

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Thursday, April 25, 1974

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements or Tabling of Reports; Notices of Motion; Introduction of Bills; Questions. We are at the question period.

POINT OF ORDER

MR. SIDNEY SPIVAK, Q.C. (Leader of the Official Opposition) (River Heights): Well, Mr. Speaker, my understanding - and I'm just on a point of order - was that the question period was to. . . Well, Mr. Speaker in the absence of the First Minister, in the absence of the Minister of Finance, and in the absence a number of other Ministers, and my understanding is that the question period would be postponed until the Governor-General had made his presentation and we would follow on that basis, and I think that was recorded in Hansard, if I'm correct.

MR. SPEAKER: Well, the Governor-General isn't due until about 20 minutes to the hour which is about eight minutes from now. The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): Mr. Speaker, may I suggest in the absence of my colleagues, the First Minister and the Minister of Finance, that it could conceivably be that the third member by seniority in the Cabinet would be prepared to accept questions from the honourable members of the Assembly. It was decided, as I understand it, that His Excellency the Governor-General would be before the Assembly at approximately twenty to three, so I would suggest, Mr. Speaker, that if my honourable friend the Leader of the Opposition has any questions to ask, it would be quite in order for him so to do.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. R. (BUD) SHERMAN (Fort Garry): Thank you, Mr. Speaker. My question is to the Honourable the Minister of Mines and Natural Resources. --(Interjection)--Oh, I'm sorry.

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

MR. I. H. ASPER (Leader of the Liberal Party) (Wolseley): Yes, Mr. Speaker. I concur in the interpretation of the proceedings for yesterday that the Honourable Leader of the Opposition has pointed out. We were clearly indicated that there would be a question period commencing after the Governor-General had made his presentation to the House. Mr. Speaker, in the absence of key Ministers, I would ask that we stay with the provision that we made yesterday, so that we not interrupt the question period once it's commenced by having the Governor-General make his presentation in the middle of our question period.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, I would suggest my honourable friend has no point of order. Notwithstanding the fact that His Excellency the Governor-General of Canada waits outside, the Manitoba Legislature carries on despite that, and I suggest to the Honourable Leader of the Liberal Party he has no point of order.

ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Thank you, Mr. Speaker. Insofar as key Ministers are concerned, as far as many of my constituents are concerned, the key Minister at the moment is the Honourable the Minister of Mines and Natural Resources, and I would like to direct a question to him and ask him whether the inlet gates on the Red River Floodway have been lowered from the level at which they stood yesterday and, if so, are they going to be lowered any further, and what effect is that on the Red River at the moment.

MR. SPEAKER: The Honourable Minister of Mines.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources, & Environmental Management): Well, Mr. Speaker, I'm going to answer with technical information as I understand it, and I hope that I am correct. I've been advised by the Director General of Water Resources, Mr. Weber, that the gates were lowered six inches last night and six inches again at noon today. This is possible because the level of the Red has gone as high as it is expected it will go within Greater Winnipeg and therefore it will not result in any levels in Winnipeg

ORAL QUESTIONS

(MR. GREEN cont'd). . . beyond which those which have already been reached; that with regard to the area south of the Floodway, it will mean that they will not have flooding beyond that which has already been received. In other words, they won't have higher levels than they have already had.

Now, Mr. Speaker, I hope that that is correct. I got that information just a few moments ago, and of course that is on the basis of predictions and reasonable expectations.

MR. SHERMAN: Mr. Speaker, I thank the Minister for his information. Just for clarification, is the Minister advising the House and the people of St. Norbert to the best of his knowledge at the present time, that the level of the Red River is not expected to go any higher in St. Norbert than it is at the moment?

MR. GREEN: No higher than it was at its highest point. I don't know whether it will not be higher than it is at the moment, but there will not be higher levels than had previously been reached. And again, Mr. Speaker, I say that that is a reasonable forecast. I think that it's subject to error, but that is the information that I have, which is about 15 or 20 minutes old.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Finance. I wonder if the Minister of Finance is now in a position as a result of the information made available of the substantial increases in the City of Winnipeg taxes, in the rise in municipal taxation, and with the additional information now available that Winnipeg's increase in the cost of living was the highest in the country last month, to indicate whether the government would reconsider the province's contribution to the City of Winnipeg and to the municipalities of the province.

MR. SPEAKER: The Honourable Minister of Finance.

HON. SAUL CHERNIACK, Q.C. (Minister of Finance) (St. Johns): Mr. Speaker, of course the reason that the Leader rose, I believe, was to give us information which I've not been able to check out and I'm not going to debate the information which he has stated. As far as the contribution of the Province to the City, there's been almost daily discussion and negotiation with the City and the City has received a letter yesterday informing them of what the Province was prepared to do at this stage. May I take the opportunity to express sincere disappointment that after a year of the opportunity for the City to discuss additional forms of taxation for the City in a growth tax measure, such as the enhancement of property taxation, the City has not agreed and has indeed so far rejected an opportunity to investigate that tax until only in the last week--that is, in the last week they agreed they would like to start studying it. Also, as far as I know, they have rejected the opportunity to get some three quarters of a million dollars of the present Amusement Tax System, I am rather disappointed and I use this opportunity to express that disappointment.

MR. SPIVAK: I wonder if the Minister of Finance can indicate whether the government is going to consider any additional contribution to the City of Winnipeg or to the municipalities?

MR. CHERNIACK: Mr. Speaker, I don't know the extent to which the honourable member is aware of what the province is doing in the light of the rising costs. There have been very substantial moneys undertaken by the Province in taking over responsibilities heretofore carried by the City. There are increased grants to the City in various measures, in addition to which we have just announced - and the member knows it because he commented on it - additional payment on the property tax rebate in order to ease the burden of the increased cost of property taxation to those in the middle and lower income bracket.

MR. SPIVAK: A supplementary, Mr. Speaker. In view of the indication of the House just now by the Minister of Finance that negotiations are taking place, I wonder if he can indicate whether the government will consider an additional amount of money to be contributed to the City of Winnipeg or to the municipalities.

MR. CHERNIACK: Mr. Speaker, I don't believe I said that negotiations are taking place, I said they have been taking place on a daily basis and yesterday a letter was sent. I can also say that there is never an occasion when there are not discussions taking place as between the City and the Province, and I'm prepared to leave it at that and, if the honourable member is not, then that may be a problem.

MR. SPEAKER: I believe the hour is 20 minutes to. We can stop for now and reconvene again later.

GOVERNOR-GENERAL and MADAME JULES LEGER enter the Chamber.

MR. SPEAKER: Your Excellencies. C'est un très grand plaisir pour nous de vous souhaiter la bienvenue dans notre Assemblée législative.

On this, your first official visit to the Province of Manitoba, may we congratulate you and indeed express our warm pleasure on your appointment to your high office, and may we through you and your office, reaffirm the loyalty and allegiance of members of this Assembly to Her Majesty, and our deep affection for her as a person. We welcome your appointment, Your Excellency, both in your own right as a worthy representative of our gracious Sovereign, and as a symbol of the unity and the oneness of Canada, created as it was by two founding nations and enriched by many other traditions. This year, as the capital city of our province celebrates its centenary, we have an historic reason for looking back over the past 100 years to the development of Winnipeg and our province, and we look forward with hope and rising expectation to the future.

We are delighted that you and Her Excellency can help us observe this milestone and we look forward to the visit within a few weeks of the Princess Margaret and Lord Snowdon, when they too will share this occasion with us. And, as we review Manitoba's historic place in our nation and anticipate a bright future, we cannot help but remember the words of our esteemed predecessor in this Chamber six years ago, when he stated that there was a dynamic quality to the life here which makes progress inevitable, and his prediction that Manitoba is a prime contender for major honours in the next phase of Canadian development.

Your predecessor was a close friend to this province, Your Excellency. In the same vein, we welcome you as a friend, for you are aware of our roots, our history and of our future prospects. As the central province in this large country of ours, we consider ourselves an important geographic link and, equally important, a link between the cultures which give added meaning and dimension to our heritage. Thus it is with a sense of pride and in a spirit of hope that we say: "Encore bienvenue".

GOVERNOR-GENERAL LEGER: Pray be seated.

I thank you, Mr. Speaker, for your generosity this afternoon in suspending the regular business of this Assembly in order to welcome my wife and myself in our first official visit to the province. It is a tribute to the Crown and to our parliamentary system that the doors of this Chamber should be open to us. I shall take much pleasure in conveying to the Queen your expression of loyalty. Her Majesty has spoken to me of the warmth of the reception accorded to her when she was in Manitoba during the Centennial Year, and Her Royal Highness, the Princess, told me how happy she would be to come and see you in a few weeks.

These happy recollections intensify her anxiety at this time when serious flooding has damaged so many communities, and still, I understand, threaten others. I hope that those who are suffering will take some comfort from the knowledge that Canadians everywhere sympathize with them and are distressed by what is occurring in this province.

As you know, Mr. Speaker, my wife and I are engaged in a series of visits to each of the provincial capitals. This is proving to be a most rewarding and instructive experience. We are rediscovering the immensity, the richness, the diversity of Canada. Each region presents its own set of challenges but everywhere we have found the same determination, confidence and optimism. The people and the land have interacted to bring out the very rich promise of . . . Geography and history have combined in Manitoba to forge a community in which the most diverse elements have been brought into harmonious and fruitful relationship. Climate and terrain posed a stern challenge which could only have been met by determined and resourceful people. Those who followed the trail of LaVerendrye to pioneer the fur trade, and the Red River colonists who came to practice the arts of husbandry, showed the way. They were joined by successive waves of settlers from every nation of Europe and beyond. It might appear, on the surface, that the single bond linking the members of this society was the common desire for a better material life. The efforts of the people of this province have indeed been crowned with prosperity, but only because Manitobans have given devotion to the highest human and spiritual values.

En étant la province canadienne qui présente la plus grande diversité culturelle, le Manitoba illustre particulièrement bien la justesse de l'expression "Mosaïque culturelle" qui nous utilisons pour tenter de définir notre société. Ceci est mis en évidence par la vigueur qui anime la communauté franco-manitobaine. Il est en effet émouvant, et surtout émouvant pour un francophone comme moi, de constater le zèle avec lequel vous, francophones d'ici,

(GOVERNOR-GENERAL LEGER cont d). . . avez développé votre héritage culturel. Je dois vous vous avouer qu'il me tarde de revoir votre basilique, ce témoignage de votre ténacité et de votre solidarité, et de visiter votre nouveau centre culturel, reflet de votre personnalité et de votre dynamisme. Vous occupez ici, aux côtés des autres groupes ethniques, une place dont nous sommes fiers, une très grande place, et le rôle que vous avez joué, Monsieur le Premier Ministre, dans cette aventure est suivi de près par le pays tout entier.

Nowhere, indeed, is the Canadian mosaic more fully manifested than here. Our separate cultural traditions are seen as a precious trust to be preserved and blended to the mutual benefit of all. Unity and diversity is the goal to which public programs, fostering bilingualism and multi-culturalism are dedicated. The realization of our cultural potential is the root to national self-fulfilment.

Having had the opportunity during the last few weeks to touch the two extremities of our country, I am particularly conscious of the commanding position which this provincial capital lands at the very centre of our country. Nearly everyone who came out to settle the plains and the grasslands passed through here. Some stopped to take on supplies and gather strength for the journey ahead. Others found here the environment and the opportunity they had been seeking.

In settling on the land and developing the economy, Manitobans have been preoccupied with the physical demands of the environment. There is, however, abundant evidence of our concern for the quality of life. Learning and the arts have flourished, and the measure of your regard for them is reflected in the program of construction which has resulted, in less than ten years, in a superb group of buildings in Winnipeg and St. Boniface for exclusively cultural purposes. More, I understand, is to come on the occasion of the Centennial of your capital city.

We almost cannot help ourselves becoming rich in material goods when we are surrounded by such great resources, but it is in the things of the spirit that I see this country growing richer and stronger. We can and we must do so, but not exclusively for our own benefit. We must share our bounty and employ our talents in easing the lot of the disadvantaged wherever they may be. This is a vital task in today's world for which we Canadians are well fitted by reason of our pioneering background.

Monsieur l'orateur, je vous remercie de nouveau au nom de ma femme et de moi-même de votre accueil si chaleureux tellement chaleureux que si vous le permettez nous reviendrons et d'ici là que la Providence guide les travaux de cette Assemblée.

(Mr. Speaker, I thank you once again on behalf of my wife and I of your warm welcome, so warm that if you permit we shall return. Until then, may Providence guide the work of this Assembly.)

Applause, then singing of "God Save the Queen" and "Oh Canada".

His Honour the Governor-General left the Chamber .

ORAL QUESTIONS continued

MR. SPEAKER: Before we proceed, would the Deputy Sergeant get the technician to turn off those lights please. Question Period. The Honourable Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, my question is to the Minister of Finance in his capacity as acting Premier - Deputy Premier rather. Is there any hope of the government of Manitoba changing its mind on the refusal to make the financial assistance available to the Winnipeg Jets, in the context that if the deal changes and the government is not asked to share in losses

MR. SPEAKER: Order please. Order please. The question's hypothetical.

MR. ASPER: Mr. Speaker, I'll rephrase the question. Is it the fact that there was a proposal that the government share in losses, operating losses of the Winnipeg Jets, that determined the refusal, and will the government make an offer to the Jets of a loan without that commitment?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, it clearly would not be the role of this government to negotiate with any group of citizens across the floor of this Chamber. May I state that my recollection of this proposal was that it came, a proposal was tentatively made, that when it

ORAL QUESTIONS

(MR. CHERNIACK cont'd). . . came in a much more precise form some time later, it was vastly different, consideration was given to the proposal that was made and it was decided that it would not be acceptable to the government.

MR. ASPER: Mr. Speaker, to the same Minister on the premise that it is the business of this side of the House to ask for information, will the Minister indicate that if the government does not, or since the government is not prepared to make the loan, will it take other steps to give financial aid to see that the team stays in Winnipeg?

MR. CHERNIACK: Mr. Speaker, I think this government has shown at all times that it is prepared to listen to any proposal that's made. May I - as a matter of privilege, I think - explain that I did not want in any way to suggest that questions were not in order. I just didn't think that there should be discussions on what might be revised terms and whether or not they would be acceptable. I think that is not the way one conducts or arrives at that kind of a decision. So let me say that the government did not find that it was able to accept the terms that were proposed to the government which involved secondary security and the possibility of financing deficits and other matters which, when presented in a package, were not acceptable.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE: (Roblin): Mr. Speaker, before I phrase my question may I, on behalf of our group, welcome the Honourable the Member for Logan back into the House today. (Applause) And, Mr. Speaker, may I look forward to the day when he goes back to his desk on a full-time basis and I'm sure that we are going to see him enjoying the normal good health that he enjoyed before.

Mr. Speaker, my question this afternoon is for the Honourable the Minister of Education. I wonder if the Honourable Minister of Education can advise the House if he's prepared or the government's prepared with him, to support the Board of Intermountain School Division in their attempts to sue the architects for faulty roofs on the primary and the intermediate school in the Intermountain School Division?

MR. SPEAKER: The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education) (Burrows): No, Mr. Speaker.

MR. MCKENZIE: Mr. Speaker, may I phrase my question differently and ask the Minister then: Without the help of the government, is he prepared as the Minister to support the Intermountain School Division in their efforts to sue the architects for faulty roofs on two schools?

MR. HANUSCHAK: No, Mr. Speaker.

MR. MCKENZIE: Mr. Speaker, then can I ask the Minister of Education if he will let his staff, the staff in the Department of Education, support the trustees of the Board of Intermountain School Division in their efforts to sue the architects for faulty roofs on two schools?

MR. HANUSCHAK: No, Mr. Speaker. The School Division of Intermountain is a legal entity capable of looking after its own interests in much the same manner as any other school division in the Province of Manitoba established under The Public Schools Act.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, my question is to the Honourable Minister of Labour. In view of the breakdown in negotiations late yesterday at the Health Sciences, would the Minister of Labour be prepared to assist personally in the negotiations?

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, it has been reported to me that negotiations have broken down between the union concerned and the Health Services Centre. This is not unusual; it has happened before. As I have indicated to the House on numerous occasions, I'm hopeful that before any deadline, that the parties concerned will get together and negotiate a settlement of the dispute.

MR. PATRICK: A supplementary, Mr. Speaker. Will the Minister report to the House on the possible steps to be taken in an attempt to resolve the dispute prior to May 2nd, which I believe is the date when the people go on strike?

MR. PAULLEY: Mr. Speaker, we have labour relations legislation in the Province of Manitoba, and, as far as the Minister of Labour is concerned, and legislation as has been enacted by this Assembly, that the provisions of that particular Act will be adhered to and

ORAL QUESTIONS

(MR. PAULLEY Cont'd) every effort will be made to resolve the differences of opinion between the combatants - to use that term very very loosely - in this dispute.

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

MR. A.R. (Pete) ADAM (Ste. Rose): Thank you very much, Mr. Speaker. My question is to the Minister of Mines in charge of game and fisheries. I would like to advise what dates the spring sport fishing will be open this year in view of the late season.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I'll take the question as notice and try to have an answer by tomorrow.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Health and Social Development, and it deals with the impending strike or the potential strike already referred to - hospital strike - already referred to. I wonder if he can indicate to this House with the now organized scaling down of hospital services in the City of Winnipeg, will there be a point at which the Cabinet in this matter is going to be prepared to act?

MR. SPEAKER: Does the Honourable Minister wish to answer? I believe that question is hypothetical.

HON. SAUL A. MILLER (Minister of Health and Social Development) (Seven Oaks): Mr. Speaker, that is a hypothetical question which I would not be prepared to answer.

MR. SPIVAK: I wonder if the Minister of Health and Social Development can indicate to the House whether it's the government's position that the scaling down of hospital services in the city is not reaching a serious and an emergency state even before a strike takes place?

MR. SPEAKER: The Honourable Minister of Health.

MR. MILLER: Mr. Speaker, the people in charge of the hospitals, the boards, the administrators, are capable people who know their responsibilities and they are doing what they are doing in a responsible manner, in a reasonable manner, in order to meet whatever situation arises. I have every confidence that what they are going is sensible and that it will not jeopardize the public.

MR. SPIVAK: I wonder if the Minister of Health and Social Development can indicate when the government believes the point will be reached that the scaling down of hospital services is in fact an emergency in the City of Winnipeg.

MR. MILLER: Mr. Speaker, again that's a hypothetical question based on a hypothetical situation.

. continued next page.

ORAL QUESTIONS

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

MR. J. PAUL MARION (St. Boniface): Thank you, Mr. Speaker. On the same subject to the Honourable Minister of Health. I wonder if the Minister would consider favourably the request made by the Canadian Union of Public Employees for government intervention in this matter to avert a strike in the Health Sciences Centre.

MR. SPEAKER: The Honourable Minister of Health.

MR. MILLER: Mr. Speaker, I am not aware of any approach made in that regard. If it would be made I would assume it would be made to the Minister of Labour. Certainly that's the only route that it should normally follow, it being a labour dispute.

MR. MARION: Mr. Speaker, to the same Minister. Has the government presently finalized its plans, its contingency plans, in the event that although we don't want it to happen, a strike is not averted?

MR. MILLER: Mr. Speaker, it isn't the government that prepares or lays down the contingency plans. The hospitals have boards, the boards have administrations. Within the Winnipeg region it's my understanding that they have met, they have held discussions, in order to assure that people in need, their lives will not be jeopardized, that those who need services will get them, and it's something that the hospitals themselves are arranging.

MR. MARION: A final supplementary, Mr. Speaker. Is the Minister aware of those contingency plans and would he be in a position next week to table them with this House?

MR. MILLER: No, Mr. Speaker, the Minister is not aware of those contingency plans. They're not done with my involvement, they're done by the hospital boards themselves and the hospital administrations amongst themselves.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I direct a question to the Minister of Tourism and Recreation. It's in relation to the winter racetrack. I wonder if the Minister can indicate the Southdale Winter Racetrack referred to in the papers today in the news media, since the Minister has been involved in some of the negotiations that have gone on on its location, can he indicate whether Maple Grove Park may be spared from both the racetrack and the Manisphere location, and can he indicate as far as his activity is concerned where the location of these may now be?

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

HON. RENE E. TOUPIN (Minister of Tourism, Recreation and Cultural Affairs) (Springfield): Well, Mr. Speaker, we're discussing things really--a jurisdiction that belongs to Unicity, in my mind.

MR. SPEAKER: Thank you for the information. Consequently the question doesn't belong here. The Honourable Member for Fort Garry. --(Interjection)--The Honourable Member for Riel state his matter of privilege please.

MR. CRAIK: Mr. Speaker, I think not only was the Minister prepared to answer it, but he's been attributed with about three different public statements on the matter.

MR. SPEAKER: Order please. The Honourable Minister may be prepared to do a lot of things but I don't think he's prepared to contravene the procedures of this Assembly, and when he indicated to me that the question didn't belong here then I told him he was out of order.

The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, I have a question of good will for the Honourable the Minister of Labour that arises out of the question asked by the Honourable Member for Assiniboia a few moments ago, with respect to the possible strike at the Health Sciences Centre. I wonder if the Minister of Labour would consider assisting in the situation by not intervening personally.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, may I first of all indicate to my honourable friend the Member for Fort Garry, it's the first time that he has indicated any good will to the Minister of Labour. I appreciate the change of stature of my honourable friend and I'm sure Hansard reveals that this is unusual for my honourable friend the Member for Fort Garry to change his stance, and maybe, maybe as a result of his announcement a moment or two ago, we may be

ORAL QUESTIONS

(MR. PAULLEY cont'd). . . able to discuss matters of concern regarding the Province of Manitoba on a more even keel than he has suggested.

Now then. . .

MR. SPEAKER: Order please.

MR. PAULLEY: . . . so far as the precise--did you suggest order, Mr. Chairman?

MR. SPEAKER: I was wondering if the Minister was going to answer or make a speech. The Honourable Minister of Labour.

MR. PAULLEY: Well, Mr. Speaker, I'm not going to make a speech but I do want to indicate to the House how much I appreciate the affection today of the Member for Fort Garry to the Minister of Labour.

I do want to work--(Interjection)--yes.

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

MR. ASPER: Thank you, Mr. Speaker. My question is to the Minister of Finance in his capacity as Deputy Premier. It relates to the information given to the House I believe yesterday by the First Minister on the flooding, in which he indicated that until the state of emergency was declared, municipalities were required to pay approximately 20 some cents for sandbags. And my question is: is it true that the Municipality of Ritchot required sandbags and were told that the cost would be \$60,000 by the province, that they didn't have the money, and as a result they got no sandbags until after the flood had hit?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, the responsibility for the answering of that question is that of the First Minister, I should think, but I will not accept it as notice because I think that that kind of a statement does need some basis for support of the fact that is purported to be stated by the honourable member, and if he is able to give us some concrete evidence to the effect that this is the case, then I would think that that would be a matter of interest for the First Minister. However, I believe the Minister for Tourism has a contribution to make on it.

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

MR. TOUPIN: Mr. Speaker, if I may. I had a meeting with the Council of Ritchot this morning, and they have not expressed what the Honourable Member for Wolseley, the Leader of the Liberal Party, has pointed out to this House. There had been some problems in purchasing of sandbags but they were able to cope with the problem in very close co-operation with EMO and the Armed Forces.

A MEMBER: Hear, hear!

MR. ASPER: Yes, Mr. Speaker. I'm not sure if the Minister of Finance wishes to take the next question or perhaps the Honourable Minister. . .

MR. SPEAKER: Question please.

MR. ASPER: . . . will take it, the Minister of Tourism. In view of the statements by a number of residents of the municipality including one John Kenny of St. Mary's Road, to the effect that I. . .

MR. SPEAKER: Order please. Would the honourable member give his question?

MR. ASPER: Yes, Mr. Speaker. The question is: in view of the statement to the contrary of what the Minister has said, can he indicate to the House that the people of Ritchot. . .

MR. SPEAKER: Order please.

MR. ASPER: . . . had sandbags before the flood. . .

MR. SPEAKER: Order please. I think it is incumbent upon members when they bring in allegations, to have at least done some homework on it before they want Ministers to answer without any notice on the particular issue. The Honourable Leader of the Liberal Party wish to rephrase?

MR. ASPER: No, Mr. Speaker, on a point of order. Mr. Speaker, you do not permit, in the questions, the questioner to state the source of his information. If you will do so, Mr. Speaker, I would have been delighted. . .

MR. SPEAKER: Order please.

MR. ASPER: . . . the homework I had done that gave me the. . . of my question.

MR. SPEAKER: Order please. Order please. Unfortunately I am only the keeper of the rules, I do not make them; and until the rules are changed those are the guidelines I have. The Honourable Member for Arthur. The Honourable Leader of the Liberal Party.

ORAL QUESTIONS

MR. ASPER: My question is, to either Minister who wishes to answer: Is it not a fact that the areas of Ritchot did not receive sandbags until after the waters came?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I would say I am not aware of that statement being fact.

MR. ASPER: Mr. Speaker, a final supplementary. Will the Deputy First Minister bring to a committee of the House the Flood Control Director of the Province of Manitoba and/or the Emergency Measures Organization chairman, so that members on this side can question and get the information relative to what happened?

MR. CHERNIACK: Mr. Speaker, the honourable member should realize from the response that has been voiced generally, that that is not the practice. I would suggest that if he wants a question answered in relation to the municipality of Ritchot, such as he stated, that they would be best capable of knowing whether or not they had the bags ready he refers to, and when they received them.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker. . . --(Interjection)--

MR. SPEAKER: Order please. Order please.

MR. WATT: Okay, you go ahead. . . if you want the floor.

Mr. Speaker, I address a question to the Minister of Mines and Natural Resources, who I think is in charge of Water Control. I refer to the bilingual river whose head waters. . . the Saskatchewan and goes down in the United States and back into Manitoba. It's French in Manitoba and. . .

MR. SPEAKER: Question please.

MR. WATT: Well I'm trying to make it clear, Mr. Speaker.

MR. SPEAKER: We're aware of what river the honourable member is speaking about.

MR. WATT: It's the Souris River, and I'm talking about the Mouse River. . .

MR. SPEAKER: Question please.

MR. WATT: Okay. I wonder if the Minister could give us a statement on the condition of the Souris or the Mouse, whichever name you wish to use, on the sandbanking that is going on now at Melita, on the Highway 83 and on private people's businesses in the Souris Valley, if there is going to be any compensation for these people that are working now day and night sandbanking, and where the waters still have not receded in the United States. Could he give us a statement on the condition out there?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I could not give a statement. I know that there are many people in the Province of Manitoba who have been engaged in flood fighting on the basis of their will as citizens. This took place in various parts of the province, took place in 1950 and other years. I know that some people are involved as a matter of employment, some people are involved as a matter of volunteers. I could not at this moment give an answer relative to La Riviere Souris.

MR. WATT: I have a supplementary question to the Minister, and probably it should be to the Minister of Finance. But if there are, which I doubt if there are, but I don't. . .

MR. SPEAKER: Order please.

MR. WATT: If there are people on welfare that are working on those projects right now, that are sandbanking and have been all night in Melita, are they going to be paid in excess of the welfare cheques?

MR. SPEAKER: The question is hypothetical.

MR. WATT: I'm asking the question. . .

MR. SPEAKER: Order please. The question is hypothetical. The Honourable Member for Swan River.

MR. WATT: Mr. Speaker, on a point of order, the question is not hypothetical.

MR. SPEAKER: The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Mr. Speaker, I have a question for the Minister of Mines and Natural Resources. (I'm sorry.)

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: . . Mr. Speaker, that question which I believe was stated, I may answer it if I wish to. I would say that the employing authority would be expected to pay the person that is being employed on whatever contract is arrived at. I would also say that any

ORAL QUESTIONS

(MR. CHERNIACK cont'd). . . welfare recipient who is in receipt of income from earnings, is expected and I believe required - to report that income to the authority which has the responsibility for operating the welfare system.

MR. SPEAKER: The Honourable Member for Arthur.

MR. WATT: Mr. Speaker, then in the case where the government is the employer, where the government is the employer, and welfare people are working on these projects, are they going to be paid in excess of the welfare that they are now receiving for the work they are doing on sandbagging?

MR. CHERNIACK: Mr. Speaker, if the government is the employer, it's bound by the same statement that I just made previous to this.

MR. SPEAKER: The Honourable Member for Swan River.

MR. BILTON: Mr. Speaker, I have a question for the Minister of Mines and Natural Resources. Some weeks ago the Minister promised a report of the possible loss of wildlife in the Duck Mountains due to the extreme snow conditions. Does he have that report?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I know I received it; I believe I gave it to the House, but I could be mistaken. I'll check back and see whether I did give it to the House. If I've already given it, I'll give a copy of it to the honourable member.

MR. SPEAKER: The Honourable Member for Charleswood.

MR. ARTHUR MOUG (Charleswood): Mr. Speaker, I'd like to direct a question to the Minister of Finance. Is there still a possibility of the government and the proposed purchase of the Jets reaching an agreement whereby the group could get some funds?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, the question itself is a **hypothetical** one, not only the premise.

MR. MOUG: The question I directed to the Treasurer was: is there still a possibility of the government and the proposed purchasers - is there a possibility?

MR. SPEAKER: The question was answered.

MR. MOUG: You said it's hypothetical and it certainly isn't.

MR. SPEAKER: Orders of the Day.

MR. CHERNIACK: Mr. Speaker, to the extent that the question was not hypothetical, that of course is possible.

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

MR. ASPER: Mr. Speaker, my question's to the Minister for Health. Could he indicate or perhaps ask his colleague the Minister for Labour to indicate, whether one of the problems in the negotiations between the hospital employees and the hospital board is the spending ceiling which the Government of Manitoba through the Hospital Services Commission imposed at eight percent rise on the Commission through the year.

MR. SPEAKER: The Honourable Minister of Health.

MR. MILLER: Mr. Speaker, I am not privy to the negotiations and so I don't know whether that statement is at all the correct one. I have to assume, and I think correctly, that both **bodies**, both groups, are negotiating in good faith. I know that the members of the Health Sciences Centre Board and their administration are responsible people. I am equally sure that the people representing the employees are equally as responsible and reasonable, and we all of course sincerely hope that no strike action will come about, despite the suggestions from the opposite side that we're already into it.

MR. ASPER: Will the Minister confirm that salary increases to senior executives of the Health Sciences Centre were recently rejected by the Board of Trustees and referred to the Manitoba Health Services Commission because the increases involved were so significant, and that the Commission has now approved these significant increases.

MR. MILLER: Mr. Speaker, the Commission does not report these matters to me. If it's in any way correct, this is something that would be dealt with by the Commission in their dealings with the Health Science Centre and their Board.

MR. ASPER: Mr. Speaker, I wonder if the Minister would consult, undertake to consult with the Commission, and report to the House on whether one of the senior executives of the Health Science Centre recently had a salary increase that took him up to \$65,000 - sorry, \$70,000 a year - and that several other senior executives were raised to \$40,000 a year,

ORAL QUESTIONS

(MR. ASPER cont'd). . . and that this now makes this administration the highest paid in Canada.

MR. MILLER: No, Mr. Speaker, it is not my intention to start asking about the individual salaries of any employee at the Health Science Centre, whether he be at the minimum wage or at the so-called top bracket. This is something that the Health Science Centre Board itself first has to consider. They then include it in a global budget and this is what they determine.

MR. ASPER: Mr. Speaker, I have a final supplementary. I wonder if the Minister could inform the House whether these significant salary increases were kept within the eight percent, or is the eight percent limit only reserved for workers?

MR. SPEAKER: Order please. Order please. Order please. I wonder if the honourable gentleman would kindly consider rephrasing his questions so that they do not carry a number of expressed opinions which can be argumentative. All the extra verbal foliage that he puts to the central theme of the question creates arguments and that's contrary to our rules. I've asked him, I've pleaded with him. Now, every statement that he makes which asserts a further fact to the original question is argumentative. I don't know what else I can do to inform the honourable gentleman that that's not the way to put a question. The Honourable Minister of Health.

MR. MILLER: Mr. Speaker, I cannot let that particular question - if it is a question - pass. The global budget has nothing to do with the salaries or wages of any individual employee, it is a global budget containing all expenditures. . .

MR. SPEAKER: Order please.

MR. MILLER: . . . of maintenance administration, etc. of a facility, and therefore the global budget at eight percent may mean much different percentages for salaries and far different percentages for supplies and materials.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I wish to direct a question to the Minister of Tourism and Recreation, who is preoccupied over here. I wonder if the Minister could advise the House what he or his department's involvement has been in relation to the location of Manisphere and the winter race track referred to.

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

MR. TOUPIN: Mr. Speaker, I've expressed the views of the Department of Tourism, Recreation and Cultural Affairs to Unicity, and equally to the Department of Urban Affairs, and I feel that whatever happens in regards to the race track in regard to the responsibility that has been delegated to Unicity by this House, will be determined by discussions between Urban Affairs and Unicity Council.

In regard to Manisphere, this is something that we intend to pursue with either the present owner of Assiniboia Downs or whoever becomes the owner in the future.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, I wonder if I could ask a question of the Honourable the Minister of Mines and Natural Resources that he might take as notice. I wonder if the Minister would undertake to report to the House what the levels of the Red River were in Winnipeg on each of the seven days, of the past seven days of the flood stage.

MR. SPEAKER: Order for Return.

MR. SHERMAN: The Minister got the whole question? Thank you.

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

MR. MARION: Mr. Speaker, a question to the Honourable the Minister of Labour. Has the Minister received a request from the Brandon General Hospital for the services of Conciliation Officer in the differences that appear to be headed for problems there?

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: No, Mr. Speaker, not that I'm aware of at the present time. We're so involved these days with the appointment of Conciliation Officers that it could conceivably be, Mr. Speaker, that I did receive a request, and I might assure my honourable friend that if I did receive a request there would be the appointment of a Conciliation Officer, but in direct answer to his precise question, I'm not aware of it at this moment. But if again - and I want to repeat this - that if there is such a request, such a request will be granted.

MR. SPEAKER: The Honourable Member for Logan.

ORAL QUESTIONS

MR. WILLIAM JENKINS (Logan): Mr. Speaker, I wonder if I could just make a free statement of a non-political nature?

MR. SPEAKER: Agreed? The honourable member.

MR. JENKINS: First, Mr. Speaker, through you, I would like to tender my thanks to the members of this Assembly for their very good wishes that they sent to me during my recent illness, and I want to thank the good people at Misericordia Hospital and the doctor who looked after me. I've started my treatments now and I'm feeling not too bad, and I hope that I will be able to return to the Assembly - there may be days that I may not be able to, but hopefully I will be here every day. Thank you very much.

HOURS OF SITTING

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Yes, Mr. Speaker. I wonder if we could now proceed to the Orders of the Day, but just before doing so, Mr. Speaker, I understand that there is unanimous consent of the members of the Assembly that we voluntarily proceed to amend the hours of sitting on Mondays, Tuesdays and Thursdays after Private Members' Hour, that we would sit from 10:00 until not later than 12:00, but generally at the will of the members.

A MEMBER: Is this in the evening?

MR. GREEN: Yes, Monday, Tuesday and Thursday, that we would sit from 10 till not later than 12 only on consideration of Departmental Estimates in the Committee of Supply, that the House would leave at 11:30 if they wished, by majority vote, but that it would only be for consideration of estimates, of Committee of Supply. Now, the reason I say that I believe that there is inclination to do that, is that I received that advice from the Leader of the Liberal Party and the House Leader of the Conservative Party.

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

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, the first I knew of this was in a caucus that we didn't complete this morning, and it was my understanding that it was a member of the Premier's office who had unofficially approached a member of our group, and we have not reached an agreement in our caucus - and I want to be completely honest about this - that we have not agreed to this in our caucus and until that is done I'm not giving leave.

MR. SPEAKER: The Honourable Member for Morris.

MR. GREEN: Mr. Speaker, I will, just as a matter of privilege, indicate--and this could be achieved later--I'm not interested in doing something which we need unanimous consent for and cannot be done, but the Leader of the Liberal Party told me yesterday - not a member of the Premier's Office, but I personally spoke - personally - to the Leader of the Liberal Party, who said that this was satisfactory to him. Now, I'm not suggesting that we do it. We can not do it and if there isn't consent to do it, we are not going to do it. There is no difficulty in that regard.

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): Mr. Speaker, in the interest of expediting the business of the House, discussions were held between myself and the House Leader some weeks ago on this subject and I want to indicate that insofar as we on this side of the House, we are in agreement with the proposal. I think there was one condition that was laid down and that is - and the Minister did mention but I want to make reference to it again - that the only thing that would be considered during that period would be the estimates, so that it wouldn't tie up the entire Cabinet. One Minister could be in attendance and those who wished to participate. I think that I also suggested, for those members who may not wish to remain beyond the 10 o'clock adjournment hour, that we would be prepared on this side of the House to work out a pairing arrangement, not only with members of the Cabinet on official business, but any member of the House, so that those who wanted to participate in the consideration of estimates at that time could do so. That is the understanding that I reached and I hope that that is the understanding of the House.

A MEMBER: Hear, hear.

MR. JORGENSEN: We certainly would have no objections to extending the sitting hour so that we can move along and complete the session at the earliest possible opportunity and

HOURS OF SITTING

(MR. JORGENSON cont'd). . . still give full consideration to the task that is before us. In addition to that, Sir, I might even go further and say that, depending on the circumstances - I don't want to suggest that we place a specific time limit on the length of time that we want to sit - if at that time, at 12 o'clock, I'll accept the fact that at 12 o'clock that will be the normal, or prior to twelve o'clock would be the normal adjournment hour, but if the House at that time is agreeable and those who are in the House at that time are agreeable, then by unanimous consent we can proceed beyond that point and we'd be prepared to do that if it means the completion of a set of estimates, maybe for another 15 or 20 minutes.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I believe the matter is really academic. I will accept the fact that perhaps I did not properly understand. I do not make what I consider to be, what I understand to be the unanimous inclination of the House unless I have reasonable grounds for doing so. It was discussed with our caucus, it was discussed with the Leader of the Liberal Party, and discussed with the Leader of the Conservative Party. I now am able to report that there is no unanimous consent and until one is reached I will not announce it.

ORDERS OF THE DAY - BILL NO. 27

MR. SPEAKER: Bill No. 27. The Honourable Member for Sturgeon Creek. Order please.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Thank you, Mr. Speaker. I was speaking yesterday on the Lotteries Bill, Mr. Speaker, and I had pretty well spoken on--said what I had to say on the Lotteries Bill, but I would give a little summary today of what I was saying and then I will wind it up from there, Mr. Speaker, and I was saying yesterday that this bill seems to have been prepared on surmise. The Minister has obviously had something dropped in his lap which has been prepared by other people. In my impression it has. And he has been carrying through to complete the negotiations with other provinces on the basis that it's going to happen in other provinces, and by doing so, Mr. Speaker, the province of Manitoba is being put in a very bad position because of these negotiations.

Mr. Speaker, the other provinces may or may not have a lottery. There is much indication that it might not pass the Houses of those other Houses, provinces, and on that basis we are losing out to many people who have worked very hard, organizations in this province, to sell lottery tickets. They are going to lose when there may be absolutely no necessity for them to lose the income that they've had from selling Manitoba Lottery tickets. There is no indication that the legal implications suggested by the Minister and other members will be imposed, and when that time comes I guess we should take a look at it and I still say that we can't look at it any further unless the other provinces have passed legislation through their Legislatures and, as indicated, there are many people when it comes to lotteries legislation, if it's a free vote in the Houses in other provinces as it was in ours, it very easily could be defeated.

Mr. Speaker, we also speak of whether we are going to lean on the other provinces selling tickets or they're going to lean on us. I think if we carry on with our present lottery system, and if you get in a position where other provinces are going to sell lottery tickets, then I guess we would call that competition. I would imagine that somebody in Saskatchewan could buy a ticket in both provinces. If at that time we found that our income versus our administration costs for running a lottery was not enough and we would have to consider our position, then we would also have to consider this position, that if we join up in the lotteries with the other three provinces across western Canada, how much then would Manitoba take in on lotteries? I have a feeling, or I would indicate that the figures, if we are going to be in a position of the WesCan Lottery, that Manitoba would lose. Then again we would have to look at our position as to whether the administration costs to be in WesCan versus our income would be worthwhile being in. But at the present time the Province of Manitoba is in a very good position with its lottery and it seems to me that no matter which move we make, we could put ourselves in the position of having to analyse our income, and maybe at that time we would have to decide to get out of the kitchen because it's too hot. In other words, the income for Manitoba wouldn't be there if they start up their own or whether we join other provinces. But it seems that the best course of action for Manitoba right now, until at least the other provinces have legislation, is to carry on the way we are, benefitting

BILL 27

(MR. JOHNSTON Cont'd) the people of Manitoba, Mr. Speaker, and I think that the Minister should stop barging in whole hog, being the leader -- being the leader, it would seem, in this WesCan Lottery, and being the leader to harm many organizations in Manitoba when there's absolutely no need for it at the present time.

Mr. Speaker, Canada, Western Canada -- there are lotteries in Quebec, there are lotteries in Manitoba, and you know we're still selling Irish Sweepstake tickets; they haven't been hurt. I would say that if other lotteries start up and if they're as popular as everybody says they are, you will sell lottery tickets.

The Minister of Mines and Natural Resources mentioned yesterday that we may get into a position of, you know, our lottery being worth a lot less than somebody else's so therefore the other person would sell more lottery tickets. And that hasn't been the rule with lotteries. You know, the rule with lotteries is and you can see that even with small tickets; if somebody comes along and says I'd like to sell you a ticket on a television set for \$1.00, you buy it, and that doesn't mean that you won't buy a ticket for \$1.00 on a \$100.00 prize. You pay a dollar for a ticket when you buy a ticket on a car. You pay a dollar for a ticket when you buy a ticket on very large prizes and that doesn't stop you from paying a dollar when you buy a ticket on a smaller prize, a television set. That rule does not apply on lotteries. The rule on lotteries is when you have something to offer, or a lottery or a prize, quite frankly we've taken it out of the realm of supporting charity, we've clearly put it in the realm of gambling and it's the gambling instinct of people. That's what you're dealing with in lotteries and there's no way around it.

If a person is deciding that he wants to pay \$10.00 to win \$100,000 he'll buy it. That same person, if the gambling instinct is there, he'll pay \$10.00 for a \$50,000 prize and the same instinct is there. We've seen it many times, when you'll find people pay \$25.00 to a dinner and they may have the chance of winning \$1,000. The instinct is the gambling instinct, it's not the prize. So that argument of some other province having a bigger prize than us, hurting us, is not going to hurt us in the least. That has been proven over history, Mr. Speaker, and people won't change in that respect.

So the province of Manitoba is in a good position. We are now trying to kill our position and right now we don't even know whether the other legislation in the other provinces is going to pass. So, Mr. Speaker, I agree with the Member from Souris-Killarney when he says this bill should die. If it doesn't die, if this bill goes through, and all of a sudden we don't have legislation from other provinces, we are going to be in a pretty embarrassing situation in Manitoba and a lot of organizations are going to be hurt.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: Mr. Speaker, I would just like to make a few brief comments on the bill before us and hope that I can make the point that I wish to make and at the same time stay within the bounds of the rules before us by relating the remarks that I wish to make to the bill.

Sir, I mentioned in an earlier speech that there was a tendency on the part of people to act differently when they become government; that what we do as a people, we do not necessarily follow through as a government, and one of those things I mentioned was that as individuals we would not insist that our neighbours contribute to the ballet if they preferred to go to the hockey game, or vice versa, and yet this is what we find ourselves doing as government. Recently, that statement has been focused on by the sporting community in this province and, more particularly, in today's Tribune by Mr. Jack Matheson, who has some very vitriolic things to say about the government and politicians in general, perhaps with some justification.

But what I'd like to do, Sir, because I'm deeply concerned, as many members are, about the state of the Jets in this City, and I note that in reading the report of the Lotteries Commission that some \$579,000 had been paid out under the Lotteries Bill to various recreational organizations purporting to encourage and develop sports in this province. The offer that was made by the group of businessmen to put forth \$300,000 in order to assist the Jets to remain in Winnipeg was, I presume, a spontaneous one by sports people or businessmen who were sincerely interested in keeping the Jets here. Yesterday -- or was it the day before -- the Leader of the Liberal Party gave some indication of the amount of money that is generated by having a professional hockey team in the City of Winnipeg and I think everybody

BILL 27

(MR. JORGENSEN Cont'd) would like to see that happen. But I wonder if the proposals that were made, not only by the businessmen on their own behalf, but the proposals that were made by the City of Winnipeg and the Province of Manitoba, are the kind of proposals that could effectively maintain a professional hockey team in this City or in this Province.

From time to time the government buys tickets for the Jet games and I note that in reviewing the Orders-in-Council that the sum of - I just forget the amount right now, but there was a sum of money that was obtained by special warrant in order to buy Jet tickets, which they subsequently gave to different people to attend the games. I think that to a large extent those tickets were given to, some were given to inmates of the penitentiary, some were given to senior citizens, some were given to welfare recipients. I wonder, Sir, if that kind of an approach, magnanimous and humanitarian as it may be, is the way and the manner in which we can keep a professional hockey team in this town. It seems to me that the cities of Toronto and Montreal have no difficulty selling out their arenas, night after night. I think that stems from the fact that for many generations, when tickets were reasonably available at prices that most people could afford, they developed a habit of going to hockey games, taking their sons or their daughters with them, and thereby creating a group of people who were interested in continuing to go to hockey games. I wonder if we, through our lotteries program and through the proposal that has been made, if we're effectively contributing to that kind of a clientele in the Jets' games. I think if the businessmen - and I'm sure they are sincere - were to say to any teen-ager or young person who was interested in getting a season's ticket for the hockey games, and I think that the criteria here and the real crux of the matter is filling that stadium, or filling that arena - if that's the case, then why don't they offer, instead of just giving a \$300,000 grant, why don't they offer to give a job - and surely there are always jobs to do - to every young man who's interested, or every youth who is interested in going to a hockey game and earning the price of a season's ticket? Why can't the government do exactly the same thing? They from time to time hire people. Why can't they give some preference or some priority to young people who are interested in attending hockey games on a regular basis, because it's the young people in the final analysis who are going to provide the city with the bodies that will fill the arenas and these are the ones that should be encouraged to go to the games. Because I doubt very much if the prisoners are going to be the steady clientele of the Jets hockey games, or the senior citizens, or indeed the welfare recipients. But there are a number of young people who follow the Jets games, are very interested in them and want to continue to attend. Why can't an opportunity be provided for those people to earn money for a season's ticket? That could be in co-operation with not only the Provincial Government but with the municipal government as well. Because there are those jobs that have to be carried on from time to time. I'm sure that if they made that offer that they would be swamped with requests from young people who want to be able to earn enough money to attend those games, fill the stadium and keep professional hockey in the City of Winnipeg. I think, Sir, it would be a far better arrangement than the grants that are being paid out by the Lotteries Commission or any other body. I notice, Mr. Speaker, I'm just one jump ahead of you on a couple of occasions. I know that I'm getting perhaps beyond . . .

MR. SPEAKER: You're on thin ice.

MR. JORGENSEN: . . . somewhat beyond the terms of this bill but I wanted to make this point because I think it's something that should be considered.

Now, Sir, insofar as the bill itself is concerned, we on this side of the House have made points that I don't want to repeat again. The Member for Roblin and the Member for Fort Garry have stated - and I need not repeat it - the position that this party has taken with respect to the legislation before us, . . . that concern about the legacy that the Minister of Tourism and Recreation has received from his predecessor so far as the direction that is contained in this legislation. We believe that some of the arguments that are posed by the Minister of Tourism and Recreation are arguments that perhaps bear some validity, but on the other hand we feel that the Criminal Code as it exists is one that is being observed in any case and it seems to me that a fundamental concept of law in this country, that whatever laws are passed unless they are supported by the body of people then it's time to take a good look at those laws to find out whether or not they should not be changed. I think this is one instance and I think that's the major point that has been made by this side of the House.

BILL 27

(MR. JORGENSON Cont'd) And we wonder if the government has made sufficient representations to the Government at Ottawa to ensure that what appears to be a barrier coming before us now in the maintenance of the Manitoba Golden Lotteries in Winnipeg that some consideration be given to asking that the Criminal Code be amended so that compliance will be observed in all parts of this country.

MR. SPEAKER: The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON (Gladstone): Mr. Speaker, I beg to move, seconded by the Honourable Member for Brandon West, debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: Bill No. 36. The Honourable Minister of Education.

BILL NO. 36

MR. HANUSCHAK: Mr. Speaker, I would like to thank the honourable members who participated in debate on this bill. As I said at the commencement of the debate, that this bill is not intended to make any major changes in The Public Schools Act, it's intended at this point in time to fulfill several commitments which have been made to the teachers, trustees, to the Province in general and to correct an incongruous situation.

I would like, Mr. Speaker, to deal with the comments made by honourable members by subject rather than by individuals.

On the subject of classification of assessments I can say that this government reviews these classifications constantly and makes every effort to see that no person or organization is discriminated against. Now it's true, Mr. Speaker, that privately owned curling clubs and golf and country clubs may not be commercial organizations in the narrow sense of the term but it's also equally true that they do have financial resources to draw upon which are beyond the resources of the owner of a parcel of residential property. Private clubs that I am aware of charge annual membership dues and in addition can and in fact many do rent facilities to outside organizations to augment their revenues. I think at this point in time it would also be only fair to mention that our government has recognized the value and the significance of the contribution made by various organizations be they in the field of recreation, athletics or cultural affairs and various plans for assisting them in those activities have been established and all have benefitted to some degree related no doubt to the scope of their particular involvement in their particular field. And that I would suggest to you is probably a more equitable way of assisting such organizations rather than on the classification grant levy.

As I mentioned a moment ago, to a great degree they are involved as a commercial enterprise renting out space for banquets, dinners, weddings and so forth and I doubt whether it would be really fair to others in that industry, hotels, restaurants and the like who are competing in the same market, to have them be levied a foundation levy on a commercial basis alongside a curling club or whoever else not being taxed on the same basis. So to sum up whatever assistance they require for their cultural, recreational activity other ways and means can and in fact have been found to assist them without touching the classification for taxation purposes, and in that way it puts the commercial end of their operations on an equal footing with those whose prime purpose is being engaged in that particular business enterprise.

I stated in my opening remarks, Mr. Speaker, that the changes with reference to indemnities of school trustees were designed to place them on the same footing as all other elected representatives. It seems incongruous that while trustees are elected in the same manner as municipal councillors, city aldermen, serve the same terms, are subject to the same pressures both internal and external, that only trustees have their indemnities legislated. The amendments have been reviewed carefully, Mr. Speaker, and I'm confident that the good judgment of the school trustees of Manitoba will rule in the setting of their indemnities.

I recall mention having been made - I think it was the Member for Brandon West who had a comment to make about the fact that there's a provision allowing trustees to pay themselves for loss of wages. Now I think if one reads that amendment carefully one would find that that does not apply to - if it wasn't the honourable member that point was raised by someone - that that amendment does not apply to attendance at board meetings in general

BILL 36

(MR. HANUSCHAK Cont'd) but rather to any duties that may be assigned a trustee by the board, recognizing the fact that particularly in rural areas from time to time board members are called upon to perform an administrative or perhaps sort of a quasi-administrative function, something perhaps extending over both areas, the policy making function of a board and administrative to a degree where a trustee has to take time off to attend to that, and it would allow him compensation for it, for any loss of income that he may suffer.

And I would repeat again what I said earlier, Mr. Speaker, with reference to religious teaching. I do not want to make major changes until the advisory board has finished its deliberations and therefore we limited the amendments. But I wish to say that we gave much consideration to the terms "spiritual leader" and "religious group" and we came to the conclusion that these were the most suitable terms. Well really we couldn't come up with a better term. You know we thought of using similar terminology as maybe use another piece of legislation wherein a religious leader is defined - you know The Marriage Act and so forth - but then once you do that then you're limiting or restricting the teaching of religion only to those. And that may not always be desirable or necessary. We recognize the fact that there are religious groups who have within their following, their membership, those who may not fall within the definition of a clergyman or some relative term in any of our legislation but nevertheless are recognized as capable and competent to offer instruction in their particular religious faith. --(Interjection)-- Returning Officers are not prohibited from -- putting it the other way - they're not prohibited from offering religious instruction.

Now I would remind honourable members, Mr. Speaker, that the other guidelines with respect to religious instruction are still in force, the regulations and so forth so that I do not anticipate any great difficulties insofar as this particular section is concerned.

There seems to be general agreement, Mr. Speaker, that a three-year term for trustees should be available as an option even though there may be difficulties and in fact it is my intention if this bill passes second reading, when we come to Law Amendments Committee to bring in an amendment to extend the permissive aspect of this particular section of the bill beyond Winnipeg and Brandon and make it available to all of those who may wish to avail themselves of this particular option.

However, I might point out, and I think that this deserves some comment at this time, that at least two school divisions in Winnipeg have wards which are outside the boundaries of the City of Winnipeg. That is with reference to those particular sections and the differences in election procedures do not seem to cause any great difficulties on checking with them. And with specific reference to Brandon, Mr. Speaker, the bill does state that the elections for trustees and aldermen shall be held coincidentally. But I distinctly recall the point raised by the Honourable Member for Brandon West wherein he felt that there was need for some further clarification - I've forgotten the exact term that he used - 1977 and thereafter, words to that effect, and I would wish to check with our legal advisers again because I do tend to interpret that section in a similar manner to that interpreted by the Honourable Member for Brandon West. On the other hand, if our legal advisers, and they of course will be there in Law Amendments Committee, if they should point out to us and satisfy us that the way the section reads is sufficiently clear then I will see no reason for further amendment. On the other hand, if the section of the bill does lack sufficient clarity then I certainly would - in fact not that I would have no objection, but I would see to it, I would encourage an amendment to be brought in, would assist in bringing in the amendment to clarify that particular point.

Now with reference to the Transitional Language amendment, Mr. Speaker, I wish to say that the safeguards are contained in the present legislation concerning certification of teachers. I believe the question that was raised was who will be the persons using the language other than English. Well we must bear in mind, Mr. Speaker, that at the present time, and certainly we have no desire to change that, it is the teacher, the qualified teacher in the classroom who is responsible for instruction, and no one else. There may be other assistants, aides, paraprofessionals of different types, and I know that in some schools, some of the schools of Frontier School Division where Cree or whatever the local Indian dialect may be that is spoken it is not always the teacher who is fluent in that particular dialect but one of the paraprofessionals. The paraprofessional merely acts as a communicating link or link for communication between the teacher and the pupil during the transitional

BILL 36

(MR. HANUSCHAK Cont'd) period, but the teacher is still in control of the instructional, of the teaching process within the classroom.

A MEMBER: How long . . .

MR. HANUSCHAK: The transitional period in Frontier School Division certainly does not extend much beyond a couple of years or so. In fact I know from my own experience as a teacher in Winnipeg where we've had classes established specifically for those immigrated to Canada and it varies from student to student, from class to class. There are many students who after a period of five, six months find their way into the regular classroom stream and pick up from where they left off in their country of origin and carry on.

Now members can be assured, Mr. Speaker, that all persons employed in the transitional programs will be persons whose qualifications meet our standards. And I should mention also, Mr. Speaker, that with regard to safety features, the provincial fire marshal's office has been of great assistance to us in evaluating the safety of school buildings, and also the services of the departmental architect and personnel from the Department of Public Works are available for consultation and assistance.

With reference to bus safety, I am certain that the departmental supervisor of transportation would be only too pleased to provide honourable members with information on the maintenance and safety check routines which are used in our school division, and in fact I will undertake to provide honourable members with that information. I wish to say also that we are constantly reviewing the safety specifications of school buses and we will be pleased to co-operate with other provinces in ensuring that manufacturers are meeting safety standards. In fact, I'm pleased to inform honourable members that the specifications for school buses in Manitoba, each year we have to buy anywhere in the order of 120 buses or more, possibly -- well, I really don't see the need for going into the breakdown or the number of buses for replacement and the addition of other buses as more and more school divisions get into the operation of their own bus transportation programs rather than a contract basis, but the specifications are changed from year to year and usually they are higher than the minimum specifications prescribed by the Canadian organization, the Canadian Safety, Canadian Standards Association, CSA. Ours are higher and they do compare very favorably, and in most cases again are more stringent than those of some of the other provinces of Canada or the states of the United States of America.

So this is under constant review. We are in very close communication contact with other provinces and with the United States of America, and if any changes in the safety devices on the buses, or the need for change in any of the safety devices on the buses should become apparent, I would like to assure honourable members that every effort is being made to incorporate them, and of course we have to be mindful of the fact that insofar as bus safety is concerned or the design of buses, chassis and bodies, that by reason of the fact that they are mass-produced, not in terms of lots of fifties or hundreds but probably thousands, therefore there has to be some general agreement on certain basic standards amongst the provinces to make it feasible for a manufacturer to build bus bodies or chassis along certain lines, incorporating certain safety features in them. Now of course there may also be other features, that's true, that could be added for as few as 1, 2 or 3 or 10 or 15 buses, if we're talking about the installation of another mirror or the installation of some particular safety catch or that sort of thing, but some have to be applied more or less on a universal basis if they are going to be applied at all.

I would also like to assure honourable members that from time to time other provinces, because of some experience that they may have had, other provinces become aware of the need for certain safety features before we become aware of them, and I would like to assure honourable members that the other provinces do receive our support both in attempting to encourage manufacturers to build in those safety devices, and also seeing to it that the full safety devices are written into our specifications when we're purchasing buses. In closing, Mr. Speaker, I would most emphatically -- and I must at this point deny that this government is not meeting its responsibilities with respect to the assumption of a larger share of the cost of education. Perhaps I should also, in being fair to the members of this House, I should be mindful of the fact that while the debate on this bill was continuing, an announcement had been made last Friday with respect to a revision of our tax credit program, which is a further step toward the relieving of the tax burden on the property owner on the home owner, be he an

BILL 36

(MR. HANUSCHAK Cont'd) urban dweller or a farm dweller, and therefore I believe, Mr. Speaker, that the record speaks for itself, not only in that respect, but also when one considers the increased grants to schools which have come about in other ways: our student equalization grants, the increase in the basic per student grant, as well as the equalization grant which varies in inverse proportion to the balanced assessment per student, which is a major step toward the equalization of a tax burden between what we may call the have and the have-not school divisions, as well as what I've just mentioned a moment ago, the property tax rebate which our Premier had announced on Friday was increased by \$50.00, a possible maximum of \$250.00 commencing with the initial credit of \$150.00. So, Mr. Speaker, I must state again that the government is constantly reviewing education costs, and not only reviewing education costs but also reviewing its participation in meeting those costs, and I believe that during our years in office our record speaks for itself.

Now, as I've indicated, Mr. Speaker, there are a couple of points that either could further be clarified in Law Amendments Committee, one or two wherein I'd be quite prepared to bring in an amendment, and those which if further clarification does not satisfy the members of the committee, amendments, further amendments could be brought in and I have made specific reference to those particular sections, one dealing with the option of tying school board elections to municipal elections, and clarification with respect to the section dealing with the election of trustees in Brandon.

MR. SPEAKER: Is it the pleasure of the House to adopt the motion? (Agreed)
 Bill No. 42. The Honourable Member for Rock Lake.

MR. FERGUSON: Stand, Mr. Speaker.

BILL NO. 43

MR. SPEAKER: Bill No. 43. The Honourable Member for Gladstone.

MR. FERGUSON: Thank you, Mr. Speaker. Bill No. 43 is again an attempt to establish some sort of adjudication I guess between the farmers, the implement dealers, and the manufacturers. I think it's maybe a step in the right direction in many ways, and I think we, as farmers, and anyone that's involved in the implement business, recognize that there are becoming fewer and fewer dealers and we have to establish a bit of a relationship, possibly to a greater degree than we have back over the years whereby we had a dealer in every small town and everyone knew everyone quite intimately and consequently the business trust was very well established. We also are aware that as each new clause and each new regulation comes in that there is normally a cost involved, and that the end result will be that the farmers are the people that will be picking up these increases in costs.

There are many new sections in this Bill, Mr. Speaker. The first section I think that would draw our attention would be the warranty clauses. There are some changes here which I think are quite all right, the three years on tractors, 1500 hours, and the same with combines, and the one year warranty on any other equipment. There is one section here whereby there are six specific items that are going to be deleted, namely tires, batteries, belts, hydraulic components, electrical parts and diesel pumps. Here I think that the warranty is to be established by regulation. We would like to know what the regulation is, and we would also I think like to have hydraulic components and diesel pumps remain with the warranty on the unit with the company.

We also would like to see a choice of warranties here whereby the customer has the option of taking the old machine company warranty, or going for basically the warranty that is an increase of cost to the farmers of 1-1/2 percent, and the next warranty provision is 4-1/2 percent, basically this covers labour and transportation, the 4-1/2 percent. And I'd like to point out at this time, Mr. Speaker, that ten years ago 1-1/2 percent didn't sound like too much but when you're dealing in 15 and \$20,000 units, why it can be a considerable increase, and I think that here again that there should be a choice to the farmer in the type of warranty that he wants.

The license and bonding section is something else again. We have no hang-ups on the licensing or the bonding but there is one specific clause that we would like to have an explanation on, namely, that the Board in its absolute discretion may waive the requirement of a bond. Now we would like to know what is the purpose of a license or a bond if the Board is going to have this discretion, the option of waiving it. This could become quite a little

BILL NO. 43

(MR. FERGUSON contd.)

bit of a blackmailing issue if it was desired to be used that way, and this particular clause, we would not go for it at all.

Again getting into the sections of suspension.

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

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): The honourable member is alluding to specific sections of the Act, and I gather that that is not within the rules.

MR. SPEAKER: The point is well taken. We are discussing principle of the bill not section by section.

MR. FERGUSON: Very well, Mr. Speaker. We would like to see in the Bill where there is the suspension without notice, that the dealer have the option, or the dealer have the right of a hearing before suspension. This is something that we feel is not in the interest of the dealer; a suspension without notice, just as it says, can be a very severe penalty because of the fact that by the time an appeal is put through and it reaches all the proper channels, a man may be out of business for four months or five months, or whatever the case may be. We feel that the cause for the suspension - at least there should be a hearing before the suspension is put into effect.

There is a fund of \$300,000; the government are going to put this money up, then they are going to collect it from the dealers. The dealers in turn will be assessing the farmers to keep this fund up to strength, and again this is to be by regulation. We would like the Minister to tell us what is involved here; we would like to know the limit of each claim; and we would like to have a definition of what is going to constitute a claim.

Now we find, Mr. Speaker, that it is very hard to legislate goodwill in a business. There is a danger that if we become too involved with this Act that there may be many misunderstandings arise between the farmers, the dealers and the manufacturers, and we would like to keep it as simple as possible where we're not having the customer phoning the Farm Machine Board and becoming involved in arguments which could become quite a continuous operation.

We are facing a period in our agriculture, Mr. Speaker, whereby there is a very great shortage of farm machinery in the Province of Manitoba. I would like to point out at this time that in 1966, Manitoba had 6.6 percent of the purchases of tractors in Canada, and 12.2 of the combines; in '73 we had 8 percent of the tractors purchased, and 15.5. On the over-all North American market, we were 1.1 in 1973, and .08 in 1972 in tractors. I think this signifies that we are a very small portion of the market to the larger companies, and not that we are in any way trying to skate around the fact that possibly the companies have at times been a little rough, I think that we on the other hand, if we start enforcing too many regulations on them, it will be a very simple matter for them to more or less cut off deliveries to the Province of Manitoba; I think that we should bear this in mind when we are formulating some of our policies.

Now I think, Mr. Speaker, that that is all that I have to say on the bill at this time. We would hope that when this bill goes into committee, whether it goes to Law Amendments or Agriculture, that we'll have an opportunity then again to maybe move some amendments and have further discussion on the bill. With those few words, Mr. Speaker, I believe that's all I have to say at this time.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BOB BANMAN (La Verendrye): I move, seconded by the Member from Brandon West, that the debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: Bill No. 44. The Honourable Member for Fort Garry. (Stand) I guess it's up to the House Leader. The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, I beg to move, seconded by the Honourable Minister of Education, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee of Supply with the Honourable Member for St. Vital in the Chair.

COMMITTEE OF SUPPLY - LABOUR

MR. GREEN: Mr. Chairman, there is apparently some difficulty in that the Minister of Labour will not be here much longer - temporarily that is - and he would appreciate it if we could move on the next item which is the Department of Co-operatives which was held waiting for the Leader of the Opposition to return, and we would like to do that and come back to the Minister of Labour's Estimates as being incompleted, but to resume when the next department is finished.

MR. CHAIRMAN: Agreed?

MR. CRAIK: Mr. Chairman, we really didn't plan on spending very much more time on the Department of the Civil Service and I think probably if he's talking about winding it up for the supper hour or something like that, we may find the fact that we're all completed. If that's acceptable to the House Leader, At this point we don't have any particular reason to think that we're going to be extending the hour unless the Minister himself feels he needs longer.

MR. CHAIRMAN: The Minister of Labour.

MR. PAULLEY: . . . on this point, so many remarks have been made pertaining to the department and to the Civil Service Commission that I am not prepared, I am not prepared to just pass by the Estimates of the Civil Service Commission without a considerable amount of debate or involvement in debate. I appreciate, Mr. Chairman, that I do have certain responsibilities or certain involvement today, in that I have been given an invitation to attend at Government House in honour of the visit of the Governor-General of Canada, and time is of the essence. However, if the committee insists that notwithstanding that commitment that I should stay here, then I will have to say to His Honour, the Lieutenant-Governor that unfortunately I am not able to attend the function at Government House tonight in honour of the Governor-General of Canada. I leave it to the committee, but I do --(Interjection)-- No, not the opposition, I leave it to the committee. I'm prepared, I'm prepared to stay here this afternoon or this evening and not take part in the functions to which I have been invited. On the other hand, Mr. Chairman, I do want to indicate to the committee that as the Minister responsible for the Civil Service Commission, I am not going to permit the estimates of the Civil Service Commission to pass by without some contribution from myself and others at this particular time.

Now the Honourable House Leader of our Party has given an alternative; that is, that my colleague, the Minister of Agriculture would proceed with one of his functions. If this is not agreeable to the House then I'm prepared to stay and carry through with the Estimates of the Civil Service Commission. I leave it, Mr. Chairman, to the judgment of the committee as to whether or not I may be permitted to participate in official functions as a result of the Governor-General coming to Manitoba or not.

A MEMBER: We're not even permitted to . . .

MR. PAULLEY: I am.

MR. CHAIRMAN: Order please. The Honourable Member for Riel.

MR. CRAIK: Mr. Chairman, the difficulty in moving on to the other department is that the Leader of the Opposition also is at the same function, and as the House Leader has pointed out --(Interjection)-- No, it was a case of the particular department referred to being held over. Now as I said we were already involved in the Civil Service Estimates, and our preference would be to attempt to finish Civil Service or to do something else then.

MR. CHAIRMAN: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I don't think that anybody is disagreeing that the Minister of Labour shouldn't be excused if he thinks that it's going to go beyond the time when he'd have to leave which would be before 5:30 - at least I didn't gather there was any objection. Therefore, if there is the same type of problem relative to the Minister of Agriculture, we could move on to the Attorney-General's Department, the Attorney-General I believe . . . Well, I'm looking here - excuse me, is it Municipal . . . I think I could get the Minister of Highways to go ahead.

A MEMBER: He's not here.

MR. PAULLEY: Well, I don't give a damn.

MR. CHAIRMAN: Order please. The Honourable Member for Fort Garry.

MR. SHERMAN: Thank you, Mr. Chairman. I presume we're on a point of order. The debate on this particular resolution standing in my name - insofar as debate in committee can stand in anyone's name - and I was prepared to, I think I had 29 minutes of my 30 minutes

COMMITTEE OF SUPPLY - LABOUR

(MR. SHERMAN cont'd) . . . left, and I'm certainly prepared to speak, not necessarily at that length, but I am certainly prepared to entertain the suggestion that the Minister is making; if he has to get away at a certain period of time, I'm prepared to cut my remarks accordingly, but I want a chance, as he does, Mr. Chairman, to speak on the Civil Service.

MR. CHAIRMAN: The Honourable Minister of Labour.

MR. PAULLEY: Well, Mr. Chairman, on this point, all that I'm asking or suggesting to the Committee, is it an obligation and a responsibility for me as Minister responsible for the Civil Service Commission to stay in the House in view of the visit of His Excellency the Governor-General of Canada? If this committee, if this committee - oh, shut up - if this committee feels that my responsibilities are firstly to this committee rather than commitments, then I am prepared to stay and forego the kindness of the Governor-General to attend a state function tonight. Now, it's just as simple as that. We have other Ministers, my honourable friend, some people suggest that we have until 5:30. Well, maybe I should take a shower before I go. I will not go unless I have an understanding from the Committee that they accept that sometimes people have responsibilities other than responsibilities of being here in this House.

MR. CHAIRMAN: The Honourable House Leader.

MR. GREEN: I gather as a result of the discussion that it would be agreeable that we come back to the Civil Service Commission at a later date and that we proceed with the Minister in charge of Co-operatives right now. With the caveat that was made by the Honourable Member for Fort Garry, that when we get back to the Civil Service Commission, he has 29 minutes left on his address.

MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. SHERMAN: I think, Mr. Chairman, the dilemma that we all find ourselves in is whether - the question is whether we want to do the Committee a favour or do the Governor-General a favour.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Chairman, on this I don't think that I will be doing the Governor-General a favour of dining with him this evening.

MR. JORGENSEN: No, you will do him a favour by staying here.

MR. PAULLEY: All right. Then in accordance with the normal position of the Member for Morris, I will stay and I will consider, - the committee can consider. . .

SOME MEMBERS: No. No. No. No. No.

MR. PAULLEY: . . . the Estimates of the Civil Service Commission. And isn't it so blinking well typical, Mr. Chairman, of the Member for Morris, so let's get on with the estimates of the Civil Service Commission.

SOME MEMBERS: No. No.

MR. CHAIRMAN: The Member for Fort Garry.

MR. SHERMAN: No, Mr. Chairman, I have . . . I would hope that the House would give me leave to suggest that I have the right as the member in whose name the debate stands to suggest that the Minister fulfill his ministerial and ceremonial functions on the occasion of a state visit, and I will get my 29 minutes a little later on.

COMMITTEE OF SUPPLY - CO-OPERATIVE DEVELOPMENT

MR. CHAIRMAN: Is it the will of the Committee to move into consideration of the Estimates of Co-operative Development? The Minister of Co-operative Development.

MR. USKIW: Mr. Speaker, let me observe initially that this is my third attempt at trying to introduce the Estimates of the Department of Co-operative Development, and let me point out, Mr. Chairman, that it was for reasons other than my own that I was unable to do so earlier. I don't know whether the Leader of the Opposition and the Official Opposition would appreciate the point I'm making, so I'm going to elaborate somewhat; in that I was accused, Mr. Chairman, of trying to abscond from my responsibilities because of the debate of that time and that I really pulled a switch on the Opposition at the time that I completed the consideration of the Estimates of the Department of Agriculture, and that it was expected that Co-ops would follow immediately thereafter.

I should like to point out firstly, Mr. Chairman, that no indication was given to members opposite that Co-ops would follow Agriculture. Notwithstanding that, Mr. Chairman, I was

(MR. USKIW contd.)

SUPPLY - CO-OP DEVELOPMENT

prepared to proceed at that time, but it was on the insistence of the Minister of Finance, Mr. Chairman, that I agreed to put off the consideration of the Estimates of the Department of Co-ops because he wanted to use that department as a bit of a guinea pig in the introduction of its estimates by providing for two additional formats of our estimates to be presented to the House for consideration, which would greater illuminate the activities of the department for my friends opposite; and indeed it is the format used in Ontario and the Province of Quebec, Mr. Chairman, and I believe members opposite have all received copies of those. I would hope that they have, because certainly it will assist them in going through this experimental period, so that we may decide subsequently whether or not we would want to change all of our presentations of all of our departments in future years on either of those formats.

So I want to simply make the point to the Leader of the Opposition, and in particular, Mr. Chairman, to the Member for Morris, who rose on his feet and accused me of wanting to run away from debate at that time, and which was obviously not the case.

Mr. Chairman, I want to say that the first co-op legislation appeared in the Province of Manitoba way back in 1887 and that it provided for two services in particular, but not until 1949 were these services added, Mr. Chairman, to the responsibilities of government. One, to register co-operatives in credit unions; and the other service was to regulate them to ensure that they complied with the legislative requirements.

There was no assistance provided to local groups in the establishment of co-operatives anywhere, Mr. Chairman, whether it be in southern Manitoba or the north. The establishment of co-operatives at that particular period right up until very recent years, right up until - almost 1970, was really based on the efforts of the people themselves and not on the wishes of government, and certainly with very minimum government support.

In 1963, the department - not the department, it was a branch at that time, a branch of the Department of Agriculture, hired the first co-operative supervisor; 1963, Mr. Chairman, much later than the year in which the legislation was brought in in 1887 providing for the incorporation of co-operatives in this province.

Despite the pressures of local people in various communities and indeed in northern communities, the government maintained a very minimum amount of support. There were no training programs, no programs on management; there was no loan fund available, Mr. Chairman, for most of those years. In fact not up until - oh, in the late 1960s was there a loan fund established. And that, Mr. Chairman, was through the back door. The government did not introduce a program for the provision of loan capital for co-operative development in this province, but only by way of the utilization of the Wheat Board money trust funds that were available. That particular board was charged with the responsibility of considering applications for loans, against which of course the government agreed to guarantee any losses up to \$100,000 per year.

Mr. Chairman, I think you would observe, you would observe that \$100,000 for the whole of the Province of Manitoba in financial support had to be considered as being very meagre. Obviously it reflected on the philosophy of the government which at that time was not very much interested in the development of co-operative enterprise anywhere. Certainly it wasn't going to do anything to make it happen, but would only be dragged into the support of those that develop in spite of government policy.

1971, Mr. Speaker, was the year in which this government introduced a different concept, a more forward-looking concept in the development of co-operatives in this province, by (a) establishing the Department of Co-operatives for the first time in this province's history, and equipping that particular department with a loan fund, and in particular with a loan fund that would pay special attention to Northern Manitoba.

In 1972 we added training and educational programs, co-op development programs, field accounting services, programs to assist groups in the establishment of co-operatives for housing, agricultural production and other areas of activity. A Research and Planning program was added in the fall of 1973, Mr. Chairman, programs to meet the needs of developing co-operatives. The loan fund was expanded from the meagre \$100,000 to \$2 million as of last year and an additional million dollars is being added to the fund this year. Very recently members will recall that the Department entered into an agreement with the Credit Union Stabilization Fund or the board of that fund and the directors of Les Bonds de Securite, La Caisse Populaire which will undertake to audit their own credit union program. In other words,

SUPPLY - CO-OP DEVELOPMENT

(MR. USKIW cont'd.)

it was a concept entered into, a concept of self-discipline which will in the long run relieve the Department of many responsibilities - not responsibilities but many of these activities, but will still leave the Department pursuant to the legislation ultimately responsible. And we must be ultimately responsible, Mr. Chairman, to ensure the members of these credit unions that their funds are indeed secured.

The transition from a weak branch of the Department of Agriculture to the status of a Department has been however very gradual. We didn't want to explode into a major department very quickly. We did inherit a very weak organization. We had to assess the needs of that department, ways and means in which we could strengthen various areas of activity. We indeed, Mr. Chairman, reclassified some positions so that we could attract much more capable people than we had in the past within the branch system. And that is --(Interjection)-- The Member for Arthur is now alluding to something that happened in the Department of Agriculture, Mr. Chairman. I am now debating the Department of Co-operative Development. So we have tried to bring about an upgrading of our personnel who will assume these greater responsibilities. We have hired a new Director of Co-operatives only in the last couple of months. I can say, Mr. Chairman, that he is well initiated by this point in time thanks to the Leader of the Opposition. A man that was brought into this province from the Province of Saskatchewan with a great deal of background in co-operative development. That initiation will do him well I'm sure into the future, Mr. Speaker, because he has some very ominous responsibilities, and in particular very very important responsibilities with respect to the structuring of the co-operatives in Northern Manitoba.

I think it's reasonable to admit, Mr. Chairman, that we were not as a branch capable of dealing with the magnitude of the problems of Northern Manitoba in the establishment of co-operatives and we are gradually attaining greater expertise in order that we may do a better job in that respect. But let me say, Mr. Chairman, that we are doing much more, much more than was attempted to in the past, and I will refer later on to the statistics of the past to give the members of the opposition a complete summation of their negligence in the development of Northern Manitoba, Mr. Chairman. --(Interjection)--

You know, Mr. Chairman, I want to respond to that comment because the Leader of the Opposition is saying blame us for your lack of initiative or for your mismanagement. I want to tell him that if there is mismanagement that mismanagement was carried out by staff we inherited. And, Mr. Chairman, and, Mr. Chairman, and Mr. Chairman, and Mr. Chairman, the Leader of the Opposition says, "what a Minister". I want the Leader of the Opposition to tell me who hired, who hired Bill Kalinowsky who was in charge of the northern co-operatives, who hired that individual? And I'm not showing any disrespect on the individual but I'm suggesting that the members opposite are accusing . . .

MR. CHAIRMAN: Order please.

MR. USKIW: Members opposite have accused, have accused these gentlemen who they have put in those positions and who we inherited, Mr. Speaker.

A MEMBER: No. You're incredible.

MR. USKIW: You're incredible, you're incredible.

MR. CHAIRMAN: Order please.

MR. USKIW: And now the Leader of the Opposition has to raise the point of mismanagement. Mr. Chairman, had we taken a wholesale position on the status of the branch and fired everybody at the top we would have had a filibuster on this side. They would have said it's a political motivation. Mr. Speaker, we didn't fire anyone. In fact we did assume that these people had the capability. And I don't suggest that they don't, Mr. Chairman, but the Leader of the Opposition has suggested that they don't. I want to remind him that it was those people that were in charge that were hired away back in 1963, and not in 1969 or '70 or '71.

MR. CHAIRMAN: The Leader of the Opposition on a point of privilege.

MR. SPIVAK: I think it's a privilege with respect to the House because I think it has to, you know, the Minister in the heat of debate may make some statements that he may regret. I think it's important for him to clarify the position. Is he suggesting at this point that the problems of mismanagement are the problems that they inherited because they maintained the staff of the Civil Service? --(Interjection)-- Then what is he really saying?

MR. USKIW: Mr. Chairman, I said that the Leader of the Opposition accused the

SUPPLY - CO-OP DEVELOPMENT

(MR. USKIW: cont'd.)

Department of mismanagement. And then I said if there was mismanagement the same people were in charge now as they were since 1963. And therefore let not the Leader of the Opposition not suggest that this is something new if there is something wrong. If there is something wrong it was there a long time. I don't accept, Mr. Chairman, don't accept, Mr. Chairman, that there was something seriously wrong, knowing the problems of Northern Manitoba and the way that you have to deal with them.

So let me say, Mr. Chairman, that the first allegation I've already proven wrong. The allegation that I didn't want to debate the Department of Co-operative Development. I've already placed on the record the reason why I was asked not to proceed at the time when members opposite assumed that I should be proceeding. Let me say that I have since resisted twice now - not twice, another occasion, and only because of the wishes of the members opposite that I not proceed. You know I don't fault them for it but I fault them for taking cheap political marks over things which they know cannot be prevented. That's what I fault them for, Mr. Chairman.

The members opposite, Mr. Chairman, either they don't wish to understand or they don't understand the relationship between the Department of Co-op Development and the Co-ops in Manitoba. Perhaps, Mr. Chairman, they wish to fake their ignorance. I don't know what it is. Or perhaps, Mr. Chairman, as I outlined earlier, they are so philosophically opposed to the development of co-operatives that they want to bring them into disrepute in one way or the other. I don't know which it is. But one of those hats must fit, Mr. Chairman. The Leader of the Opposition is really at the top of the list in that respect.

The allegations which were presented to this House have not been substantiated. Any documentation that was tabled - and in particular the documentation which alleges fraud that was tabled in this House was an unsigned, unofficial document over which, over which the Leader of the Opposition would want to raise some degree of fuss, Mr. Chairman, hoping that the climate is right politically, hoping that because of the kind of things that are going on in the United States would have people respond here in Canada to those kinds of allegations, hoping that the public will assume that there must be something wrong up at the top simply because it seems to be happening everywhere and elsewhere.

Mr. Chairman, I don't know whether anything happened that is of a criminal nature. But let me say this, that if it did obviously it should be corrected and the investigations that are taking place will determine whether or not there is need to proceed in that direction. But I question the Leader of the Opposition, Mr. Chairman, questioning the integrity of the staff of the department; on a wholesale basis, Mr. Chairman, imputing motives to staff without proving his case, without tabling any evidence. I question, Mr. Chairman, why he would take the position of tarring all of the staff of the Department with one brush, even if there was any ounce of truth to what he has said. And so far we have not been able to establish that. Certainly there has to be a morale problem in the Civil Service system when that kind of situation arises.

And I want to remind members opposite that that is not the first time that they have done this. Mr. Chairman, over the years, the last five years there have been many occasions when new people hired by the government have been brought into question; hired properly through the Civil Service and they have been brought into question, Mr. Chairman. That is not the way in which we used to proceed in this House. As I recall it when I was on the other side I think it was always frowned upon when someone raised a particular question over a person hired through the Civil Service. Unless you had something on which to base your accusations you normally wouldn't indulge in that kind of thing. But, Mr. Chairman, in the last few years it has been such a habit forming thing that it almost occurs daily where motives of Civil Service are questioned even though they are properly employed, go through the proper hiring procedures and all that goes with it, Mr. Chairman.

So let me say for the record, Mr. Chairman, that if there is anything wrong as the Honourable Leader of the Opposition would suggest, if there is anything fraudulent there's no doubt that we would want to put an end to those kind of activities. But we wouldn't want to tar every staff person in the department with that kind of a brush but would rather want to single out that individual or group of individuals who may have been so involved. But certainly, Mr. Chairman, there is a responsibility to substantiate those kind of charges before one would

SUPPLY - CO-OP DEVELOPMENT

(MR. USKIW contd.)

even want to proceed in that direction; and certainly would be questioned by the Civil Service Commission if you proceeded without doing that.

So let it rest on that point, Mr. Chairman. The investigations of the Auditor are going to reveal certain things and the preliminary investigations of the Attorney-General's Department should reveal whether there is any need to proceed further on the question. And for the record I am not at all embarrassed to say that I would be prepared to dismiss anyone at any level that has been found guilty of a fraudulent act, Mr. Chairman. There is no way in which we could employ people that have been found to act in that way. And the Honourable Leader of the Opposition knows that. Nor is it in my interest if I want to be very political about it, Mr. Chairman, to protect anyone that may have been involved in that way, not in my interest and I certainly wouldn't want to entertain it.

So, Mr. Chairman, it is obvious why the co-operative development of this province has not proceeded at the pace which it should have. Based on the priorities of governments in the past, it is not surprising that we have not had the kind of aggressive development in that area that we should have had. Let me say that outside of the retail and the agricultural area we have had very minimum activity in the co-operative field.

Let me also point out to the Leader of the Opposition that if he really believed in Canadian economic independence and economic democracy that he should be putting his shoulder behind the wheel to have the co-operative system take over more and more responsibility because ultimately they will have played a much greater role towards greater Canadian independence since co-operatives are owned and controlled by the people who patronize them, and who distribute their profits, Mr. Chairman, on the basis of patronage rather than on the basis of the numbers of shares that one may have in the company. I think that in itself is a commendable thing for which all members who aspire for greater Canadian sovereignty should want to get behind.

Despite the lack of government support, Mr. Chairman, in Northern Manitoba during those years we did have some 17 co-operatives established by 1966. Again I want to remind members opposite that while we had those 17 established we still had only one co-op development officer at that time. So notwithstanding the lack of support we did have 17 co-operatives set up in Northern Manitoba by 1966.

In 1967 was when the first loan fund was established, a loan fund of 100,000 and let me point out, Mr. Chairman, that even if at this point in time that all of our loans that we have made since the fund was expanded, if they were all lost, they were all in default, whether it be the co-operatives or the individual fishermen or whatever, it wouldn't come close to most of the single losses on single projects that were entered into by the previous government, Mr. Chairman. And I can name a whole host of them. The totality of these losses would not amount to the losses of one of their projects which we have had to pick up, Mr. Chairman. --(Interjection)-- Well I can name you Columbia Forest Products as a good example. It would take us another five years of loan funding of northern co-operatives and to lose them in totality to equal that, Mr. Chairman.

So I want to tell the Leader of the Opposition that the embarrassment is his not mine, because I am prepared to say right here and now, Mr. Chairman, that we are prepared to lose money in Northern Manitoba. --(Interjection)-- Yes. And we will lose money in Northern Manitoba, Mr. Chairman. As long as we want to talk in terms of a financial balance sheet there is no question that every one of these northern co-operatives that have been set up, or will be set up, tie in a great deal of risk for the government if they are involved financially. No question about it whatever. And we do that very consciously, Mr. Chairman. We know that in advance of setting up the loan fund. The very reason the loan fund is there is because no one in the private sector is going to put out the money, Mr. Chairman, and therefore these people are left with no options at all and must continue in the old welfare treadmill, Mr. Chairman, that they have been so accustomed to for 100 years. And there is a price to be paid to get these people off the welfare rolls. Part of that price will be the write-offs of loans, part of that price is going to be the write-off of loans through the Co-operative Loan and Loan Guarantee Fund; and we're not going to be apologetic about that for one moment.

You know if you look at the past and you look at the \$100,000 that they put up as an excuse for Co-operative Development and think in terms of the existing co-ops in this province,

SUPPLY - CO-OP DEVELOPMENT

(MR. USKIW contd.)

what did that amount to? About 4 or 5 thousand dollars for co-operatives, that's all they provided, Mr. Chairman, as a loan fund, MDF was able to get hundreds of millions of dollars, Mr. Chairman; CFI alone was in the hundred million dollar bracket, the biggest white elephant we've ever built in this province, the biggest white elephant we ever built in this province, Mr. Chairman; \$100 million worth and then some, and then some, Mr. Chairman. And they are going to quibble about a few thousand dollars lost, a few thousand dollars lost in Northern Manitoba!

The Leader of the Opposition questions my figure and I want to tell him that while we have guaranteed certain loans, very few of those loans (a) are in default - that doesn't say that that may not happen in the future but at this point very few are. And the big ones that are we have secured with the assets of those co-operatives. South Indian Lake is the only major one, wherein we originally put up a guarantee of some \$800,000 but which is now down to 600 and some odd thousand dollars, but over which we have security on the assets, the buildings, the equipment, the boats. Even if it closed down and never re-opened, Mr. Chairman, we would recover something on those assets and I don't know what figure it would be, but certainly the boats are worth something, certainly the equipment in the plant is worth something and certainly now that we have - which we didn't have before, Mr. Chairman, - now that we have a Town of Leaf Rapids in which this facility now exists, the facility itself is going to have some value. So let's not be terribly apologetic. It is our hope, Mr. Chairman, that we don't have to face that prospect, that we are going to carry on, that that facility will operate year after year, and that we will get ourselves out of the financial problem that we are in through that particular co-operative. But let me say, Mr. Chairman, that again the choice in Northern Manitoba is risk taken by government versus welfare. That's really the choice, that's really the choice.

Mr. Chairman, the history shows us very well that the Leader of the Opposition when he was on this side was prepared to take major risks, not with the citizens of Manitoba, Mr. Chairman, but with people whom we didn't know anything about; prepared to enter into massive contracts involving tens of millions of dollars, hundreds of millions of dollars with people in Switzerland, I don't know where else, Mr. Chairman, whose identity they didn't know, whose identity they didn't know and which they wouldn't reveal an ounce of information to this House on, Mr. Chairman, when they were sitting on this side. Mr. Chairman, I am prepared to say here and now, here and now, that we are prepared to take risks with respect to the citizens of Manitoba and more risks with respect to people in Northern Manitoba and they will in totality never reach the kind of losses that one of their projects has cost the people of this province.

MR. CHAIRMAN: Order please. The Honourable Minister's time has elapsed.

MR. USKIW: Mr. Chairman, if I cannot carry on, I will do it on another occasion but I didn't complete my remarks.

MR. CHAIRMAN: Does the Minister have leave to continue? Leave is denied. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, the Honourable Minister had one half hour to present the estimates of the department and I think to at least deal with many of the allegations that have been made in the past period of time.

MR. CHAIRMAN: The House Leader on a point of order?

MR. GREEN: Yes. Mr. Chairman, I want it clearly understood that the Minister has indicated that he has not completed the introduction of his estimates. I would also like it for the record stated here that when this arrangement was made to remove the time limit on ministerial statements, it was given as a semi-assurance by the people on the Conservative Party who were there for the rules, that a minister would be given leeway in presenting his estimates. That not being the case, it will be looked to at the next Rules Committee meeting.

MR. CHAIRMAN: The Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, yes I think the Honourable Minister of Mines and Natural Resources can enter the debate at an appropriate time. I don't think he had a point of order at that time. I'll tell you why, Mr. Chairman. The Minister had within half an hour the ability to be able to introduce by way of his estimates, answers to the charges that have been made. Instead, Mr. Chairman, the Minister took the opportunity to demonstrate what I consider is an incredible abdication of parliamentary responsibility as a Minister of the Crown. In effect,

SUPPLY - CO-OP DEVELOPMENT

(MR. SPIVAK cont'd.)

Mr. Chairman, the Minister has reached a new low in this Legislature by his actions and by his statement, Mr. Chairman. Mr. Chairman, he has proved himself as a Minister, both as a weak yellow bellied minister, by his actions to suggest that in some way, Mr. Chairman. . .

MR. CHAIRMAN: Order please. The Honourable House Leader.

MR. GREEN: . . . the remarks that the honourable member has used are unparliamentary by my recollection of Beauchesne. If I have to document it for you, Sir, I will document it if the clerk will bring me Beauchesne, and I ask that those remarks be withdrawn. They are unparliamentary.

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

MR. SPIVAK: Mr. Chairman, I'm prepared to withdraw those remarks if they are considered unparliamentary. But, Mr. Chairman, I rose on this debate because of the incredible, absolutely incredible performance of the Minister in the suggestion that in somehow, because he became a Minister of the Crown and inherited a Civil Service staff who were in fact hired by the previous government, that in some way that was a reflection on this side, if there was mismanagement by his officials. Mr. Chairman, that's what I interpret his remarks to be, that's what I interpret his remarks to be, Mr. Chairman. I interpret his remarks to be such that he should resign as a Minister of the Crown.

Mr. Chairman, the allegations that have been made dealing with the department with respect to the northern co-ops deal with the waste of money through mismanagement. The Minister is the minister responsible and unlike the Minister of Mines and Natural Resources, who has time and time again said I take responsibility for what happens in my department, the Minister of Mines and Natural Resources (?) did not say that. Mr. Chairman, I interpret his remarks and I think everyone heard them, and the ladies and gentlemen of the press did, I interpret his remarks as indicating that somehow or other if there was mismanagement it came from the very people who were hired by the previous government. --(Interjection)-- Well, Mr. Speaker, the question that we want to ask the Minister and the question he should have addressed himself is, is there mismanagement or is there not? What he has suggested, Mr. Chairman, is that if there was a loss, losses have to be expected because of new initiatives in Northern Manitoba. But, Mr. Chairman, that isn't the issue. The issue is whether there has been waste through mismanagement, and that's very different than a loss that is borne as a result of new initiatives, because there are moneys that have to be expended that could not be expended in that way.

Mr. Chairman, the fundamental question that has not been answered by the Minister, because he is incapable of answering it, because he does not know his department, because he has not handled himself in a proper manner as the Minister and because he has demonstrated what I consider an unbelievable weakness as a Minister, is the determination as to whether those northern co-operatives under his supervisions and management have in fact mismanaged the affairs of the Board of Directors to the extent that millions of dollars will be lost.

MR. CHAIRMAN: The Minister on a point of order?

MR. USKIW: Yes. The Honourable Leader of the Opposition suggest that the department manages the northern co-operatives. That is not correct, Mr. Chairman.

MR. CHAIRMAN: The Leader of the Opposition.

MR. SPIVAK: The Honourable Minister will be able to debate that item. I say to you that for all intents and purposes, because they both have the Power of Attorney in many cases, because the degree of unsophistication of the Board of Directors who basically place themselves in the hands of the department officials, because of the correspondence that has already been tabled in this House, and more that can be tabled, there is absolutely no question that the co-operatives in Northern Manitoba were under the direction and control, supervision and management of the Department of Co-operative Development, who for all intents and purposes control the financial affairs and who are responsible and will be responsible for an unbelievable financial bath that the taxpayers of Manitoba are going to take. --(Interjection)-- Yes. Unbelievable. You see, because the Honourable Minister indicates - well, we only guarantee so much money, those guarantees aren't arrears.

Let's take a look at the statement of Ilford, just as an example. The book produced by the Minister shows that the guarantee for Ilford Co-operative is \$65,000. Well, Mr. Speaker,

SUPPLY - CO-OP DEVELOPMENT

(MR. SPIVAK: cont'd.)

where is the money going to come from to pay off the \$65,000 guaranteed by the government. Even if somehow or other some funding has been given to try and keep it alive until after the session, where is that money going to come from? There is no way in which --(Interjection)-- what if it's a total loss? All right. The total loss, Mr. Chairman, then is going to be borne by one of two people; it's either borne by the fishermen or it's borne by the taxpayer. All right. And to a certain extent, because of what I believe many creditors were misled to believe, it will be borne by many of the creditors of the co-operatives in Manitoba. --(Interjection)-- Yes. Why, why is this loss taking place? Is this loss taking place because the risks were so great, because it was necessary? Mr. Chairman, if a judicial enquiry was undertaken, it would prove beyond a doubt that the Minister and his departmental people mismanaged, and knew that they were mismanaging, and knew they were not handling the affairs of the fishermen, and were not prepared when knowledge was brought forward to them, to act in the interest of protecting the fishermen and the taxpayers of Manitoba. And, Mr. Chairman, until that judicial enquiry takes place, none of the actions that are being undertaken will in any way disclose the enormity of the loss, the degree of mismanagement or in fact I suggest the collusion of the government in allowing that mismanagement to continue.

And here, Mr. Chairman, I want to make reference to what the Honourable Minister referred to when he talked about Watergate. Mr. Chairman, six months ago, the Minister and the Premier had this matter brought to their attention. Six months ago, Mr. Chairman, the information was supplied; six months ago they could have protected the interest of the people of the Province of Manitoba and they could have protected the fishermen, but they were more interested in protecting themselves. And if you want to talk about a comparison between this situation and Watergate, then I say that comparison is there. The Premier in his statements was not candid with this House with respect to this issue. The Minister was not candid with this House and in certain situations the information given was entirely incorrect; in many other cases it was completely misleading. And I suggest, Mr. Chairman, that that should have cautioned the Minister in making a presentation to at least try and address himself, if he can, to the basic problems with respect to this particular area. Instead he took, you know, an attack which referred to the past, which brought in CFI, which brought in Columbia, which will do anything to draw attention away from the very fundamental situation that the government knew, the government did not act. The Provincial Auditor has indicated at the Public Accounts Committee, Mr. Chairman, that he did not enter this matter, nor did he know about this matter until it was brought up into the House and until the matter was brought before the committee and then he undertook the investigation.

Now I suggest to you, Mr. Chairman, that six months ago the Premier knew about this. He could have referred it to the Provincial Auditor. He did not. --(Interjection)-- Yes, he knew that the state of affairs of the co-operatives were very serious, that there were questions of mismanagement, that there were losses to be borne by the taxpayers, and he was interested at that time in a cover-up in the same way that the President of the United States was interested in a cover-up in Watergate. Mr. Chairman, if a judicial enquiry was held those facts would come out, they would be borne out in testimony under oath, and the Premier would have to swear under oath, and then, Mr. Chairman, we would then establish clearly that the government has not been acting - as it is still not acting - in the interest of protecting both the public and the fishermen, but are more interested at this particular time in protecting their own political scalps.

You know, you know, it ill beehoves the Minister to stand up, you know, piously to try and represent our side as in some way acting improperly and, you know, and casting, casting some . . .

A MEMBER: They're phoney.

MR. SPIVAK: They're not phoney, Mr. Speaker. Casting something on the officials of his department and tarring them. When the Minister stood up, answering some 36 questions about a month ago he stood up and said: "I am informed by my officials that, I am informed by my officials about this. My officials tell me this." He never once as Minister stood up and said, you know, the department's answer, and my answer is this, my answer is this, my answer is this. And then when we said to him, you know, Mr. Minister, your information is incorrect, and then when he came back and said "yes, you know, my information is

SUPPLY - CO-OP DEVELOPMENT

(MR. SPIVAK cont'd.)

incorrect," and he did say that, we then said "if that's the case, then those same officials that have given you the information have either given you wrong information, or when you read that information, you did not give the right information to the House. Either way something is wrong."

And, Mr. Chairman, if the Minister suggests that in some way we are not carrying out our responsibilities in the proper manner, then he doesn't understand what government and opposition are all about. And I say to you that the statements that he's made are totally, you know, totally in conflict with the whole theory of Cabinet responsibility and the responsibility of the Minister to be able to stand up and deal with this. The reason we wanted the judicial enquiry, Mr. Chairman, in this matter was because it was necessary for this to be determined and to in fact be examined without the normal kind of debate that takes place in this House, and with the ability of people to be able to objectively look at what has happened and to be in a position to make a judgment of what has taken place. You know there may very well be and the Provincial Auditor may find some situation in which the fishermen have had something taken away from them as a result of some deed that has some criminal overtones. That's possible. I don't know that, Mr. Chairman, it's possible. And the Provincial Auditor is examining it. He's already indicated that they cannot find some supporting invoices for certain cheques and so therefore his investigation is going further into the co-operative, in this case the Southern Indian Lake Co-operative. And, Mr. Chairman, that's one aspect of it. But the Provincial Auditor will not be dealing with the fundamental issue as to what the fishermen have lost, and now because they won't be absorbing it what the taxpayer will lose as a result of sheer mismanagement, because in effect that sheer mismanagement had the effect of either stealing from the fishermen or stealing from the taxpayer. And the Minister, Mr. Chairman, who has primary responsibility, who did not act, Mr. Chairman, when the matter was brought to his attention, who in fact was prepared to slough it off because it was a nightmare, and it still is a nightmare for him and has been a nightmare for him, you know he has the gall to stand up and accuse us on this side.

Now there are many aspects, Mr. Chairman, and we are going to have time in this debate to deal with it, and to deal with them I would hope in a, you know, in a fairly effective way. And I would hope that when the Minister stands up, and I'm sure he will, to reply and enter the debate he will give us some facts. I hope that he will try and indicate that the fishermen are better off.

You know, Mr. Chairman, the government thought it was wise and necessary for the 50 fishermen in Southern Indian Lake to be guaranteed an \$800,000 loan. There is absolutely no way at the time the guarantee was given, Mr. Chairman, that on the basis of the poundage of fish taken from the lakes by the 50 fishermen that there was absolutely no way in which that \$800,000 loan could ever be paid off. There is no way it could ever be paid off. As a matter of fact there's no way that even the interest on the money can be paid from the commissions that the co-operatives have taken. --(Interjection)-- Oh well, Mr. Chairman, Mr. Chairman, that's after the DREE grant, 800,000 after the DREE grant, 800,000 after the DREE grant. And, Mr. Chairman, the government knew that the \$800,000 they were putting up as a guarantee was money that was going to be lost and it was in the interests of the fishermen.

I think for those who are concerned about the Jets, just for a few moments, and were concerned about the 50 fishermen who received \$800,000 they should think about the Minister of Finance's position - and I think he's probably the strong man in the Cabinet in this respect - about his position with respect to the Jets and the attitude of the government with respect to that. That's a side issue. We'll have time to debate that. But the fact is that the government wasn't prepared, it is not prepared to admit the loss. But I want to tell you, Mr. Chairman, that there is even more involved than that \$800,000. What has to be examined by judicial inquiry would be whether the Department of Co-operative Development, either as a result of the instructions of the Minister or otherwise, in effect set the affairs of state of the Southern Indian Lake Co-op in such a way as to be able basically to in one sense fool the Federal Government who are paying the DREE money as to the actual cost of the Southern Indian Lake Co-op, to be able to maximize the amount and in effect by their action basically, basically cook the books in a way to be able to maximize the problem, maximize the moneys to be available from the Federal Government.

SUPPLY - CO-OP DEVELOPMENT

(MR. SPIVAK cont'd.)

Now there's no way that the Minister is going to acknowledge or admit this. There is no way that this is going to be determined. The Provincial Auditor's terms of references are very limited at this point and I say and I will repeat over and over again, the statements that I have made are serious --(Interjection)-- Beg your pardon? --(Interjection)-- No I'm not laughing. No I'm not laughing. As a matter of fact I find it rather sad. Yes. I'll tell you why I find it sad, Mr. Speaker. The Honourable Minister has been considered one of the better ministers of the government; he has been considered as a potential leader of the party and as the successor to the First Minister. Yet his actions would indicate in a very simple area of involvement a degree of incompetence which I would think shake the very foundation for those who have any confidence in him. --(Interjection)-- No, it's not what I hope. You know the facts speak for themselves. As a matter of fact, Mr. Chairman, I would say this: that if, you know, my case was weak, if in fact my allegations had no basis in fact, if the opposition were dealing, you know, in a ridiculous manner, the very easy way would be to have an inquiry to determine the facts and a very easy way of answering this would be in a position, Mr. Chairman, to be able to, you know, scuttle, and to be able to answer allegations made by a Leader of the Opposition who is just looking for headlines. But I want to tell --(Interjection)-- No. Presented no evidence? Mr. Chairman, the evidence was presented after the Minister gave his answers because we found in that situation a very interesting case. Because almost every answer that he gave had to be changed. Almost every statement that he's made has had to be altered. Almost every bit of information furnished has to have been revised. And, Mr. Chairman, when you have that then you can't have any faith or credibility in his particular matter.

MR. USKIW: Mr. Chairman, I rose in this House and answered some 30-odd questions, one of which was amended subsequently. And before I provided the answer I told the members opposite that I would double check them all. And no changes were made with the exception of the one question. So the honourable member should not allude here, Mr. Chairman, that we have had to revise every answer.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, the Minister one way or another has altered or amended almost every answer that he has given.

MR. USKIW: Mr. Chairman, on a point of privilege. I want my honourable friend to cite one example.

MR. SPIVAK: Mr. Chairman, the Minister - I will cite one example and I will then say that the Minister has altered, amended almost every statement that he has made in this matter. He originally said that he knew nothing of a meeting held in September between the Freshwater Fish Marketing Board and officials dealing with the problems of Southern Indian Lake and that in effect, you know, he wasn't aware of it. He then subsequently - and I don't have the exact wording - but he subsequently admitted that, you know, the matter was brought to his attention at the time, because obviously Mr. Kalinowsky was demoted right after that, and so therefore he had to then acknowledge that he was aware of such a meeting although he at the first - before we produced those minutes, before he knew that we knew about the meeting, before he knew that we had any information on that he denied it. Now . . .

MR. USKIW: Mr. Chairman, on a point of privilege. The Honourable Leader of the Opposition has before him all of the answers provided in accordance with the questions that have been put in this House and there was no retraction from those answers except one correction. So let not the Leader of the Opposition suggest that we had to amend every answer provided. I want to point out to the Leader of the Opposition through you, Mr. Chairman, that if a question is put without notice it is often that we give an off-the-cuff reply that is checked subsequently. But that should not be imputed as being a misleading answer.

MR. CHAIRMAN: The Leader of the Opposition.

MR. SPIVAK: Yes. Well I think the Minister has made my case and I think I would like to continue if I can, Mr. Chairman.

I'd like to quote for just a few moments from a work by the Department of Northern Affairs called a Progress Report on the On Site Fisheries Extension Program in Northern Manitoba, 1973. And I would like to if I may deal with what they claim - now this is the Department of Mines and Natural Resources claim are the organizational problems among fishermen.

SUPPLY - CO-OP DEVELOPMENT

(MR. SPIVAK cont'd.)

Problem 1. Co-operative organization in the areas we have been working in are little understood by fishermen. As a result fishermen really are not aware of how to handle organizational problems within their co-ops. What appears to be the problem causes? (1) Some co-ops seem to have been formed overnight after the disappearance of the fish companies. As a result fishermen don't understand how they work. (2) Most fishermen and on site workers as well don't understand the ins and outs of the Co-op Loan and Loan Guarantee Board or about the consequences a Co-op faces when they fail to repay loans.

Mr. Chairman, I ask you, who had the responsibility and who undertook the responsibility of explaining to the fishermen how a co-op was to work, what the implications of moneys loaned were and what was to take place? You know, Mr. Chairman, it was the very same people who were employed by the previous government who are now acting for the present government, under a Minister who was supposed to determine the policy and see to its execution. But because the Minister didn't determine the policy, because the Minister spent no time with respect to this department, because in effect he gave no leadership the department people did not supervise, did not manage correctly and as a result we have what I consider is a tremendous mess in the north which will cause I suggest a financial bath for the taxpayers of Manitoba.

MR. CHAIRMAN: Order please. The time being 5:30, I am leaving the Chair to return at 8:00 o'clock.