the member for the constituency, Mr. Speaker.

So the plant remained closed for some months; it finally was sold off at a very small value compared to the original investments by the shareholders and by the government agency. Another individual took it over and I don't think the plant is completely closed but nor do I think that it is in full production from the information I have obtained. But in any case in the interchange many small Manitoba investors lost large sums of money; and in their terms, Mr. Speaker, in the terms of their own holdings, their jobs and their income, they lost tremendous sums of money. Money which I think need not have been lost had there been proper understanding by the government; had there been co-operation by the government; instead of taking the position that they were simply incompetent had the government been prepared to work along with them.

Now I'm sure that my honourable friends across the way are going to come out with dozens of reports indicating that they had this checked, and had that checked and that is not so. I am told, Mr. Speaker, that at the time it was closed the creditors were not pushing for the closing of the plant, except the government agency; that the other creditors had indicated they were prepared to go along; that there were orders on hand at that time which would have permitted the plant to get into full production. These had to be dropped, and while there was a temporary permission granted to the manager to go back and fulfill some small orders there was no possibility of getting the plant in operation again. As a result the shareholders ended up by losing their investment totally.

Now it seems to me, Mr. Speaker, there's a broader case than just this one involved here. There's a question of many of the small investors in the province, residents in Manitoba whom I think should be encouraged to invest in their own province. These may not be the sophisticated investors that you will find in New York or elsewhere, but they are Manitobans with a stake in the province, with the small savings that they've accumulated and that they're prepared to gamble on a Manitoba operation, and that we require these type of people in Manitoba if we are going to develop some of the secondary industry that the government talks about, if we're going to get these small industries scattered throughout Manitoba and all of us want to see. It may be that they will require more guidance at times; more understanding at times; but I think that they will form, Mr. Speaker, a good solid base for the Province of Manitoba if we have the type of people who want to see an industry develop here, who are people from our province who want to participate in the growth of the province. I think that the government in this particular case through its agency failed to consider the possibilities of this operation and to give it an adequate chance.

MR. GREEN: Mr. Speaker, I'm pleased to be able to add some pertinent facts to the matters that have just been dealt with by the Leader of the Opposition. I know that the pages of Hansard have to some extent carried the unfortunate story of Damascus Steel but I think that there are still aspects of the story that should be told, not because I think that somehow these

(MR. GREEN cont'd).....shareholders can be compensated, although I wish they could and if there was a way of doing it I wish the government would find it, but because I think that it's far more important with regard to the broad sphere in which this Manitoba Development Fund is operating and the attitude that the government has consistently shown toward the Manitoba Development Fund.

Mr. Speaker, I know that some of these things have been heard before but I think that they are important enough to be repeated. First of all I'd like to quote some of the things from the Arthur D. Little Report relating to Damascus Steel — and I quote these things, Mr. Speaker, because they will demonstrate that the type of organization which was started by the Damascus Steel shareholders is that type which is always referred to when the Chamber of Commerce is trying to demonstrate the broad opportunities and the tremendous advantages of the free enterprise system, how a bunch of little people can get together and become capitalists and make a great deal of money. This is a classical case, Mr. Chairman, because the investors in this organization are exactly the type of investors that the Chamber of Commerce always talks about. The Leader of the Opposition mentioned that they were small and unsophisticated. Well, they were small; I think they were unsophisticated in that they didn't have some of the business habits that are sometimes engaged in and depreciated by members of this Assembly. I'm not going to give the names but I'm going to indicate that there is a garage owner - \$1,000; a garage owner - \$1,000; a garage owner - \$3,000; a housewife - \$1,000; a bank officer - \$100; a bank president - \$500; a meat wholesaler - \$3,000; a garage operator - \$1,000; a school teacher - \$1,000; a housewife, a bank accountant, president, machine shop, all this average investments of \$1,000 to \$3,000; and these people, Mr. Chairman, with investments of that kind put in a total of \$45,000, in cash. This was not services; this was hard cash that they put in. They didn't water the stock in any way; they put this money up in cash. Mr. Speaker, the story of how these people came to invest in this way starts with a letter signed by R.E. Grose, Deputy Minister, which states as follows:

"Harry Sleigh has brought to my attention your letter of January 27th and in particular I am going to deal with the aspect relative to the facilities of the Manitoba Development Fund. On the basis of your discussions with us and the indication that you would have \$45,000 equity in the project," which is just about the funds that I read out, "I feel satisfied that the Manitoba Development Fund could look favourably upon a \$25,000 loan against security. I feel you should therefore proceed with completing your arrangements for establishing the screw manufacturing operation in Manitoba," and then there are other points. But I'd like you to take this as an unequivocal statement: "I feel you should therefore proceed with completing your arrangements for establishing the screw manufacturing operation in Manitoba."

Well, Mr. Speaker, they never did get \$25,000 and it took them a long long time before they got \$15,000. For the most part they operated on their own funds and I know that some people will regard this as an incompetent business transaction because businessmen should operate on other people's funds. So to the extent that these people did not follow the rule that they operated on other people's funds they were incompetent businessmen. They had the naivety to operate on their own funds. Mr. Speaker, I think that the next relevant letter that I'd like to read, because I think it displays an almost unbelievable approach on the part of the fund, is dated January 15th, 1965. It's addressed to Damascus Steel Products Limited — and it's a rather lengthy letter and it outlines the reasons why the Fund does not -- acceding to certain loan requests that were made, and it states as follows:

"At the meetings of December 11th and December 30th, 1964, attended by representatives of the Fund and the Company it was stated by the Company representative that Mr. Henderson had left a good job in United States on the strength of the foregoing letter to commence an operation in Manitoba. It is difficult to accept this contention in the light of Mr. Henderson's business experience and business training at the Harvard Graduate School of Business Administration. Sound business judgment, whether based on experience or education would dictate that a more definite commitment for financing with full details as to the terms and conditions would be required for the establishment of a new business venture." So what the fund is saying, Mr. Speaker, and I think that this is important, that if you ever get a letter from them saying as follows: "I feel satisfied the Manitoba Development Fund could look favourably upon a \$25,000 loan against security. I feel you should therefore proceed with completing your arrangements for establishing the screw manufacturing operation in Manitoba," that if you then do it you're a fool. That if you then do what this letter tells you to do you're an incompetent business fool and you shouldn't do it. So anybody who gets a letter like this

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(MR. GREEN cont'd)....from the Fund -- and I'd like to know what kind of letter Monoca got; whether they got any more of a commitment than this: "I feel you should therefore proceed with completing your arrangements for establishing the screw manufacturing operation in Manitoba." That you are now telling anybody who receives such a letter from the fund, "Don't be silly to come to Manitoba to start a business on the basis of this letter. You should know better than that." That's what they said three years later.

Now, Mr. Speaker, let's look at what these incompetents did - and recall what I'm saying about how the myth and general image is presented of how there is opportunity for proceeding if you work hard, that you can take part in the people's capital. This from the Little Report and I'm quoting: "Based on information collected and operations reviewed it is our opinion that currently Damascus Steel has no problem that money, time and perhaps some technical assistance could not resolve expeditiously." No problem that money, time and technical assistance could not resolve expeditiously — and this is after they went ahead with their own money, without the \$25,000 which I say they were promised by the Fund, and which they had good security to back up; they had land, buildings and machinery. "So far they have," I'm missing out parts, "So far they have solved their technical problems on a shoestring via the cut and try method but they do so with remarkable ingenuity, perseverance and enthusiasm, all the qualities for success in business. On this basis we feel that ultimately the Damascus venture will be successful, provided that it will receive continued support and that Mr. Henderson will be able to raise a substantial amount for operating capital," which they never did get. "So far as we could learn, they have met all their delivery promises and met or surpassed the quality requirements. Their market penetration seems remarkably wide but as yet it does not seem adequate as to volume and constancy." They've met all quality requirements.

Let's go on; let's see what these incompetents said according to the Fund's own consultant. "All the machinery has been purchased second hand. The reconditioning has been and is deemed accomplished by Damascus' personnel, without the benefit of outside expert assistance." So they by themselves got this machinery into shape. Well they were incompetent, they should have hired experts and paid it out of money that they could have got from the Fund.

"Personnel: Mr. Ross Henderson. He is a graduate of the University of Manitoba in mechanical engineering and of the Harvard business school. According to his feasibility study he is drawing only a small salary from Damascus." Well that's an incompetent thing to do. If you go into business the first thing to do is get a large salary for yourself and take it out whether or not you're going to be able to pay the creditors or not. "But he has also a rather lucrative insurance business. Mr. Henderson is the entire management of Damascus. He seems quite practical and rational in his approaches. His enthusiasm, drive, perseverance and faith in this venture are among the principle assets." This is the incompetent manager. "Mr. Henderson is assisted in the shop by two men and both of them by the way are again very competent and we understand," they go on, "that both of them are stockholders of the Damascus, drawing a minimal, if any, wages at present." Well they were fools all right by the business standards that I'm acquainted with; they should have been drawing heavy wages regardless of what happened to the creditors. But these people they were kind of stupid, they only drew minimal wages because they wanted to keep the business alive. Here is something else that this incompetent did: "He got the tools corrected, the machinery completed by some people by the name of Wellbanks and we understand that Mr. Henderson in paying them in Damascus shares, not in cash." Well I would say that he was a little sharper in this particular transaction, he paid them in shares and these people apparently were willing to work for shares and they saw the potential of the business. "Ever since its inception Damascus has operated on a shoestring, minimizing cash outlay as much as possible. They did it all on their own but seemingly quite successfully, learning by doing; ingenious but makeshift solutions were conceived." "The people connected" - I'm skipping parts - "the people connected with the tool making and production activities are all stockholders of the company drawing little or no cash wages for their work." Well what stupid people. They should have been paying that company then they would have been referred to as competent businessmen. "It is our impression that clearly the predominant problem of Damascus Steel has been and still is the lack of operating funds." Those funds by the way that this letter which says: "I feel satisfied the Manitoba Development Fund could look favourably upon a \$25,000 loan against the security which this letter didn't promise them." That's what the Fund then told them, that this letter didn't promise them any money.

(MR. GREEN cont'd).....

"Customer satisfaction: As much as could be learned it seems that Damascus has met delivery requirements of each customer and met or surpassed the quality requirements." Here's an interesting thing: "They have successfully sold as far away from Winnipeg as Toronto and Hamilton, Ontario. Tentatively they have also sold to Wisconsin." Well I remember the Minister of Industry and Commerce presented a report in which they said 200 sweaters were sold, --(Interjection)-- 45 sweaters? -- to some place south of the border and he considered that a great achievement. These people were selling through to Wisconsin. "It looks like a remarkable sales penetration within a short period." And so forth, Mr. Speaker. All this report indicates that a group of little investors were working toward making a successful business and the only thing that was holding them back was the fact that they lacked operating capital, capital which apparently this letter didn't promise them. I would urge members to read this letter and see whether this isn't the promise of operating capital.

Mr. Speaker, this business went on, did get some money from the Fund; the Fund found that they were in difficulty; the Leader of the Opposition has proceeded to indicate what happened. I consider that one of the most unfair things that happened was that the Fund went to this business and asked them to consent to the appointment of a receiver -- and there is no argument about that. The Fund went and asked them to consent to the appointment of a Receiver and the management of the company, rightly or wrongly, thought that the government was coming in to help them. They had the impression that the Fund was going to help them get this business on its feet. They consented to the appointment of a Receiver; within a very short time after this appointment, the receiver closed down the business rather than helping them get it started.

The important thing, Mr. Speaker, is at that time the Fund money was never unsecure. There was never a question but that there was sufficient assets there to cover the Fund's security which was a first charge and which was roughly - and I could be wrong - but it was roughly 33 to 35 thousand dollars. But that security was never threatened. The only people who were threatened were the unsecured creditors, and as the Leader of the Opposition pointed out, they weren't pushing. The Fund was never unsecured; they were never in doubt. There was land, building and machinery there, easily valued \$35,000.00. Valued by - and I can't swear as to this but I'm told that it's an appraisal made by Warnock Hersey in January of 1965 which indicates the depreciated value of the land, buildings and equipment was \$117,000.00. That may be a high value, but we know that in a forced sale with a closed plant, a non-operating plant closed down, they got \$50,000 for it. So the Fund was never unsecured.

Now under these circumstances, Mr. Speaker, why did the Fund close down that business? And why was this dream that could have been set down as the blueprint for the opportunities that are available under our system of enterprise, why was this dream organization stopped? Mr. Speaker, I don't think that there's a - I regret that I'm not able to find a way for solving these people's financial problems. I know that 30 of them had gone down and offered to sign individual notes -- 30 individual notes to cover an increased loan! I wonder how many shareholders of how many companies - well they were fools because they were willing to do this. That's probably why the Fund didn't give them any money. Any 30 shareholders who will come down and guarantee the loan, these people must not know what they're doing. They shouldn't risk their own property for a loan that they're going to get from the Fund.

--(Interjection)-- These people, all of whom have homes, cars, garages and other things were ready to go down and sign 30 notes, I think with a maximum on them of \$2,000 a piece; but in any event the Fund saw the necessity apparently of closing these people down.

Now Mr. Speaker, the story ends by a search in the Land Titles Office -- and let's remember that these people, I think all they could get out of the Fund was something like a little over \$20,000; the Fund had to take over a first mortgage which made their total security in the plant something like \$35,000.00. The place was bought by Dominion Armature Works, which now has registered against its title a mortgage in favour of the Manitoba Development Fund Board: How much? - \$60,000.00. This Fund which couldn't let them have an indebtedness of \$35,000 against it, which had to go and foreclose and take over its security, even though it wasn't threatened, have the mortgage registered September 1st, 1965 - and I don't know the particulars how much money was advanced or what happened - but there is a mortgage from Dominion Armature Works Limited to Manitoba Development Fund, for how much? - \$60,000.00.

Mr. Speaker, every story has its moral and the moral of this story is that the government has consistently adopted, in my opinion - in my humble opinion - a wrong attitude toward

(MR. GREEN cont'd)....this Manitoba Development Fund. They have stated, and have been proud to state, they have some pride in this, that they have created a creature which has been given a planned supply of public money--I don't know how much it is; somebody in the House would know. \$50 million? - \$50 million -- that that money is put into the hands of respectable people and they then substitute the principle of responsibility for one of respectability. They say that if they're respectable they don't have to be responsible because they're responsible to no one, not even to this legislature -- let alone the legislature, perhaps they should not be responsible to the legislature. I won't argue that at this point, it's moot -- what they over there say is they're not responsible to the Cabinet; they're not responsible to the government. They can do whatever they want.

Now, Mr. Speaker, I say that this flows from a miscomprehension as to the reason that this Fund was set up. This is not an ordinary bank; this is a bank which is put under the Department of the Minister of Industry and Commerce for the purpose of developing the industrial needs of the Province of Manitoba -- by him. And I say that once you have a political fund -- and I don't think that there's anything wrong with that -- that it becomes a matter of public control, and that public control can only come by the elected representatives of the people.

Well let's see what the Minister of Industry and Commerce says about his concept of what the Fund is. This is in a speech to the Manitoba Real Estate Association, February 6th, 1967: "The subject I have chosen to speak on today is the Manitoba Development Fund. I only wish it had nothing to do with politics but it certainly has a lot to do with our economy." Well, Mr. Speaker, if he wishes that it had nothing to do with politics, then he should get out of politics, because this is what he is involved in. This Fund is a political instrument. I see nothing wrong with it being in politics and if the Minister sees something wrong with the government having a political instrument to develop this industry, then he should do away with it, because it's not being set up as another bank. If there is ordinary banking facilities available the Development Fund was not sent in there to compete with these people. It was set up to do a specific job, a public job, a job that has to be controlled by the public and that's why it's a different type of bank.

"The main objective of the Manitoba Development Fund is to promote industrial development in our province on sound business lines by giving assistance to private enterprise. We are a private enterprise government, and some criticism of the Fund which has come from the Socialist opposition is really because of fundamental disagreement with the basic premise of free enterprise." Well you can answer everything by saying that it's the Socialists who are against it; but my learned friends to the right of me aren't Socialists and they -- and by the way nobody has criticized the Fund. In all of the time that I've spent in this House, I haven't heard one word of criticism about the Fund. What has been criticized is the government's attitude that what the Fund does is none of their business and none of our business. That's the only thing that has come under criticism. And that's not Socialist criticism, that's criticism from the Leader of the Opposition who is not a Socialist, at least I don't think he is. "This protection afforded to loan applications and borrowers makes it possible for the Fund to obtain information on plans, costs, markets and other matters which businessmen could not make available for public examination without prejudice to their competitive position. Protection of information of this kind is essential" -- and then he goes on. Well, Mr. Speaker, nobody in this House has asked the Minister to make available things such as plans, costs, markets and other matters. The only thing that was requested in this House was the amount of the loan, the size of the loan, the interest rate, and one more important thing: what security did he get for the loan? Now do you mean to say that knowing that, the public knowing that interferes with the businessman. --(Interjection)--That's political.

Mr. Speaker, the misconception of politics which carries forth in the minds of those people with regard to this Fund leads to two things: it gives you all of the bad features of politics, and I'm not one to criticize politics, I think that it's a wonderful thing; but politics being such an important force and an ever growing force in our society, can result in the government from time to time allotting things to individuals such as contracts, doing other things of that kind which affect one citizen more beneficially than they affect another, and this is one of the features of politics that is difficult for people to take; but the balancing feature is that it's all done in the open; everybody sees what's happening. The Minister wishes to retain the bad features, in other words, the doling out of different things which are sometimes referred to by people as the ..., while eliminating the good features, that nobody can know what's

(MR. GREEN cont'd)....happening. And you can't have it that way, Mr. Speaker; then politics does become something bad. When it's done under public view and everybody has a right to criticize, there is a certain brake on what's happening, but when it's not done under public view there are no brakes and the kind of thing that happened in Damascus Steel -- and I don't know whether it's happening any other place -- but it can happen; that these five people, whose only criteria is respectability, can make all kinds of loans and nobody can say anything about them because it's not political.

"This is the Manitoba Development Fund," I'm reading the Minister's speech, "the Fund that you've been reading about in the headlines; this is the Fund that has been under attack. Under attack by people who either do not agree with its goals or who just are ignorant of the effects these attacks might have on our economy." So it's the Leader of the Opposition who's ignorant; it's the Member for St. John's who's ignorant, and I have to fall into the category of ignorance too. Not because I attacked the fund, because I never attacked the fund, you can look through all of the pages of Hansard when this debate took place, I never attacked the Fund. As a matter of fact I was astounded that the First Minister would attack the government the way he attacked them. He said that he set up this Fund; gave it \$50 million and he can't ask them what they are doing. I said that if he had told us that before the election he could never sustain that position before the people of the Province of Manitoba. But nobody has attacked this Fund and therefore I guess there are no ignorant people.

Would you ever walk into a bank to arrange a loan knowing that the Bank Manager had an obligation to tell everybody what transpired? No, you would go to another bank. And I say, Mr. Speaker, that if there is an industry which doesn't wish its activities to become involved in the public development of our province, through the Manitoba Development Fund, the Minister is right, go to another bank, because if you go to the Manitoba Development Fund you are going to the peoples' bank and the people will have to know what you're doing. Apparently the government hasn't accepted that principle. If the bank doesn't show a profit or produce results, the directors are responsible, and here's a very important statement, because I think it's a statement of policy: "the directors for the people of Manitoba are the government." Now if the government are the directors of the bank, then surely the government are entitled, the directors are entitled to the information. Are they the directors of the bank? Because if they're the directors they're entitled to the information. But the First Minister: that's all we're entitled to. That's all the directors of a bank are entitled to? Well that's very unusual, I don't know what bank my honourable friend deals with, but let me deal with it too, because maybe they're stupid businessmen just like the people of Damascus Steel were stupid. The directors of a bank are entitled to know everything that the bank does and get it from management and management can't say, I am at arms length with you directors, I won't give you any information. That's what my honourable friend says the directors of a bank are. I agree that my honourable friend has more experience in business than I have; I'm sure that he being the director of many corporations tells his management that he can't ask them any questions, he can't find out what they are spending money for, because he's at arm's length with them. Well that's what the Minister says: "The government does not pry or interfere into the affairs of the Fund."

Well, Mr. Speaker, I say that the Damascus Steel example is not the example that it should be to people who demonstrate what promises are available under this system for little people to invest and achieve opportunity and affluence through our society. It's not that example. It could have been, and I think it would have been if the Manitoba Development Fund were not held up by this government to be some sort of sacred cow because I suggest that the government would never have let the Directors proceed against Damascus Steel the way the Fund did proceed in this particular case.

MR. FROESE: Mr. Speaker, after hearing the last two speakers I just couldn't remain in my place, I thought I had to make a few comments on the resolution before us.

Mr. Speaker, I doubt whether there is another financial institution here in Manitoba that has forced as many businesses into receivership in recent years as the Manitoba Development Fund. I know this is quite a statement but from knowing what has gone on in the home community and in some other places, I doubt whether there is another financial institution that has done and has forced as many businesses into receivership. I would like to know from the Minister concerned just how many have been in this situation. How many have been wound up, because this too, is a matter of dragging out and the one that I know of, is already there for several years and it's still not wound up. I could mention it, the Plum Coulee Growers for

(MR. FROESE cont'd)....one - I have mentioned this on another occasion that this is a Potato Grower Plant. The plant produced, stored, washed, and graded potatoes, they sold privately as well as under contract and in this way did business. The people of the community invested money, some invested their life's earnings, some older people invested quite heavily, and what happened? These people lost their savings and when the time came that they were going to use it, it was gone.

The Manitoba Development Fund advanced monies to this particular firm, but they are not in a position like that. When they lend out moneys, they take first charge and the shareholder is the one that suffers. The shareholders in this case, too, lost every cent; not only the shareholders but the local Credit Union suffered quite extensively and is still suffering as a result of this business failure.

This has left a sour taste in the mouths of these people and it will be very, very difficult to start up other ventures in the future, to have other enterprises come forward, because once people are taken this way, they will not as readily come forward another time. I in this connection, question the advice that these people were given by the Fund and I certainly would support the motion that is before us, because not only is that the case in this particular business; I know of other businesses further west and also in close proximity of that area who have experienced more or less the same situation. I think at one time the Fund made too many loans to businesses that started off at that time, more or less of the same nature, and that there wasn't sufficient raw products for all of them to go into business and be a success. Therefore I felt at that time already, that they were overdoing it and that something was bound to happen and this is the result. On listening to the other speakers, I surely am in accord with their views, especially the views held here by the Member for Inkster and the evidence that he produced.

HON. SIDNEY SPIVAK, Q.C. (Minister of Industry and Commerce)(River Heights): If anyone else would like to speak on this, I would rather hear them out so that I could at least answer in one general statement. If not, then I would like to proceed. Well is there anyone who does want to speak?

MR. FROESE: Mr. Speaker, on a point of order. I had another matter to raise but not under this particular resolution. I still will have the opportunity, ...

MR. SPIVAK: ...on this resolution, Mr. Speaker. Mr. Speaker, as the Minister in charge I have no intention of discussing the individual loans of the Manitoba Development Fund. In this respect I am the same as the Minister of Finance in the House of Commons who will not discuss the individual loans of the Industrial Development Bank; and I am in the same position as every Minister who is in charge of a development fund who will not discuss the loans of the funds in the Legislative Assemblies, for one basic reason. The Fund is not a political fund; the Fund is a development bank.

I have sympathy with the people who are unfortunate in this situation. I am aware of course of some of the circumstances because I have read the Hansard of the past and I am also aware because, coincidentally, one of those who was an investor in this project happened to be a client of our office, and although we did not act for him in this particular connection, because of our contact with him we are aware of some of the circumstances, and I feel very sorry for those who would be the small investors who invested in this with the hope and expectation of being successful and were not. This happens to be the way of commerce; this happens to be also the way we live. There are some who are successful; there are some who are not.

Now the Honourable Member for Inkster in his discussion has mixed up several things. If he wants to debate the free enterprise system, if he wants to debate whether people in our society are capable of using their ingenuity and their ability and talent in succeeding. I'll debate that with them. We have evidence in this province, and I can point with pride, I think, for all of us, to several Manitobans who have been successful, particularly in the farm machinery, who have been able to use their talent and ingenuity and get together and have, in fact, built one of the progressive and one of the fastest growing manufacturing firms in the agricultural equipment field, not only here in western Canada but in Canada.

But there is a question of policy and I think it's important that we understand this in the context of Damascus, and I would like to read this if I may to you. There are four points and I think it is very basic to our understanding of the situation. First, there isn't a lending institution in Canada which hasn't had to face a situation of loans going bad and being required to exercise those security rights on which the loan was based. The Manitoba Development

(MR. SPIVAK cont'd)....Fund in those cases have established from the very beginning that those rights would only be exercised on the order and on the full approval of our courts of justice, and only after those affected have been given a full opportunity to present their case.

The Manitoba Development Fund, as a matter of principle, have conducted every foreclosure through the courts, including Damascus Steel products. The Manitoba Development Fund has always proceeded with these matters under the sanction of the court so that any allegations of unfairness could be examined in a court of justice and decided by an independent tribunal.

It's a matter of public record that any action of the Manitoba Development Fund, insofar as Damascus, was approved by the court. A receiver was ordered to be appointed by the court, after listening to the evidence and examination of the true facts, and the ultimate sale was approved by the court after representation of Damascus and a solicitor had made full representation. And again, these proceedings in court are a matter of public record.

The alleged unfair treatment of Damascus is actually in one sense suggesting that the Courts had disposed of this matter unfairly, and I believe that it's a basic principle in this Legislature not to attack the courts and how they discharge their judicial functions.

MR. GREEN: ...Damascus consented to the receiving order, that there was no argument about the receiving order, that it was consented to on the basis that the Receiver was to be appointed to operate the business?

MR. SPIVAK: I am not aware of the details of the court application and I have no intention of debating this. I am making this policy statement with respect to the Fund's position insofar as this situation, and its general position in those instances where in fact there are foreclosure proceedings that will take place.

Now in the course of the discussion, the Honourable Member from Inkster referred to the ability of the Fund or the concern of the fund to try and help the investment for the smaller man, and while I have no specifics of the individual loans that have been made, I do have the summary of the Manitoba Development Fund, the 8th annual report...

MR. GREEN: Mr. Chairman, I regret to interrupt, but on a point of privilege I never said that the concern of the Manitoba Development Fund was to protect the investment of the small man. I show no preference to the small man or the big man.

MR. SPIVAK: Mr. Speaker, if I'm correct, the Honourable Member suggested that one of the purposes of the Fund was to be able to loan to those who were capable of joining together and to try and develop for themselves in our free enterprise system. Right?

MR. GREEN: That's right.

MR. SPIVAK: Well let me just refer to the loan applications that were made. We know that there were 527 loans considered up to March 31, 1966. We know that there were 211 declined; we know that they approved 316; that 110 were withdrawn and that 206 loans were approved. Of the classification of the loans that were approved, we know that 33 were ten thousand or less; 57 were 10 to 25 thousand; and 70 were 25 to 100 thousand. So of the 206 loans that have been approved, 160, or the greater majority, have been \$100,000 or less, and I would suggest to you that in terms of this project, with the figure \$50,000 and other figures that were bandied around, that we are talking about projects and proposals that could be considered in the class that you referred to.

Now I note in looking through the Industrial Development Bank who have been operating since 1944 -- and I may say that the same argument that has been presented today by the Honourable Member for Inkster was presented in the Federal House at the time that the Industrial Development Bank was proposed, and the same answer was given by the then Minister of Finance, the Hon. Ilsley at the time, in which he said it is a bank and it will be operated as a bank and the individual loans will not be discussed. But I do note that they have loaned 12,527 loans with a total amount of \$849 million, and during this period of time since 1944, to the best of my knowledge, there hasn't been one loan that has been debated in the House of Commons.

Now this is an accepted practice. It has worked on the Federal level; it is working in other provinces on a provincial level; and it could work here. It can not work if it becomes a political activity; it can not work if you consider it, as the Honourable Member for Inkster suggested, as a political fund. It is not, and it is time I think that we understand this and understand the government's position in this connection. I am sorry for those who are unfortunate in this particular venture, I know how deeply they have felt and I know how concerned they have been, but the very nature and the manner in which they have approached this since

(MR. SPIVAK cont'd)....this time has indicated to me, as I am well aware, that many of them were very naive about business activities and business life and have had to have an unfortunate lesson for them. This is unfortunate and I am sorry for them, but insofar as discussing the individual loans of this fund, it is not my intention and I will not be doing it in this Legislative Assembly.

MR. SHOEMAKER: Mr. Speaker, I don't intend to discuss any particular loans although my honourable friend did assure me on about five or six different occasions in the House that we would get a complete disclosure on the Friendly Family Farms, or to use a better phrase, the FFF Farms.

MR. SPEAKER:this resolution which has to be dealt with, and I would ask the honourable member to keep within the realm of that resolution.

MR. SHOEMAKER: Well we are discussing apparently the policy now of the Manitoba Development Fund, because my honourable friend the Minister has refused to discuss anything but the policy, and with the FFF farms it is policy that we are discussing and there is no question about that. This was the whole discussion that has taken place in this Legislature for the last two years following the loan. It was the policy -- to have the Minister of Agriculture on the one hand say that he never made one move in his department without considering the effect that it would have on the family farm, and then the Minister of Industry and Commerce would turn around and loan a million dollars to the FFF Farms which would put the family farm out of business, this was the policy that we objected to on this side of the House. Certainly I couldn't care less whether they loaned a million dollars to an industry that was going to do something for the province, but if by loaning a million dollars to the FFF Farms it was harmful to the agricultural economy and the backbone of our economy, it wasn't right to use public funds in this fashion.

Two years ago, or two and a half years ago or three years ago - whenever the loan was made, I think it was in 1964 or 1965 - the Minister of Industry and Commerce in that day said that it was necessary to make this loan to the grower industry because they were not efficient, and he said, "Manitoba now ate between 13 and 14 million pounds of poultry a year," Mr. Evans said, "but provincial producers were only growing nine million pounds, therefore four to five million pounds were imported from Ontario, Alberta and the United States to fill the

MR. SPEAKER: I believe I have brought to the attention of the honourable gentleman the resolution being discussed. Insofar as I was concerned, he took the liberty to carry on talking about poultry. Does he intend to continue talking about poultry at this time or the resolution before the House? Possibly he knows that the matter he has on his mind can be dealt with the same way as possibly this resolution, so would he mind dealing with the contents of the resolution so we can get it cleared away or dealt with.

MR. SHOEMAKER: When the Minister was speaking he said that he would not discuss Damascus Steel, he would have nothing whatever to do with it, that was the subject matter of a resolution, and then he proceeded for half an hour to tell us about the policy of the Fund, so I am just discussing the policy of the Fund.

MR. SPEAKER: In my opinion he was answering questions of the Honourable Member for Inkster to a large degree.

MR. SHOEMAKER: Well if my honourable friend wants to give us his story now of why the loan was made, why the loan was made to the FFF Farms in light of the statements that were made by the Minister of Agriculture of that day, and what the policy and program was, then I'm prepared to listen to it.

MR. SPEAKER: Are you ready for the question?

MR. CAMPBELL: No, Mr. Speaker. I return to the Damascus Steel, Mr. Speaker, because I'm interested in the statement of the Honourable the Minister that he simply will not discuss individual cases at all and he simply mentions this as government policy, his policy, that individual loans are not to be discussed. I wonder if the Honourable Minister is aware that a couple of years ago his predecessor in the Department of Industry and Commerce did discuss this particular loan. The policy has changed then, I gather, since my honourable friend has acceded to the position. Is that correct?

MR. SPIVAK: ...personal answer. I think I said in my opening remarks that I am aware of the situation of Damascus from reading the previous Hansards.

MR. CAMPBELL: But my honourable friend said also, if I heard him correctly, that he positively refused to discuss individual cases, that this has not been the policy in the past, because it is a fact that his predecessor discussed this particular case. Now it's true that at

(MR. CAMPBELL cont'd)....that time the then Minister blamed this side of the House for the fact that he had to take part in the discussion and had to give the details, because he said that as a consequence of the statements and questions that had emanated from this side of the House that he was compelled to give the other side of the story, but give it he did and he discussed the individual case of Damascus Steel, and if my honourable friend has read the Hansards, he is aware of what his predecessor said.

Did my honourable friend want to make some further statement? I don't want to interfere with the caucus, Mr. Speaker --(Interjection)--I think the debate so far has at least settled one point, Mr. Speaker, because when we initiated this discussion the Honourable the Attorney-General was inclined to suggest that this did not belong in the Industry and Commerce Department, but as soon as the Minister himself got up to speak he acknowledged that he was the Minister concerned and that it was in the right department. Has my honourable friend decided now to say something? --(Interjection)--Well, but he gives me every -- if you were in a position to watch him like I am, you would see that he appears about ready to spring. I have seen my honourable friend in that position too and I can recognize it when I see it, but now he's getting back to the usual stance of the Ministers and he's turning his back around, so that if he springs it will be at the Honourable Member for St. Matthews; he's the one in the firing line.

Well, assuming that my honourable friend is not wanting to speak at this present time, I would like to add a very few remarks to what has already been so well put forward by the Honourable Leader of this Party and the Honourable Member for Inkster, because I agree with them, Mr. Speaker, that if there ever was a case of the very typical kind that the Development Fund was set up to encourage, promote and assist, this was one of those cases.

The honourable members have mentioned the amount of hard cash that people of modest and moderate means invested in this business themselves. A man who had -- a trained man who had left this province to go to seek his fortune in the great country to the south returned to us here, a reversal of the historical difficulty that we have with trained people going down to these big labour markets in the south. He came back - he came back on what he esteemed to be, and what I think any fair-minded person would agree, was a definite undertaking of encouragement and financial assistance from the department that they would help them, provided they raised money, and raise money they did. Mr. Speaker, the contribution that was made by these people of very modest means was not just a contribution of their money, the amount of volunteer effort that was put into this plan was something remarkable. Quite remarkable.

It happened that several of the shareholders and promoters, along with Mr. Henderson, were people who were machinists by trade, had machinery training, garage people and the like, and they went out there and worked very diligently and very very efficiently to --(Interjection)-- I beg your pardon. Assiduously would be good too. Anybody want to contribute another one? Pardon? Arduously? - That's a good one. I prefer when I'm addressing the honourable members on the opposite side of the House to confine myself to words of one syllable because I haven't too much confidence in their ability to comprehend too much, but once in a while it's nice for the Honourable the Minister of Education to toss in one of those highfalutin' words that would make it appear that I might be qualified to discuss this subject.

These people did a great job, Mr. Speaker, and they were in the position to establish an industry here of exactly the kind that the Fund was asking for, and the thing that kept them from succeeding was just a too little and too late kind of assistance from the Fund. Now there's no use us trying to get my honourable friend the Minister back into the argument, I gather, because he says that he simply declines to do so, but the Honourable Member for Inkster mentioned -- I have here a copy of the appraisal made by a reputable firm, Warnock Hersey Appraisal Company Limited of Fort Street, Winnipeg, Manitoba. Apparently they have connections in a lot of other cities, and it indicates that there was an appraised value there - replacement value - of \$334,000-odd and a depreciated value of \$117,000, almost \$118,000.00.

And yet if my information is correct, this plant after being acquired by methods that I would suggest were certainly not completely aboveboard, because I am informed by the shareholders who took a great interest in this work and who contributed a great deal of time and effort as well as their money to it that they felt that they had the assurance of the Development Fund that if they signed this particular document - I don't recall what it's called - that they would then get the financial assistance that they were asking for, and instead of that they got closed out. They got closed out and the plant was sold for \$50,000. This plant, with a

(MR. CAMPBELL cont'd)....depreciated value of practically \$118,000, was sold for \$50,000, with one dollar down, I understand, to the Fund, with a \$10,000 loan thrown in and the Fund holding a mortgage for \$60,000.00.

If anything like this kind of assistance had been given to the original investors and management, I think we would have had a success story here that my honourable friends would have taken great pride in relating, because it would have been an occasion for pride. They could have said that they brought this highly trained man back from the United States; they established a new industry right from the ground, one that didn't exist here before, one that had a potential market that they were developing very effectively.

So I consider that this is a very poor example of the work of the Board and I would suggest to my honourable friend the Minister, that in spite of the principles and policies that he enunciates here with so much gusto, that he decide that he better take a little more interest in what's going on in that Fund and not hold it so much at arms length as he says he is determined to do.

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

MR. SHOEMAKER: Mr. Speaker, I beg to move, seconded by the Honourable Member for Turtle Mountain, that the House do now adjourn.

MR. LYON: Mr. Speaker, I believe my honourable friend has spoken in this debate and he can't adjourn a debate that he's spoken on.

MR. CLEMENT: Mr. Speaker, I move, seconded by the Honourable Member for Gladstone, that the House do now adjourn.

MR. LYON: If my honourable friend makes that motion we have to pass another item if the motion doesn't succeed, and we were thinking of adjourning in any case as soon as this vote passed.

MR. ROBLIN: I would suggest, if the House is agreeable, that we take the vote on this item and then we'll adjourn. I think that in order to keep the continuity right the Minister over on this side should adjourn the debate on this item and that revives it for the next day, but perhaps let's take the vote on this particular resolution and then we can adjourn.

MR. SPEAKER: Are you ready for the question?

MR. LYON: If my honourable friend doesn't withdraw his motion, we have no option but to carry on and to pass another item.

MR. CLEMENT: Under pressure, I withdraw.

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

MR. MOLGAT: Yeas and Nays, Mr. Speaker.

MR. SPEAKER: Call in the members. Order please.

YEAS: Messrs. Campbell, Cherniack, Clement, Dawson, Dow, Fox, Froese, Green, Guttormson, Hanuschak, Harris, Johnston, Kawchuk, Miller, Molgat, Patrick, Paulley, Petursson, Shoemaker and Uskiw.

NAYS: Messrs. Baizley, Beard, Bjornson, Carroll, Cowan, Craik, Einarson, Enns, Evans, Hamilton, Jeannotte, Johnson, Klym, Lissaman, Lyon, McGregor, McKellar, McKenzie, McLean, Masniuk, Roblin, Spivak, Stanes, Steen, Watt, Weir, Witney and Mesdames Forbes and Morrison.

MR. CLERK: Yeas, 20; Nays, 29.

MR. SPEAKER: I declare the motion lost.

MR. DOUGLAS M. STANES (St. James): Mr. Speaker, I beg to move, seconded by the Honourable Member for Rupertsland, that the debate be adjourned.

MR. MOLGAT:this is understood that we will be on Industry and Commerce still tomorrow then.

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

MR. LYON: I move, seconded by the Honourable the Provincial Treasurer, that the House do now adjourn and stand adjourned until 9:30 this morning.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House adjourned until 9:30 Thursday morning.