THE LEGISLATIVE ASSEMBLY OF MANITOBA 10:00 o'clock, Thursday, June 6, 1974

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the Honourable Members to the gallery where we have 22 students of Grades 5 and 6 standing of the Kenville School. These students are under the direction of Mr. Nelson. This school is located in the constituency of the Honourable Member for Swan River. On behalf of all the Honourable Members I welcome you all here this morning.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees. The Honourable Member for St. Vital.

REPORTS OF COMMITTEES

MR. D. JAMES WALDING (St. Vital): Mr. Speaker, I beg to present the Second Report of the Standing Committee on Private Bills.

MR. CLERK: Your Committee has considered Bills:

No. 26 - An Act to incorporate The Minnedosa Foundation.

No. 39 - An Act to incorporate Portage Curling Club.

No. 40 - The Presbyterian Church Building Corporation Act.

No. 50 - An Act Respecting Montreal Trust Company.

No. 51 - An Act to amend An Act to incorporate Investors Syndicate Limited.

No. 53 - An Act for the Benefit of Jessie Ellen Gillespie.

No. 57 - An Act to amend An Act to incorporate "The North Canadian Trust Company". And has agreed to report the same without amendment.

Your Committee has also considered:

Bill No. 35 - An Act to incorporate The Red River Community College Students' Association.

And has agreed to report the same with certain amendments.

Your Committee recommends:

a - That the fee paid with respect to Bill No. 40 - The Presbyterian Church Building Corporation Act, be refunded, less the costs of printing.

b - That the time for receiving Petitions for Private Bills be extended to the 19th day of June, 1974; and that the time for receiving Private Bills by the House be extended to the 26th day of June, 1974.

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

MR. WALDING: Mr. Speaker, I move, seconded by the Honourable Member for Gimli, that the report of the Committee be received.

MOTION presented and carried.

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

MR. WALDING: Mr. Speaker, I move, seconded by the Honourable Member for Gimli, that the time for receiving petitions for private bills be extended to the 19th day of June, 1974, and that the time for receiving private bills by the House be extended to the 26th day of June, 1974.

MOTION presented and carried.

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

MR. WALDING: Mr. Speaker, I move, seconded by the Honourable Member for Gimli, that the fees paid with respect to Bill No. 40, The Presbyterian Church Building Corporation Act, be refunded less the cost of printing.

MOTION presented and carried.

MR. SPEAKER: Ministerial Statements or Tabling of Reports. The Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Mr. Speaker, on behalf of the Member for Winnipeg Centre I beg to present the Third Report of the Standing Committee on Economic Development.

MR. SPEAKER: Order please.

MR. USKIW: I move, seconded by the Honourable Member, that the report of the Committee be received. I'm sorry - seconded by the --(Interjection)-- Oh I see. All right.

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MR. SPEAKER: The Honourable Minister is presenting a report. The Honourable Clerk. MR. CLERK: Your Committee met on Thursday, April 25, 1974; Friday, May 31, 1974, and Wednesday, June 5, 1974. At the Friday, May 31, 1974, meeting of the Committee, because of the resignation of Mr. Shafransky, Mr. Boyce was appointed Chairman for the remainder of the session.

The following Annual Reports were accepted by the Committee:

Manitoba Mineral Resources Ltd. (1972-73),

Economic Development Advisory Board (1973-74),

A. E. McKenzie Co. Ltd. and Subsidiary Companies (1972-73).

Officers of the companies and the Board provided information as desired by members of the Committee with respect to the Annual Reports and current operations.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, I move, seconded by the Honourable Minister of Health that the report of the Committee be received.

MOTION presented and carried.

MR. SPEAKER: Ministerial Statements. The Honourable First Minister.

TABLING OF REPORTS

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, I have copies of a Return to Order of the House No. 6 on the motion of the Honourable Member for Roblin.

MR. SPEAKER: Any other Ministerial Statements or Reports? Notices of Motion; Introduction of Bills; Questions. The Honourable Member for Roblin.

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MR. J. WALLY McKENZIE (Roblin): Mr. Speaker, I have a question for the Honourable Minister of Transportation and Highways. I wonder can the Honourable Minister advise the House if he'd consider doubling the hours that the patrols will be working on some of the P. R. roads until they're back in reasonably good condition again.

MR. SPEAKER: The Honourable Minister of Highways.

HON. PETER BURTNIAK (Minister of Highways) (Dauphin): Mr. Speaker, we have considered that and as a matter of fact I discussed this with the Department and we will be hiring extra people and the likes wherever necessary in order to improve conditions.

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

MR. I. H. ASPER (Leader of the Liberal Party) (Wolseley): Mr. Speaker, my question is to the Minister responsible for housing, or perhaps the Minister of Parks and Recreation, I'm not sure which. The question is: is the Government of Manitoba in the process of making an acquisition or assisting in the acquisition of very large holdings of land in the Headingley area?

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

HON. RENE E. TOUPIN (Minister of Tourism, Recreation and Cultural Affairs) (Springfield): Mr. Speaker, I believe about two weeks ago I was asked a question by the Honourable Member for Charleswood in regards to the same subject matter. I indicated then and I reaffirm now that there is a development in the area and I undertook to bring the information to the Honourable Member for Charleswood and I'll do the same for the Leader of the Liberal Party.

MR. ASPER: To the same Minister. I wonder if he could give us some indication when that might happen in order to make a public statement to allay the concerns of the residents of the area.

MR. TOUPIN: Mr. Speaker, the program in question, the development program in question has been under way now for quite some time and that would be part of the report, the detailed report that the Leader of the Liberal Party will be presented with.

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

MR. A. R. (Pete) ADAM (Ste. Rose): Thank you very much, Mr. Speaker. My question is for the Minister of Agriculture. I would like to ask him if he is formulating any programs to prevent liquidation of basic cow herds in the Province of Manitoba?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, the Member for Ste. Rose should be aware, as members

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(MR. USKIW cont'd) opposite should be aware, that there is a great demand for good cows in light of the changes that have been made with respect to the marketing of milk in this province, and that my impression is that we will be very much short of good milking cows and will have to likely import those to Manitoba from other parts of Canada.

While I'm on my feet, Mr. Speaker, I wonder whether I could respond to a number of questions put to me by members opposite over the last number of days.

In particular the Member for Morris wanted to know the percentage of pork that is marketed in the Toronto market - that is Manitoba pork - and the information that the Board supplies me, Mr. Speaker, is as follows: That 35 percent of our production is consumed here in the province; 65 percent of our production is exported out of the province to Northwestern Ontario, Ontario proper, the Maritimes, Quebec and the United States, and some of course outside of Canada. The relevance of the Toronto market vis-a-vis Winnipeg has to do with an agreement arrived at between the Board and the packers that the Toronto market should be used as a base for any formula in pricing, so that that is the answer that I think my honourable friend was really looking for.

Another question had to do with what the Department is doing about the metric conversion. I should like to point out as I did before that we have had some workshops in this area. The departmental personnel are acquainting themselves with the metric system and we will have further workshops and educational programs developed as need arises.

The Member for Portage is not here and I have been waiting for his presence on more than one occasion to respond to him but perhaps I should respond and he might be able to read Hansard if he wishes. The question of the number of hogs shipped to the United States since the new pricing policy was put in effect is in the order of 28, 450, and on the price of course the Board does not allow for disclosure of prices to any given market, as has been the policy since the first day of their operations, but they do indicate that heavier hogs bring about somewhat the same value as our 102 indexed hogs here in Manitoba, and that the American market is somewhat different in that respect. The price variations of course depend on the American market on any individual day as all of the markets do outside of those areas where the Board has some control. So that we can't really give an indication as to value other than to reflect the fact that we would have to sell in a market and at a value in accordance with the market of that day at that particular time. So there would be a different situation every day that we deliver hogs to those markets.

I should like to point out that the problem of delivery is not only peculiar to Manitoba but the Province of Saskatchewan is having very similar problems and are involved in the cold storage of pork at the moment. So that it's something that we all have to bear with.

The Member for Swan River wanted to know why - in his opinion at least - there was some preferential treatment given to a co-operative in Swan River with respect to the allocation of orders by the Hog Marketing Board. I should like to point out that the Board advises that the booking system that they use applies to producers, truckers, people that assemble hogs in assembly yards, auction marts, operators of all sorts in this area and the Co-op Shipping Association is treated no differently than anybody else or no more favourably than anyone else.

I think, Mr. Speaker, that sums up a number of questions that have been put.

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

MR. ADAM: Thank you, Mr. Speaker, I have a supplementary for the Minister of Agriculture, and I apologize for not giving him advance notice. However, the concerns have just come to my notice. I was referring to beef cattle in light of the massive flooding that is occurring around our inland lakes and there is a massive liquidation of cattle.

 $\ensuremath{\mathsf{MR}}.$ SPEAKER: Question please. Orders of the Day. The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Mr. Speaker, I address a question to the Honourable the First Minister. I appreciate the fact that he has just returned to us from out of the province, and I assume that he has come back more learned than when he came. My question is only this, as a reminder, Sir, that I would hope that the progress report on the major hydro developments going on in the province that he undertook to give to the House is still being considered and will be made in due course.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I can confirm to the honourable and immaculately

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(MR. SCHREYER cont'd) dressed Honourable Member for Lakeside that the undertaking that was given is being carried out. The report is in process of being prepared and I continue to hope that it will be available some time this week, which means not later today, then tomorrow.

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

MR. ASPER: Mr. Speaker, my question is of serious import to the Minister of Agriculture. What steps does he intend to take in the future to protect the good residents of the Wolseley constituency from being attacked by loose bulls running around our constituency?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: I think, Mr. Speaker, that perhaps we should try to keep the politicians out of there for awhile.

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

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): Mr. Speaker, a few days ago the Honourable Leader of the Official Opposition asked me a series of questions relating to the Consumer Price Index as it relates to Winnipeg compared with other centres. There were a series of at least four. With respect to housing costs, he asked if I could confirm that - he referred to Manitoba, but in every case we must talk about Winnipeg because the index is for the City of Winnipeg, although it may reflect some parts of Manitoba - whether Winnipeg experiences second highest or about the highest rise with respect to housing costs between April and March. And according to the Statistics Canada this is true but, Mr. Speaker, the fact is that there are different seasonable behaviours, different seasonable patterns across Canada, so in this component it's not necessarily valid to just look at it on a month-to-month basis; a more accurate comparison would be year-to-year movement, and if you compare April of '74 with April of '73, our housing index increased by seven percent and there were two other cities in Canada that were lower in the rate of increase in housing.

With regard to his question on electricity as a component or as a cause for this increase, it is not likely to be the area of electric power because electric power has an extremely small weight in the total index and a relatively small weight in housing, I think it's one-tenth of one percent of the total index. But there are other factors that work here, perhaps it has been caused by the rise of sewer and water levies – this is part of housing costs, that is the cost of sewer and water services, also there was costly roofing damage from melting and freezing of snow and ice at that time and this may be a factor in the rise of the CPI with regard to housing.

The Leader of the Opposition also asked with regard to the CPI with regard to transportation - and again our index did increase, it was the second highest, however our year-to-year performance is quite exemplary, Mr. Speaker, April '73 compared with April '74 - our index - the transportation component increased by 7.3 percent, and there were only three out of 12 cities that were lower than Winnipeg.

Another question was with regard to all items - the overall index - and Winnipeg, all items in April '74, the index registered a high of 152.4, - that is, the total level of the composite CPI, composite Consumer Price Index was 152.4. But there were three other cities higher and Vancouver was the same. I believe, Mr. Speaker, that the Honourable Leader of the Opposition is really trying to compare our price levels with those in other cities and you cannot do that by comparing the CPI levels that have been referred to because the base is not necessarily comparable. However there is another Statistics Canada Report which does give you a base of comparison, and the latest information we have from that source is for December '73 and they only have it available for four categories. And if you take the average of all the cities compared and make that average 100, in December of 1973 therefore Winnipeg's index of the fourth component so far calculated, Winnipeg's index was only higher than the average in one category and that was with regard to tobacco and alcohol. Winnipeg was 102 in December of '73 compared to the average of all major cities in Canada, being 100. Health and personal care, Winnipeg was 100 compared to the average of 100; with regard to transportation costs, Winnipeg was 91 compared to the average of 100 - and I might add, Mr. Speaker, that a component of transportation is other transport costs which includes insurance, automobile insurance; this registered as 78 which was the lowest of any city in Canada. The last item . . .

MR. SPEAKER: Order please. I wonder if I might suggest to honourable gentlementhat have a very lengthy answer, that they give notice that they will put it in writing and it's

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(MR. SPEAKER cont'd).... included in Hansard, and it doesn't take up the time of the House since it does have to appear in Hansard anyway, and this would utilize and expedite the movement of the House.

MR. EVANS: Thank you, Mr. Speaker. I wish the honourable members opposite wouldn't ask such lengthy questions. I have one statement I can conclude - because, Mr. Speaker, I have a page, almost a page and a half of questions. At any rate your advice is well taken and we will consider that for future.

The last item is recreation, educational costs and reading costs - Winnipeg registered 96, which again is four points lower than the average for Canada. So all in all, Mr. Speaker, as I've indicated before relative to other major cities in Canada, the rate of inflation in Winnipeg is not as great as it is elsewhere.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q.C. (Leader of the Official Opposition) (River Heights): Mr. Speaker, I thank the Honourable Minister for his detailed answer and for the study that obviously was undertaken in completing the answer. I now wonder if he can indicate to the House whether he or his department in their examination and research and in their planning, can now indicate whether housing costs and costs related to housing will continue to increase and escalate month by month as they have in the past.

MR. SPEAKER: Order please. That's asking for an opinion.

MR. SPIVAK: Well, Mr. Speaker, I will put it another way. Does the Minister have any research which would indicate one way or the other as to where we would stand next month or the month after with respect to housing?

MR. EVANS: Mr. Speaker, if I had that ability, I think I should go into the lucrative consulting business and -- Mr. Speaker, if any government had that ability, they would be extremely fortunate. There is no research agency that I know of in Canada that can predict with any reliability what housing costs will be in one or two months hence. There are many agencies that do attempt to forecast, and invariably short term forecasts are very often wrong. But generally speaking, generally speaking the situation has been one of rising costs and if you want to extrapolate previous trends, you can draw a straight line curve and you can show it in housing costs. But if the Federal Government moves as it says it's going to move, or some other event occurs in the North American economy, this would have . . .

MR. SPEAKER: Order please. That's the problem with those kinds of questions. --(Interjection)-- Well, maybe a little of both.

Orders of the Day. The Honourable House Leader.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management and House Leader) (Inkster): Mr. Speaker, the Minister of Industry appears to have stopped the question period.

Well, there are the Addresses for Papers, but I note that the honourable members are not here. Is it intended that somebody's going to move them, or . . .? We'll just proceed with Bill No. 89 so that it will be introduced.

ORDERS OF THE DAY - BILL NO. 89

MR. SPEAKER: Bill No. 89, the Honourable Minister of Finance.

HON. SAUL CHERNIACK, Q.C. (Minister of Finance) (St. Johns) presented Bill No. 89, The Pari-Mutuel Tax Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister.

MR. CHERNIACK: Mr. Speaker, the explanation need only be brief because it has been announced in the Budget Speech, and I think members will recognize that this is in accord with the decision of government in relation to Amusement taxation. The bill before us provides for a tax of 10 percent on amounts wagered on horse races. It is not a new tax, but was previously incorporated as part of the Amusement Tax and since, as I announced in my budget address, we are vacating the Amusements Tax field as at December 31, 1974, with the exception of the pari-mutuel wagering tax, became necessary either to rewrite the Amusements Act substantially or provide a new taxing Act. And considering the pros and cons, we made a decision that rather than make the necessary changes in the Amusements Act it would be more reasonable to provide for the continuance of the tax on pari-mutuel wagering by introducing this new bill, the Pari-Mutuel Tax Act.

(MR, CHERNIACK cont'd)

So as I said, the new Act provides a rate of 10 percent of the amount wagered, the same as the rate provided under the old Act, and it continues the philosophy of the old Act in this regard, as well as modernizing to a certain extent the collection and assessment procedures. The members will find that they now reflect more the provisions in other Acts for the collection and assessment of taxation.

The Act also provides for the repealing of those sections of the Amusements Act which pertain to the taxation of attendances at amusements. Well, Mr. Speaker, I would stop right there, except for comments made by the Leader of the Opposition, who unfortunately is no longer in the Chamber. But he was speaking on May 21st in Hansard, Page 3734; he was talking about the province enabling municipalities to take over a source of taxation and referred to the Amusement tax, and derided the effect of it. And he said, "The Amusement Tax," and I quote now, "which is going to give them \$300,000." Then, Mr. Speaker, then there was an interjection – and I know I interjected to say, "What do you mean, 300,000?" – because we all knew the figures that had been presented earlier. But it doesn't indicate what the interjection was, but I quote again, "\$300,000, yes – 700 – and then you take off the administration costs and you'll find out what they're going to be left with."

Mr. Speaker, I mention this because it's pertinent to what we're doing here and indicates how unreliable the Leader of the Opposition is in spreading statements what purport to be facts that have no basis whatsoever, but in general are typical of the way he comments on actions of this government. If one could only rely on the integrity of the statement, then one could debate the philosophy and the principle and the policy, but since one cannot rely on the integrity of the statement, then it makes it difficult to debate with the Leader of the Opposition at all.

So let's me put on record the fact that since he last spoke on this matter and on this occasion, and since he downgraded this opportunity that we've given to municipalities to take over amusement taxation, apparently the Civic Finance Committee endorsed the acceptance by the City of the principle of entering into the tax field of amusement taxation at a vote of 7 to 2 and are recommending it to council. The news story reads: "The City stands to gain an additional \$600,000 of revenue in a year," and I took the trouble to obtain a copy of the report, which is public, filed with the City Clerk of the Commissioner of Finance - I just want to make sure that that's his title - but it's from the Finance department of the City of Winnipeg, the report and recommendation to the Council and its committee. Yes, the title is Commissioner of Finance. And, Mr. Speaker, he submitted a statement of estimated annual revenue and expenditures - which I know was prepared by him after considerable discussions with members of my department - and the estimated annual revenue expenditures indicates expected revenue of some \$650,000, which is within the parameters of what I said and which apparently the Leader of the Opposition accepted. But then expenditures, and it indicates a senior clerk, a clerk A, a licence inspector, auto expense, and then office furniture, printing, stationery, postage - so he seems to have covered that - and it totals \$31, 382, which is the total expense estimated by the City of Winnipeg Commissioner of Finance. I mention that only to indicate that the Leader of the Opposition left the impression - not the impression, he made the statement in the House from which one could only infer that the expenses of collection would be in the neighbourhood of \$400,000, which is probably about fifteen times the 31,000 that the City estimates. And it's typical, Mr. Speaker, that he would do so, but for the record I have indicated that now that we are getting out of the amusement tax field, the municipalities do have a right to enter into it. --(Interjection)-- I'm being asked, Mr. Speaker, where municipalities have that right. --(Interjection) -- it has already been passed, I believe. I don't think Royal Consent in the Municipal --(Interjection)-- yes, Municipal Act - and I think the member now recalls that. I believe it's already gone through third reading, if I'm up to date on it. Yes, it has.

So, Mr. Speaker, the intent of this Act clearly is: (1) to eliminate amusement taxation by the Province; (2) to re-establish in different form in a separate Act, the Pari-Mutuel Tax; and (3) in the bill it elaborates on and defines more clearly the collection and assessment procedures, making it more in line with procedures we have in other taxation Acts of the Province.

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSON (Morris): Mr. Speaker, the Minister chose this occasion to make some remarks about the Leader of the Opposition, about statements being unreliable -

(MR. JORGENSON cont'd) and I would like to respond to that statement by simply saying that it's the government that has the information, and it seems to me that the only time that you can get information from this government is if you make a statement of that nature and then they'll come back and refute it. The Minister of Finance certainly does not respond to questions, legitimate questions that are placed on the Order Paper asking for information – Sir, I've two questions placed on the Order Paper, one asking for information about his ministerial staff; that question's been on the Order Paper for three months and he hasn't seen fit to answer it. If this government would start to give answers to questions, perhaps then the opposition would be supplied with information, but until they see fit to respond to the questions – and that's one of the purposes of this Legislature, is to seek information from the government, which they consistently refuse to answer – then perhaps the opposition could operate on the basis of information that is provided by the government's own figures, rather than have to attempt to dig them up ourselves. But, Sir, I make that statement only in response to the Minister's invitation for a response, having injected into the debate some comments about the Leader of the Opposition.

The bill itself, Sir, is a - on this side of the House, we're not going to quarrel with what is going to be happening. The government has vacated the Amusement Tax field and now turned that over to the province; they are going to continue in the field of taxation of pari-mutuels, and the Minister has introduced a bill to give effect to that program. I'm somewhat amused at the terminology and some of the provisions that are contained in this bill; one would have thought that the Minister got his terminology and got his suggestions directly from the Mafia in framing the contents of this bill. I note however, Sir, that in the definition section there is no reference made to the Godfather, there is no reference made to enforcers - and more notably, in dealing with those who would offend against the holy laws of this government, there is no provision made for cement shoes. I noted, Sir, that in one of the sections they insist that the tax be collected the same day. That, Sir, is reminiscent of the way that the gangs operated in Chicago during the days of prohibition. I wonder, Sir, if the Minister now is going to establish a complete protection racket - with a little bit of ingenuity, I'm sure the government could branch out, to ensure that homes are protected against damage. Maybe that's what they intend under the insurance bill. And if the person who is to be protected does not pay at a certain time, the Minister's enforcers will come along and suddenly there will be damage to the house.

We remember those rackets in the heyday of Al Capone in Chicago, and it looks as though the Minister, in introducing his legislation, is beginning to get the idea. Apparently it was quite successful when Al Capone was running those rackets, and the Minister feels that kind of success should not be overlooked. They apparently are having some difficulty in getting enough money to run the rackets that they're running in this province right now, and this seems to be an assured way of getting the kind of money that they require. Certainly one can recommend the language of this bill, but on the Committee stage I would think that we should make some reference to the Godfather, who in the bill is called the Minister here; it seems an inappropriate title. The people who will be enforcing this legislation can be termed as the enforcers in the definition section, so that when they go out and collect taxes on the same day, those who would offend against the law will know who is going to be enforcing the law on behalf of the Godfather.

There is a provision that ensures that the taxes will be collected the same day, and I wonder just why the Minister is in such an all-fired rush to get that money in his hot little hand. It's a bill, Sir, that could be taken straight out of the diary of Al Capone in its terminology, in its language. But we hope, Sir, that when the bill becomes law, the mellowing influence of the Minister of Mines and Resources will be brought to bear and that the provisions that appear to be so harsh will not be quite as harsh when, in effect, the bill is proclaimed.

Sir, we don't object to the provisions of the bill, but I did think it was necessary to draw to the attention of the House how this government is now reverting to the collection of taxes and dues and payments for protection, reverting to the good old days of Al Capone. I believe that the Minister must have been reading something about those days, or maybe he went to see the Godfather and got his ideas from there.

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

MR. ASPER: Mr. Speaker, until I heard the -- I couldn't imagine how one could make a speech out of this bill, and, Mr. Speaker, while I know, I know that the Honourable the

(MR. ASPER cont'd) House Leader for the Conservative Party can speak about anything at any time without having to, he has taught me a lesson that I'm going to try not to imitate, because I think it's a waste of the House's time.

Mr. Speaker, the bill is, as the Minister says, a piece of legislation committed to:

1. To eliminate amusement tax; and 2. To re-enact the pari-mutuel tax which wasn't eliminated. The bill is successful in both objectives and the Liberal Party will support it. I would, just that the Minister's comments require some observations, I would hope that the government would take some steps to increase its revenue from the source provided in 89, pari-mutuels, both perhaps in rate - I think possibly there's some room in rate - but certainly in the expansion and the development of that form of recreation, the race track, which has always been a marginal operation and which, with perhaps the Department of Tourism's promotion, might be developed further and might be a more lucrative source of revenue, certainly a legitimate source of revenue for government. I know there are some people in government who don't think that they should receive revenues from gambling, and yet we are doing that through the lotteries and I don't think we've soiled our consciences or debased our souls, and I think this is a legitimate if not an under-taxed area of endeavour.

However, Mr. Speaker, I was disappointed in the Minister's comments, of having abandoned the field of amusement tax, which I think was a very good move, a very equitable move, he then suggests and hopes that the municipalities might move in to fill the gap. Mr. Speaker, I would certainly agree, consistent with our view of tax sharing, that the municipalities should have the power and of course this House has given them that power. I would hope, I would urgently hope that none would take advantage of this authority. I believe, as the Minister has indicated, that there should be concurrent taxing authority given to the cities and the municipalities in order to give them the option for a reasonable tax revenue. However, I would not encourage them to take advantage of this tax because the amusement tax came in at a time, years and years ago, 30-40 years ago, when only the wealthy, only the very prosperous in our community could afford the luxuries of entertainment, movies, high-priced concerts and so on, and that was a flaw in our society and we exempted the first 25 cents or so from amusement tax to allow for those small entertainments --(Interjection)-- up to a dollar? For those small entertainments that "the people" could afford, and we reserved the amusement tax for the dollar-and-up admissions. Mr. Speaker, those days have gone a long time ago. I can remember, having spent some time with my family in the theatre business, when for 30 years until about four years ago, there were theatres in this city where one could go to see a movie without ever paying any amusement tax because the admission was no more than 60 cents. -- (Interjection) -- Yes. For 30 years, Mr. Speaker, there was an ability to run theatres and show good movies for 25 cents, as high - that was the top.

A MEMBER: They even showed them in Steinbach in those days.

MR. ASPER: There was no need for amusement tax, and the people who could afford to go to movies would go. But now, Mr. Speaker, a movie downtown is \$2.00, \$2.50, and I would think that that is a very inequitable tax because it hits the poor, it hits the deprived equally, in dollar terms, with what it hits the very wealthy in our society, and I think it was a very enlightened move for the government to move out of that kind of taxation. Today a young child saves up, works, shovels snow, delivers papers, and comes up at the end of the week with three or four dollars.

SOME MEMBERS: No. No.

MR. ASPER: No, Mr. Speaker. No, Mr. Speaker, my children do that, and I'm sure many of the children of the members of this House do that.

MR. JAMES H. BILTON (Swan River): Slave driver. (Laughter)

MR. ASPER: And when they find, in order to go to a movie, they have to pay Her Majesty 25 cents tax, it is inequitable for not only my children but the children of all members of the society. Or when football games or hockey games or great entertainment comes, there is an inequity because of the tax.

Mr. Speaker, with those comments, aimed really at the municipalities who will now have this power, urging them not to use it or certainly not to use it in the blunt way it's been used in the past, flat rate taxation based on all tickets - in effect flat rate --(Interjection)-- effectively, yes. Mr. Speaker, we are about to engage in --(Interjection)-- I would just put on the record that the issue is flat rate or proportional taxation as opposed to progressive taxation

(MR. ASPER cont'd) and stop there. The Minister of Finance and I, I'm sure, can spend many happy hours during the late fall after the session ends, when we have some time to discuss that. But, Mr. Speaker, we commend the bill to the Committee and we hope there will be no further prolonged debate. It's the kind of a bill that I think all of us can endorse.

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MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD McGILL (Brandon West): Mr. Speaker, I beg to move, seconded by the Honourable Member for Roblin, that the debate be adjourned.

MOTION presented and carried.

BILL NO. 71

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Bill No. 71, Mr. Speaker.

MR. SPEAKER: Proposed motion of the Honourable Minister of Consumer Affairs. The Honourable Member for Assiniboia. Bill No. 71.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I adjourned the debate for my Leader. MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, the Liberal opposition during this session has complained that we have not, during the last two years, made important advances in consumer protection. When the needs of the consumer revolution, if you like, had become a little more clear, and this government which led had in 1969, 1970 and even 1971, had taken some very progressive steps and had showed Canada where the consumer protection thrust had to go, and then came the lull, we felt that consumer protection had waned, the growth of the movement, and so we welcome any bill that amends The Consumer Protection Act to strengthen the kind of disclosure requirement and the kind of protection — I suppose I dare not offend the Minister of Mines when I say "affording more rights" to the consumers by legislation, because the Mines Minister, as it's well-known, doesn't believe or doesn't think that the Legislature confers rights but rather takes away rights or protects existing rights.

In any event, without being provocative, I would simply say that I would like to have seen, and the Liberal Party certainly would like to have seen, far more, far more legislation on consumer protection. We've raised the question of homeowner warranties; we've raised the question of forced stock – or not forced but the requirement of stockpiling of parts, where one produces a product outside of this province, sells it in this province, but doesn't maintain inventory of replacement parts; we would like to have seen legislation requiring those who sell goods that are not manufactured in this province to be required to post meaningful bonds to cover replacement and defective repairs. We would like to see, most of all – most of all, and most needed – the kind of consumer protection that provides a standard warranty.

The fine print warranties are the biggest rip-off in our society. One can buy goods - and I think of the unsophisticated consumer -- and I have had so many in my own constituency-can buy goods for \$2.00 down, \$2.00 a week, until you've paid the \$50.00, and then the consumer's item, the radio or the electric clock or whatever it may be, doesn't work and so you look at the warranty. They bring them to my constituency office all the time. They say, "We'll fix any defective part provided you, at your expense, take the radio, crate it, mail it to us in Sudbury (or Burlington or Oshawa) and we'll replace the 13-cent transistor resistor. Of course, it will cost you \$7.00 to ship it." Mr. Speaker, that is a rip-off. That is the worst kind of manufacturer, thwarting of legitimate protection of consumers. And we would like to have seen that kind of thing in a consumer code this year.

Now, as to the disappointment we feel that there is no such advances in consumer protection, I hope the Minister who I know, in conversation with him, is committed to his portfolio, is committed to his department, I hope that this rather modest offering in Bill 71 is only caused by the fact that he only assumed his portfolio a few months ago, and I would look forward to next session when the Minister would have an opportunity to really review where we've got to go in consumer affairs, bring us back to where we were in 1970, ahead of the rest of this country – reasonably ahead – and lead again.

As to the contents of Bill 71, Mr. Speaker, I can't comment specifically at this time. We are prepared to see the bill go to Committee because the kind of debate that should occur on Bill 71 is the kind of debate that can best take place in Committee. I want to question the Minister. I want to understand what he means by this and by that, and I'm sure other

(MR. ASPER cont'd).... honourable members do too. And I also want to hear from the people to whom most of the bill is directed; credit lenders, debtors, automobile sellers and so on, because while I have made the case frequently that it's our job to protect the consumer, Mr. Speaker, there is always a risk that we can protect the consumer into injury by injuring the person who is providing him with the goods, by over-committing him to bookwork, the paper work, the costs of doing business, which he simply passes on to the consumer.

So, Mr. Speaker, we will be looking in the discussion on Bill 71 in Committee for some balance between consumer protection and retail or business capacity to continue doing business at reasonable cost, because otherwise the consumer will pick up the bill through higher cost of goods. With that, though, Mr. Speaker, we commend the most reasonable approach to the bill, being to move it into Committee, give it second reading, where we can then question the Minister and he can explain what he intends to do with it.

MR. SPEAKER: The Honourable Member for LaVerendrye.

MR. BOB BANMAN (LaVerendrye): Mr. Speaker, I have several comments to make on Bill 71. First of all, I would like to reply to several of the remarks that the Leader of the Liberal Party made. I think he is being somewhat over-zealous when he wants people to stock parts and to stock replacement parts in particular for everything that they sell. I would just like to point out to him that this in rural Manitoba would be disastrous. You have small general stores selling things such as appliances. If he happens to maybe sell two or three of a certain type of refrigerator a year, and if this person is then required to go ahead and stock parts and make sure that the parts are in stock for that particular item, if he's supposed to stock that, I think you'd see all the small businesses in the communities, in the rural communities, fold up and we'd leave it over to the larger enterprisers.

MR. SPEAKER: Order please. The Honourable Leader of the Liberal Party state his matter of privilege.

MR. ASPER: Yes, Mr. Speaker. I would like the honourable member and the House members to know that that is not what I suggested. The position the Liberal Party has always taken is precisely what the member is saying, that the retailer should not be forced to bear that cost, the manufacturer should be required, if he's going to sell his goods in this province, to stock now repair parts – not the retailer, the manufacturer. We are not suggesting at any point that we do that.

MR. SPEAKER: The Honourable Member for LaVerendrye.

MR. BANMAN: Thank you, Mr. Speaker. Mr. Speaker, after having a look at the bill, I would like to point out several areas which I see could possibly cause some problems to some people. The first thing that strikes me is the fact of the insurance being sold; when a person buys a particular item such as a refrigerator, a piece of furniture, at present some of the sellers are selling insurance which insures the purchaser of that particular item, that upon accident or sickness he would then, this insurance would cover his payments for the duration of time that he's out of a job, where he's incapacitated. The Act states that the seller of that particular insurance would be limited to a five percent commission. I would ask the Minister to have a serious look at that because, at present, I know very many of the policies that are sold are very small - 20, 30, 40-dollar policies - and I don't think that that particular five percent fee will be at all an incentive for anybody to sell that insurance. I think that if the salesman, or whoever in particular is involved, he won't sit down and spend those extra fifteen minutes to give this person that particular protection if he wants it, and I think that we should be a little more flexible on that five percent rate. On a \$20.00 policy, it's \$1.00, and nobody is going to be bothered and I don't think it will be offered to the customers at all, because people just won't bother selling it.

Moving into another area, the disclosure of gifts as it's written up in this particular bill. At present, the seller of the particular time agreement is forced, and rightfully so, has to disclose the total amount of interest and the total aggregate interest costs. He has to disclose that to the consumer, which I think is a good practice. It allows the consumer to see the interest rate he is paying and also the total amount of interest that he will be paying. The only thing that disturbs me somewhat is that by disclosing the seller -- I call it a seller's fee, I would like to point out to the Minister that, as a rule, the contracts sold become contingent liabilities to a dealer that sells these products, and as a result, if there's any problems when it comes to repossession, any problems for repayment of that particular item after he has

(MR. BANMAN cont'd) assigned the conditional sales agreement over to a different agency, there is recourse on it as a rule and the dealer is then forced to bear the repossession costs, and usually in this type of incident, unlike maybe the farm machinery people, we usually in the different industries bear a substantial loss when it comes to repossession.

The bill also makes reference to the assignment of debtor. The Member from Pembina dwelled on that yesterday and I think he expressed the concerns that we have with regards to the selling, in this particular case, of a chattel mortgage, where a person does want to sell it possibly because of the low interest rate, he doesn't want to sell it at a reduced rate, and it seems under this Act he could possibly be penalized.

The Act also makes several representations, I think, to repossession. I think the industry as a whole does not quarrel with that. It would mean that the person who has the goods repossessed from him or her would now be informed of what the selling price was of that particular item, and I don't think that's bad. I think very often it might even show up to that person what is has cost the dealer in that particular instance to grant this person credit.

So I would ask the Minister to possibly meet with the major lending institutions. The bill, as it is set up right now with regards to the selling of the insurance, the five percent, I feel the commission's too low. The Minister of Autopac, I think they're paying even more than that for Autopac extension premiums commission right now. The other thing is, I would ask the Minister to meet with some of the financial houses with regards to disclosure of the gift, as he puts it, in the Act, because it will take I think a considerable amount of re-working of the present contracts, which of course is not the biggest thing, but I think he should sit down with the industry and possibly discuss it with them and see if they can come up with a solution on it. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Leader of the Opposition.

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

MOTION presented and carried.

BILL NO. 64

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Bill No. 64, Mr. Speaker.

MR. SPEAKER: Proposed motion of the Honourable Minister of Finance, the amendment to by the Honourable Member for LaVerendrye. The Honourable Member for Souris-Killarney.

MR. EARL McKELLAR (Souris-Killarney): Mr. Speaker, I just want to be very brief on this bill and say to the Minister who is responsible for bringing this bill in that I think he's doing the wrong thing at this time. And I don't have to tell him again, like other members have said, but I think that he would be well advised to take this under consideration, the government take this under consideration, to review this for a year, and I think he's got lots of time. I think that your government would gain a lot of friends in the minds of the credit unions, they'd gain a lot of friends in the citizens of the public of Manitoba, and I think all in all it would be well advised if you just delay this bill for twelve months.

Governments so many times work too fast, and I think in this case there must be -- I don't know what the urgency is in going into the banking business other than to gain power, as mentioned by many of the members in this Legislature, but I think time is a great healer in many problems, and I think the credit unions, the people who are responsible for the credit unions, I think the people who have formed the credit unions over the years would thank the government of the day if they'd go slow on this bill. After all, after all, the government shouldn't be in business in the first place, to my way of thinking. I told you and I don't have to tell you again, I told you when you went into the insurance business; I'm going to tell you when I debate when you go into the fire insurance business, and I think this is another good reason why you should go slow on this bill.

Mr. Speaker, this government has a habit of sticking their foot into it. The other night, I think, on the bill that we had that dealt with industrial relations, was a case where they were lambasted by the trade unions. An unusual thing happened, where Mr. Coulter came in and lambasted the government because they didn't consult with the trade unions. I don't think they consulted with the credit unions here. I don't think they consulted with anybody when they

BILL 64

(MR. McKELLAR cont'd) brought this bill in. And I would suggest to them that let's study this for a year. It's not going to make any difference. You're not going to make that much money in the Treasury Branch Act, under the Treasury Branch Act next year, and I would say to the government: This is your first year after election. What have you got to lose by studying it for a year? And I'm sure they haven't studied yet, like they haven't studied the fire insurance. I know they haven't studied that because the Minister indicated when he brought his bill in on this, he didn't give us any facts to show us why he went into the fire insurance. They haven't given any facts why they should go into the treasury branches, other than get power and get money, as the Minister of Mines and Natural Resources indicated to us many times that power is money, and this is the answer to the problems of the government of the day.

Mr. Speaker, I suggest to the government that this isn't the answer to the people's problems; that the people can solve their own problems like they've solved them many, many times. They've solved them. How did they solve them in the credit unions? They started in many parts of the province where chartered banks weren't in operation, and their problems are being solved in their many communities. But they're not going to solve them; you're not going to help the credit unions; you're not going to help the many small communities in the Province of Manitoba, which I represent and other members represent in this Chamber. You're going to hurt their cause, and I would suggest you're not going to hurt the banks, you're not going to hurt them one little bit, because they can't be hurt. They can't be hurt; they're wellestablished, but you're going to hurt the credit unions.

Now I have four credit unions in my area, in Souris, Glenboro, Killarney and Boissevain, the four communities, plus Dunrea - there's another small credit union there, and I would suggest to the Minister of Finance, who is in charge of all the finances in the Province of Manitoba, those people deserve a little attention, I would say, because they are important people in the Province of Manitoba the same as other people who are in the credit unions all over the Province of Manitoba as mentioned by the Member for LaVerendrye, and I understand that's the largest credit union in the Province of Manitoba. But I don't have to argue on their behalf. Many telegrams have come in to all members of the Legislature from credit unions all over the province, indicating their concern for the government going into the treasury branch business.

And now, Mr. Speaker, I don't want to have to say any more at this time, other than say that we, as the Conservative Party, are voting for the amendment to the bill to give it six months' hoist, and this is the way it should be. If the government of the day don't know enough to pull the bill back like they did the other bill, 82, this is the only way that we, as a Conservative Party, can deal with this particular problem, and we'll deal with other bills, I'm sure, in the same fashion, by giving them six months' hoist. And I know this is strictly a numbers game. I know it well. But I think that this is one way that we can express our concern for the people of Manitoba, by voting for a six-months' hoist on this particular bill.

MR. SPEAKER: The Honourable Member for Morris.

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

MOTION presented and carried.

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BILL NO.75

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, would you call Bill No. 75, please.

MR. SPEAKER: Proposed motion of the Honourable Minister of Northern Affairs. The Honourable Leader of the Opposition.

MR. SPIVAK: The main thrust of this chapter has been that the public sector can and should be used to change the nature and structure of production in Manitoba. A major consequence of this policy is the systematic redistribution of real income through public production of goods and services. The use of Crown corporations, municipal development corporations, and co-operative enterprises to produce the kinds of commodities that are presently the preserve of private monopolistic concerns can have dramatic consequence. Essentially, we shall see a major transfer of income from the owners of property, many of whom reside outside the province, to the consumers of goods and services.

Mr. Speaker, the Northern Affairs Act, along with the Manitoba Trading Corporation, along with the Manitoba Treasury Branches Act, along, Mr. Speaker, with the . . .

A MEMBER: Bill 83, the Insurance Act.

MR. SPIVAK: . . .the Insurance Act, along with the Mining Royalty Tax, Mr. Speaker, are Acts, Mr. Speaker, which are consistent with the basic planning papers that should have been produced by this government as their Guidelines for the Seventies. Now, Mr. Speaker, as I deal with the Northern Affairs Act, and as I deal with it in a substantial way, I want you and the members opposite to understand very clearly that what is being proposed is consistent with the working papers that should have been published officially as the policy of the government. Because, Mr. Speaker, throughout those working papers, references will be made to the kind of legislation that we now face. And it's necessary, Mr. Speaker, to deal with this Act in that perspective, and I'm going to attempt to prove my point.

Now, having accepted philosophically the direction, but essentially having been dishonest in not providing the working papers that really are the policy papers of the government to the public...

MR. SPEAKER: Again, I think I have indicated the word "dishonest" is one that is not parliamentary. The honourable member should be aware of this. I would ask that he kindly rephrase and give a little more thought. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I guess that I'm inclined to use the language that's been used in the House in the last two days. Well, Mr. Speaker. . .

MR. SPEAKER: Order please.

MR. SPIVAK: Mr. Speaker, having presented a three-volume printed Guidelines for the Seventies, that for all intents and purposes have been ignored since the election, one has to examine the legislation now introduced at the tail end of the session and one has to relate it to that, Mr. Speaker. . .

A MEMBER: I wonder if the honourable member would . . . question.

MR. SPIVAK: No, Mr. Speaker. I will at the end. I have a fair amount to cover with respect to this Act, because this Act is an important Act. You know, I am convinced, Mr. Speaker, and I may be proven to be wrong and I would like the honourable members to indicate that they have read these Acts, but I am convinced, Mr. Speaker, that the Acts that have been presented have come as a result of the policy determination agreed by the government, that they have not in fact been read by the Cabinet, that in many cases they have not even been read by the Minister, that having announced the policy somehow or other somebody can execute it, put it into language and present it, and because this is the direction they're going, and because they know very clearly what they want to accomplish, they are not concerned with either establishing a basis for the legislation, they are not concerned with either seeing to it that the legislation really contains what they want. And because, Mr. Speaker, they have not reviewed it, and because, Mr. Speaker, they have not spent the time in studying, in almost every case when in doubt give the power to the Cabinet and let the Cabinet make the decision after-That's the legislation. They believe that they have a right to govern for the next four years and essentially that this Legislature is a debating game in which, Mr. Speaker, there is no requirement or responsibility on their part to place before this House the specifics. Mr. Speaker, that is because the policy that they are following is really not the announced policy that they've declared, and this is our problem.

Mr. Speaker, in Bill 75, and I would say just at the beginning that this bill be referred to

(MR. SPIVAK cont'd). . .a committee, because I think it is necessary for the government to go through the exercise of looking at this bill clause by clause, and understanding its implication - the Minister of Northern Affairs becomes the Czar of the North.--(Interjection)--Yeah. Mr. Speaker, it is more severe than under the old Act, and if, Mr. Speaker, as a result of study with the communities and with money spent on the Human Relations Centre who went to the communities and talked to the residents, each one of whom were paid to come to these meetings, if, as a result of this discussion, the government has now come to the conclusion that it is the desire of the people that more power should be given to the government, or where there is a question the residual power should go to the government rather than the people, then, Mr. Speaker, it is a testimony, it is a testimony, Mr. Speaker, it is a testimony, Mr. Speaker--(Interjection)--of the failure of the development in the North of the last few years by the Northern Affairs Department. And Mr. Speaker it does not bode well for those communities.

Now, Mr. Speaker, you know, the honourable member and the Honourable Minister of Mines and Natural Resources who is going to defend this legislation, as he has tried to defend every piece of legislation introduced, will immediately jump and say it isn't so. But, Mr. Speaker, he hasn't read the Act.

MR. GREEN: I have read it, and, Mr. Speaker, the honourable member has no right to say that I have not read the Act. That is a falsehood.

MR. SPIVAK: Mr. Speaker, I ask. . .

MR. SPEAKER: Order please. Let us get one thing straight in debate. I'm sure the honourable gentleman that is on the floor now, the Leader of the Opposition is aware one doesn't make accusations in parliamentary debate. We accept that all honourable members are honourable and we proceed on that basis, and let's keep the personalities out of it, and then there's no problem. The Honourable Leader of the Opposition.

MR. SPIVAK: Well, Mr. Speaker, I must accept the Minister, that he has read this Act, the Minister's statement that he has read this Act, and I wonder if he had an opportunity to talk to the draftsman from Toronto who drafted this Act.

MR. GREEN: Yes, I did.

MR. SPIVAK: Fine. Having said that, Mr. Speaker, then I would suggest that the comments that I hear from his seat I don't think are justified in relation to the power that I suggest.

MR. SPEAKER: Order please. Order please.

MR. SPIVAK: Mr. Speaker, this bill requires careful examination and, as I suggested to you, it should be sent to a committee rather than be dealt with in this session. Mr. Speaker, I would hope that I can persuade the members opposite of this position.

There are questions that must be raised about the wide powers given to the Minister, and particularly, Mr. Speaker the power to involve the government directly in the industrial development in the North without true accountability to this Legislature. Because Mr. Speaker, in addition to exercising normal municipal powers in non-incorporated communities, he is being empowered to take the Government into the establishment, acquisition and operation of business, or industrial enterprises, under general powers. There are no indications, Mr. Speaker, of the particular details respecting this entry by the Government into the economic undertaking, nor the setting of any limitations of the extent of government involvement or financing. It is a broad enabling power for the Minister to execute and do whatever he wants.

The Minister is supposed to, Mr. Speaker, co-ordinate the activities of the Government in Northern Manitoba. And Mr. Speaker, formerly the Commissioner was to co-ordinate the activities of the Government in Northern Manitoba. Well, Mr. Speaker, is that really power, or is this paper power in this sense. Because the question has to be answered: Does the Minister really co-ordinate the activities of the line operating departments in Northern Manitoba and if he did, how could he have allowed the mess of the co-ops, the mess of the Co-operative Development Department to have taken place year after year?

Mr. Speaker, do the departments really exercise autonomy in their own area, and do they continue to build their own regional empires? For surely, Mr. Speaker, the Minister does not co-ordinate the activities of the Crown corporations of Manitoba Hydro and Manitoba Telephone System. So, Mr. Speaker, when the point is raised again in this Act as it was before of the co-ordination of activities, one wonders really what this means.

Mr. Speaker, this government is an activist government and is an interventionist government. It intervenes in the local affairs supposedly on the basis of trying to assist the

(MR. SPIVAK cont'd). . .communities to help themselves. But where there is a choice, Mr. Speaker, between the residual power being placed with the people or being placed with the Government, it opts for the Government, either to the Minister directly, or to the Cabinet.

In this Act, Mr. Speaker, may by such means as he deems appropriate, and those are the words, Mr. Speaker, in the clauses that are important with respect to his powers, and without limiting the generality of the foregoing, Mr. Speaker, in an omnibus provision with respect to his power, is legally able to take action which is directed to the intent and organizing and ministering, and of financing of anything whatsoever in Northern Manitoba. And I suggest, Sir, that this overrides about two-thirds of the statutes of Manitoba and it's reinforced by another section, Mr. Speaker, that existed before in the previous Act but combined with his authority to do anything as he deems appropriate. And those are the new words in the Act.

It means that he has complete power because the section that is included now as was before states that the Cabinet can make regulations providing for obviating any doubts as to matters of procedures arising from the concurrent administration of this Act or any other Act of the Legislature. So in effect, Mr. Speaker, obviating any doubts as to matters of procedures arising from concurrent administration of this Act and any other Acts of the legislature, with the power of the Minister to do anything that he deems appropriate in the execution of his responsibilities give him complete power. And I suggest, Mr. Speaker, that even the Politbureau does not have the full power that the Minister has in Northern Manitoba.

A MEMBER: Right. Right.

MR. SPIVAK: Mr. Speaker, the Minister is given power to expropriate any business, or any part of business in the North for the purpose of carrying out this Act. And one of the purposes of this Act is the establishment, acquisition, and operation of commercial or industrial business, by an incorporated community. Mr. Speaker, there are sections that deal with the question of consultation. But, Mr. Speaker, it indicates that the Minister shall consult, but Mr. Speaker, it does not indicate that the Minister must act.

Now the problem we have, Mr. Speaker, is the question as to what really takes place with that department. Do they consult and react to the needs, or do they direct? Do they allow the people to develop for themselves? When it's exposed, Mr. Speaker, they say they are only assisting and helping; when they are not exposed, they essentially direct.

If we examine the history with respect to the co-ops, the department's position is that they're out of the management of the co-ops realistically when it's exposed. But, Mr. Speaker, when it's not exposed, in every bit of information that I have they are directing the day to day operation and in effect are in complete control of the co-ops. This is the problem with the Department of Northern Affairs with respect to the communities, and this is the problem, Mr. Speaker, with the old Act and the new, that the degree of protection that should be offered to the communities to allow them the self-development that should occur is taken away by a government who believes essentially at this point that they can direct better, that their intentions are better, and that they have a better way. The problem for many of the people in the North, and many of the communities, is the recognition that at this time there is money available, because money has been and is being poured in by a variety of programs with a fair amount of at this point is that when they have maybe more than federal support, and the problem what they had before, but the question that has to be asked is, how much more could have been done without the waste and mismanagement and with the establishment of the proper priorities, and with the attempt to work to develop the communities.

Now, Mr. Speaker, I don't underestimate the kind of task that's involved in this, and I don't in any way suggest that this is going to happen overnight, and I'm not one who suggests that a government who commits itself to the North is not going to have problems galore in the inner politics of the community, and the problems of the people who are involved, based on the history of what is. . . or the position we are at this moment in history because of what has taken place in the past. But, Mr. Speaker, the question is whether the legislation that's asked for should provide for even greater powers than they had before, for even a greater control than they had before, or whether it should provide for the kind of protection in check and balance so that a government who may be unscrupulous is not capable, is not capable of using its advantage in using the resources that are made available to them by this Legislature and through federal agreements to promote causes which are not necessarily, Mr. Speaker, in the interests of the community, or not necessarily asked for or required by them.

(MR. SPIVAK cont'd)

Now it's interesting, Mr. Speaker that there is a check on the Minister's authority, and that check is that in those areas in which other ministers are involved he has to get permission from them, and he must, Mr. Speaker, see that there is some consent given to him in other areas in which some of the ministers are involved - not in all of them but in some. But, Mr. Speaker, so far as the citizens of the North are concerned those who do not trust him they don't have any protection because his authority, Mr. Speaker, is unlimited.

Mr. Speaker, there is a question with respect to certain matters in which the Minister has the power to establish an enquiry to deal with certain matters before a decision is made in which the person so appointed who conducts the enquiry has all the powers of the Evidence Act. There is nothing in this Act that indicates the criteria upon which a selection should be made of the person who is to in fact conduct the enquiry. Mr. Speaker, without getting involved in the name, one can cite examples of people who have political power within a given community who could be appointed by the Minister, who are not experienced at all in conducting what amounts to a mini-royal commission, and whose report to the public, the ability to be able to examine and cross-examine, can have the effect, Mr. Speaker, of stifling criticism and realistically eliminating democratic rights, and of causing a submission of citizens realistically to the whims of the policy of the Minister and to the Government.

Mr. Speaker, reference is made to the Northern Affairs Fund. The Northern Affairs Fund is found in the Public Accounts a year later, Mr. Speaker, produced by the Provincial Auditor. And this leads into the question of the auditor's responsibilities within the department - and I'm going to come back to that in a few moments. Well, what do we really know about this fund? Mr. Speaker, is there really any legislative control over the allocation of money, and should not this fund be brought into the estimates of the department itself? It's an immense and completely uncontrolled fund which is really established at the discretion of the Minister. There is absolutely no legislative control over the allocations of money, or the expenditures; and Mr. Speaker, it is provided that the moneys in this fund do not form part of the consolidated revenue. The government may allocate the funds to the Minister of Northern Affairs, who in turn may turn these funds back to the Minister of Finance for investment, and at the end of the fiscal year funds could be laundered by transferring back and forth for reallocation in the future. And I suggest, Mr. Speaker, that this is a further debasement of the process of government, responsible government in control of taxation and spending.

Mr. Speaker, there is a proposal for the following of the previous Act of the establishment of local communities, or local committees, to assist the Minister who can do certain things subject to the written approval of the Minister. Mr. Speaker, again, the control, and one then has to go to the other sections to recognize, subject to the regulations, Mr. Speaker, and then has to go to another section to recognize, and this is the very obvious thing, Mr. Speaker, as one reads this act. "Notwithstanding any other provision of this Act, real or personal property is acquired with prior approval of the Minister." And that's written in everywhere, Mr. Speaker. The control, the inability for anything to take place without approval and sanction.

Then, Mr. Speaker, we have the interesting question, that the government will have auditors appointed to examine the financial affairs of the communities, and there are some interesting sections with respect to this. The auditor is a person who is appointed under this Act to audit the books and the accounts of the community councils, the local committees, and the incorporated communities. In any case, Mr. Speaker, in this legislation that the Minister appoints them, as I have suggested; in any case that he should be one who knows something about accounting. Well I guess it's desirable if you're going to have an auditor. But, Mr. Speaker, we have already witnessed in the Department of Co-operative Development the kind of auditing that occurred with respect to the question of fishing co-ops. Mr. Speaker, I daresay that when the Provincial Auditor is finished and his information is supplied to this Legislature he is going to indicate that there are no records to be found in the Southern Indian Lake Co-op of any substance. That was a \$1,200,000 development.

MR. HARVEY BOSTROM (Rupertsland): A point of order, Mr. Speaker.

MR. SPEAKER: Order please. The Honourable Member for Rupertsland state his point of order.

MR. BOSTROM: The point of order, Mr. Speaker, is that we're on the Northern Affairs

(MR. BOSTROM cont'd). . .Act and I don't believe that anything in the Northern Affairs Act pertains to anything the Leader of the Opposition is referring to with respect to co-operatives in the north.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, the Northern Affairs Act provides for the creation of an auditor. The auditor will be the person who on behalf of the department will audit the communities - the community councils, and the incorporated communities. The auditor's qualifications are that he should know something about accounting but he doesn't necessarily have to know anything about accounting. He's appointed by the Minister, Mr. Speaker, I suggest that with respect to the Department of Co-operative Development - and with respect to the fishing co-ops for that was the same procedure that was followed there, and I suggest that that has been one helluva mess. And, Mr. Speaker, the reason why it's been one helluva mess is because. Mr. Speaker, the government recognized that there were losses taking place, the government recognized what was taking place - and the degree of control that they really wanted at that time was not one which would bring the kind of accountability both to the people involved and to this Legislature. And I suggest, Mr. Speaker, that with respect to the question of this kind of control that the protection for the people and the protection for this Legislature for the funds that are funnelled through must be undertaken, Mr. Speaker, by the kind of protection which will allow true accountability - and it will not take place with an auditor to be appointed by the government, not necessarily qualified in accounting and not necessarily reporting to this Legislature or to the Provincial Auditor.

Now, Mr. Speaker, the question that would have to be put to the Minister is how many of the various community accounts today, the incorporated communities, the community council accounts that his department has audited are in a state of disarray? Mr. Speaker, he has auditors from his department, and I don't know whether they can be qualified as auditors in the sense that they are accountants, but he has people who have been checking the department, the various communities. I wonder if he's going to be in a position to indicate how many have problem areas, how many of them have records properly set - and I wonder, Mr. Speaker, based on the experience of the Co-operative Development Department and on the experience of the Department of Northern Affairs - and this is why a committee is necessary, Mr. Speaker -- I wonder at this point whether the kind of protection for the people, which is really something that we have to be concerned about, and that is the people in the communities as well as the people in the province, will really be undertaken by the way in which this Act was drafted or will be further protected by other matters. And if the committee was to sit, Mr. Speaker, it seemed to me that one of the requirements would be to have the Provincial Auditor present, for him to be able to indicate the kind of model that would have to be set up to be able to deal with this.

Now, Mr. Speaker, the reason this is important is because we are talking about substantial sums of money that are granted one way or the other through a whole host of programs in which there is evidence of waste, there is evidence of mismanagement, there is evidence of really a lack of concern on the part of some of the department people as to what has taken place. And we can refer to PEP grants - and the honourable members from the north know this to be the case, they can argue as they will that, Mr. Speaker, what is happening is better than it was before, but that still does not mean that the requirements for protection should not be written into this Act. If we're going to go to a new Act, Mr. Speaker, a new Act that's developed as the result of serious consultation with the people, what the Minister is basically saying is the people have said to the government, we want to give you more control; the people have said to the government, take over, you judge and you tell us what we should do.--(Interjections)--Well, Mr. Speaker, I wonder.

A MEMBER: They paid these people to tell the government that. Five dollars a day, I think, eight, ten dollars a day.

MR. SPIVAK: Now, Mr. Speaker, I'd like to deal with one other matter at this point and that, Mr. Speaker, deals with an interesting question about the regulations. The regulatory section is at the end. Mr. Speaker, in the previous Act there were seven subsections relating to the ability of the Cabinet to make regulations. In this one, if I'm correct, there are 27 subsections.—(Interjection)—only an addition of 20.—(Interjection)—Yes, they only need one, the one basically being that the Cabinet can do whatever they want.—(Interjection)—Yes, Mr. Speaker.

(MR. SPIVAK cont'd). . . Now one of the problems with respect to this particular section and with respect to what has happened in the north is, you know, whether there was any requirement to improve what has happened in the past. Because the Honourable Minister can refer back to the previous Acts, both of our government when we were in government and of the present government, and say that it existed before - but if, Mr. Speaker, we are trying to be responsible in the development of a better system than we had before, then it should be improved, Mr. Speaker, by the very nature of the Act that is presented.

In the previous Act and in the present Act the Lieutenant-Governor-in-Council and the Cabinet are going to be in a position to make regulations of the persons who are entitled to be the electors or to be qualified to vote. Now, Mr. Speaker, voting is probably one of the most basic concerns that government should have, the right to vote, the right to decide. Now when a government has a power to be able to select who can vote that becomes significant and important. And in the previous Act, Mr. Speaker, and maybe within the Act before, those who could qualify to vote were set and determined by Cabinet. Mr. Speaker, in the previous Act, the Lieutenant-Governor-in-Council could make regulations respecting the manner and time of holding elections for members of the community and, without making any generalities, prescribe the qualification of voters, the method of preparation of voters.

Mr. Speaker, now in this present Act the government by Cabinet order will decide who the persons are to be elected to qualify to act. Well, Mr. Speaker, I have in front of me 65 pages of regulations prepared by the department and in those regulations, which is a draft of the regulations to be determined by Cabinet when this Act goes through, they have a qualification of a voters set. Mr. Speaker, in 6(2), they have a qualification of the lecturers. And, Mr. Speaker, he has to be a natural resident of the community, he has to be a resident there for a period of six months, a natural resident of the Reserve which abuts the community, have been a resident there of a community for six months. What I am saying, Mr. Speaker, is that in this Act the government knew in advance and had by way of regulation the qualifications for those who could vote and could very well have put that directly in the Act, and it could have been written in the Act. . .

A MEMBER: As what?

MR. SPIVAK: As what? Well all right. The question is why? Okay why? Why is it necessary for the qualifications of who could vote to be put by legislation? Why is it necessary, Mr. Speaker, for this Legislature to meet at all? Why not let the Cabinet make every decision about everything, and there's no problem? Mr. Speaker, who can vote, who can vote, Mr. Speaker, is basic. What I'm saying - and I again come back to the basic problem we have in almost every piece of legislation that's delivered here and has been delivered in the last three weeks - the government basically says, by Cabinet decision we'll make the decisions. In many cases they've already made the decisions; to enact it in legislation would cause more difficulty, it would take more time, there would be more consideration having to be given to it - and, Mr. Speaker, they haven't done that. I have here as I say 65 pages of regulations. Now I would admit, Mr. Speaker, that there are regulations that Cabinet has to enact, I'm not denying that, but with the qualifications of who should be a voter to vote in the elections of the community councils, in the elections of the incorporated communities, it should be - it's pretty basic, Mr. Speaker - written into the Act. And the government's capable of doing that - they're capable of producing the regulation, they were capable of writing it in the Act. And I think, Mr. Speaker, that points out the basic problem, the government feels that as a Cabinet they can essentially do everything and it would be better to do it by themselves, Mr. Speaker, than to deal with it in legislation .-- (Interjection) -- Well I wonder really how wild it is, yes, I wonder how wild.

Mr. Speaker, any time any reference is made to the problems of the north, the standard answer of the government is - and, you know, I can anticipate it right now - that what we are doing is more than what we were doing before and what you did was less, therefore that justifies everything we do and that justifies every action that we take; that justifies every power that we take to ourselves; that justifies our ability by regulation to do anything we want or for the Minister to do anything he wants.--(Interjection)--Well, Mr. Speaker--(Interjection)--well, I don't want to present your argument because--

MR. SPEAKER: Order please.

MR. SPIVAK: Well, Mr. Speaker, I think you know this is pretty basic to the whole problem of the New Democratic Party's approach to the north. Mr. Speaker, the New Democratic

(MR. SPIVAK cont'd). . . Party essentially regards the north as an infant and they want to raise it by smothering it with government policies and bureaucracies. And all you have to do, Mr. Speaker, is to tie this to the dangers that occurred in the Wabowden case and to the co-ops. And that's interesting, Mr. Speaker, because in the Wabowden case, the Wabowden Affair, as far as I know the government had not answered the various - or have not even dealt with the various accusations of CKY but, Mr. Speaker, they've commenced actions against John Kregaris.

Mr. Speaker, much of the development in the north has been due to essentially private initiative, it has not been government action. Now, Mr. Speaker, you know, many many people in many communities have been denied the basic essential ingredients which would allow for a proper quality of life and there is a need, Mr. Speaker, as I've indicated before, for tremendous sums of money to be put in for this and there is a need in many respects for Manitoba to mortgage its future to provide those opportunities. But the problem, Mr. Speaker, of the government as the interventionist government basically coming into the communities in a paternalistic way, directing and controlling and basically saying, no we are really giving more power to the people - when in reality, Mr. Speaker, they are taking all the power for themselves - is wrong. And, Mr. Speaker, when one has to examine the whole host and range of government programs, and the bureaucracy is up there, one has to be concerned.

Now, Mr. Speaker, I want to turn to the perspective in which this Act has to be reviewed. And I want to read if I may from the working papers which were referred to as the Guidelines for the Seventies, and Mr. Speaker, I would like you and the members of the House to listen intently and to relate this to the kind of power that I suggest exists within this Act. The Chapter is entitled, Municipal Development Corporations."Crown corporations can provide the Provincial Government with the opportunity to initiate and control development, but there exists at present no special structure to permit local governments to do the same - yet the conditions that give rise to exploitive and unplanned growth are even more evident when considered from a local vantage point than from the province as a whole. The difficulty of obtaining business capital in smaller communities and the lack of managerial expertise causes local businessmen to be very conservative in their investments. Limited time horizons result in resources being allocated only to areas of high short-term profitability. Because outside concerns have the capital and managerial expertise that is lacking locally, they are able to usurp the larger investment opportunities, particularly those with the long gestation periods. While this foreign investment often results in increased employment and incomes for the community, it does so at considerable cost. The transfer of ownership to non residents erodes local decision-making and enables a siphoning off of profits outside the community. Whether or not the profits of the initial investment are used to diversify production so as to achieve greater economic viability of the community, it is a decision made by people who have little stake in the local area. The more sophisticated the investment corporation and the broader its geographic horizons, the less likely it is that profits will in fact be reinvested in the community in which they originated. Hence the paradox that those who live closest to the valuable resource tend to benefit least from their exploitation.

"The Manitoba Government has made a start in dealing with the problems of community development through the use of local Crown corporations. Their existence was made possible with the passage of the Manitoba Natural Resources Development Act of August 13, 1970. Since then four companies, The Mineral Exploration Limited, Moose Lake Loggers Limited, Minago Contractors Limited and Channel Area Loggers Limited have been formed under this legislation. These companies can be distinguished from other public enterprise vehicles. The pure Crown corporation formed under a separate Act of legislation by parliament and the wholly-owned subsidiary of the purer Crown corporation. Both are answerable to the state; the former directly through a Minister of the Crown and the latter indirectly by the Board of Directors of the parent Crown corporation.

"The local Crown corporation combines elements from both of these. It answers directly to a Minister via the mechanism of a trust agreement. Each member of the board sits in trust for the Crown with his position revocable at any time. Similarly to a wholly-owned subsidiary it applies for incorporation under Part 2 of The Companies Act, becoming a legal entity with Letters Patent. Financing in either case may be by direct equity purchase, a government loan or a guaranteed private loan. In the case of Bill 17 it is also possible for the Minister of Finance to make grants to the local corporations. The local Crown corporation in one sense is merely

(MR. SPIVAK cont'd). . .a technical creation. As far as incorporation is concerned it follows channels that were previously established. In effect, the Minister acts on behalf of others to incorporate a private company. Those other individuals who make up the Board include civil servants, private businessmen and local residents. The latter will be workers in the company and representatives of the local communities.

"In the case of Moose Lake Loggers Limited there are three loggers on the Board, one of whom is the treasurer. In this way it is hoped that the local people will gain valuable experience and the ability to run these enterprises on their own after a time." Well, Mr. Speaker, what's happened with Moose Lake Loggers? Well, what's happened? The people involved have asked the government for a certain course of action. The government says no, you're not ready. And that, Mr. Speaker, is a local development corporation. Well, Mr. Speaker, the question then is, the question that has been asked us whether we would give it to them, the question is whether it's theirs or the government's.

A MEMBER: It belongs to the people. . .

MR. SPIVAK: It belongs to the people. Then, Mr. Speaker, what we are basically saying is that a local government corporation in these terms is really an extension of the Cabinet, because if the Cabinet represents the people and the Cabinet will make the decisions - not the local people - and the Cabinet will be satisfied if it meets their requirements whether or not the local people want it or not. And then the Minister says, we bring this Act to you here giving him the power to do everything that I've suggested, and because the people themselves are asking it and they're basically saying to the government, we are prepared to give you the opportunity to make every decision for us and if you think it's all right, allow us to do it - if you don't stop us. Now, that's nonsense, and the whole philosophy is nonsense. --(Interjection)--Yes. The whole philosophy is nonsense, and this is the problem.

MR. SPEAKER: Order please.

MR. SPIVAK: I want to go on further, Mr. Speaker. There's much more yet to come. "These four local Crown corporations have been successful both in terms of their operations and in terms of fulfilling broader social and economic coecitives, because smaller communities in the north such as Moose Lake and Berens River have become locations for head offices. Workers are able to live in their homes, villages and commute daily or weekly to their place of work. This is an excellent illustration of the realization of the stay option. For the first time there are the makings of a viable alternative to the economic forces that have caused vast out-migration of northern peoples to the southern cities." What did the Minister of Co-operative Development say about Southern Indian Lake? Our problem is that the people have left because there are jobs elsewhere. That's what he said.

Well, Mr. Speaker, the reason that the people left for Leaf Rapids is because. . . MR. SPEAKER: Order please.

MR. SPIVAK: the reason they left is because the fishing was so bad, Mr. Speaker, under the co-operative; that the method of payment was so bad; that the amount that they received was so bad that--(Interjection)--well, I wonder, Mr. Speaker, whether the Honourable Minister has talked to any of the fishermen up in Southern Indian Lake, and I wonder if he's in a position really to say that or really to laugh at that. They didn't leave, Mr. Speaker, because they wanted to leave; they did not give up what was really their profession because they wanted to; they left, Mr. Speaker, because of the conditions under which they had to work.

A MEMBER: They were prepared to stick it out under 30 feet of water, and that I know. MR. SPEAKER: Order.

MR. SPIVAK: "For the first time there are the makings of a viable alternative to the economic forces that have caused vast out-migration of northern people to the southern cities and to turn those seeking employment in the north into nomad-like wanderers who must regulate deserted communities once the employment has run out, leaving behind a string of ghost towns. Consequently it is proposed that the use of these local Crown corporations be extended so that the advantage of the structure be available to the communities throughout the province. One method of doing this would be to undertake legislation that lallowed one or more governments to apply to incorporate a municipal development corporation. These corporations would be without share capital and wholly owned by the founding municipalities. The Board of Directors would be composed of councillors elected by each of member municipal councils. Basically these corporations would function in much the same way as a Manitoba Crown holding company.

(MR. SPIVAK cont'd)... Which we have not proposed! You must remember, Mr. Speaker, that in this proposal the Manitoba Development Corporation was to operate as treasury branches. That's what this proposal said. But of course, Mr. Speaker, everyone knows that nobody in the Province of Manitoba would put deposits in the Manitoba Development Corporation.

A MEMBER: So now we've got treasury branches instead.

MR. SPIVAK: So now we have a treasury branch legislation. "Basically these corporations would function in much the same way as a Manitoba Crown holding company, but at the local level, that is they would seek out probable investment opportunities in a locality and engage in direct production. Thus a municipal development corporation might set up a retail store to compete with a local monopoly."

Well, Mr. Speaker, 'thus a municipal development corporation might set up a retail store to compete with a local monopoly. You see, the problem I have in all of this - and I want to make the point that I made before, is that you should have published this as your guidelines. You should have at least declared that this was your policy. You should have at least, you know, presented to the people what your intentions were instead of producing a three-volume page of guidelines, and now introducing in this session almost everything that's contained in those working papers, including the Northern Affairs Act. And, Mr. Speaker, it would have been true and more honest to the people who elected you to at least have known what your intentions were, and it would have been, Mr. Speaker, to your credit - it would have been to your credit at least, Mr. Speaker, to have declared the policy that you're now introducing. And this is the difficulty we have with this piece of legislation and with all the others. Because, Mr. Speaker, this is part of a program, this is part of a plan. It's a plan that's been approved. It's been approved to the extent that it's not necessary for anybody to do any checking about any of the specifics of the legislation, because the direction is known. And the moderate position that the members opposite would like to take with respect to what they're doing is not borne out by this legislation, by the treasury branches, by the fire insurance legislation, by the Manitoba Trading Corporation.

Mr. Speaker, it's all part of this - and I can identify, just as I'm going to identify I think pretty conclusively that this, so far as the north is concerned, has incorporated everything that this planning paper suggested. Not to the rest of Manitoba yet, but as far as the north is concerned - because the Minister has unlimited power in this clause, this chapter, this portion of the chapter at least is now going to be in operation. And, Mr. Speaker, the Minister has a responsibility to answer how it's going to be handled and to answer what check and balances are going to be conducted and supervised and, Mr. Speaker, what kind of direct accountability will occur to the people of Manitoba for the way in which he spent that money - because there has been too much evidence that's been brought forward in this House and it has not been disproved, and I suggest to you that the Provincial Auditor will prove that without a doubt when he gets through with his study --there's been too much evidence of the kind of waste and mismanagement in the north that justifies if this is the policy - and I suggest that in all honesty that's what they should have declared as the policy - would justify the kind of check and balance with respect to, you know, unlimited power to do almost anything they want.

"Thus a Municipal Development Corporation might set up a retail store to compete with a local monopoly; it might establish a tourist lodge or a cannery to use local produce, or so on, because the corporation would have easier access to capital than local entrepreneurs and a longer time horizon; would be able to exploit probable investment opportunities beyond the reach of local business. Thus it would reduce to some extent the control of non-residents over the community's livelihood. Financing for such institutions would come from a variety of sources, the participating municipalities, the local branch of the Manitoba Development Corporation." And that was to be a treasury branch. Now, why doesn't the Minister of Finance admit that insofar as the establishment of treasury branches, one of the purposes will be to be able to loan money from savings; (2) undertakings by development corporations in the north made up of the communities that the Minister has approved. Because, Mr. Speaker, if he says that, then the question has to be asked, what will be the degree of subsidization? And, Mr. Speaker, is that degree of subsidization going to take place with respect to the treasury branch operation or is it going to come out of the Consolidated Revenue of the taxpayers of the province? And we have a right to ask those questions. And, Mr. Speaker, they have an obligation to stand up and tell us the truth, to tell us what their policy really is, to tell us how it's going to operate,

(MR. SPIVAK cont'd). . .rather than to ask us to give them carte blanche by Cabinet authority in every bill to do whatever they want. They have not been given that mandate. They were not given a mandate simply to be able to enact legislation and say that everything we do is the public policy of the people. They were given an obligation, Mr. Speaker, and I suggest a very strong obligation to be answerable to this House.

"Financing for such institutions would come from a variety of sources, the participating municipalities, the local branch of the Manitoba Development Corporation and private financial institutions. A municipal development corporation should have an easier time obtaining credit from the private sector than small local entrepreneurs. In addition the province would have to provide a certain level of financial support, possibly channelled through the Communities Economic Development Fund. As well as financing the municipal development corporations will need a variety of support services. By providing a vehicle for local government's participation in economic activities that will enable individual communities to have greater control over their futures. Because the Board of Directors will be composed of local elected representatives, the institutions will to some extent reflect the political preference of the areas it serves. Thus a local council that's tended towards conservatism and retrenchment were replaced by a more activist body. . ."

A MEMBER: How do you like that?

MR. SPIVAK:"...or the change is in the other direction. This would be mirrored in changes in the economic structure of the community. Additional citizen participation would be provided by requiring public meetings of the Board with residents of the locality at frequent intervals." You know, Mr. Speaker, there's no point in having public meetings of boards or communities unless they're going to be listened to. Otherwise there's no point in going through the exercise.

A MEMBER: I think you're very right.

MR. SPIVAK: Yes siree. Yes. Yes, that's funny, because I don't see the government listening to the people at Moose Lake. I don't see the government listening to the people at Moose Lake. As a matter of fact they basically said—the people of Moose Lake – you know, you're asking us for too much. That's it. Goodbye. We'll do it our way.

A MEMBER: What do you recommend?

MR. SPIVAK: Well, Mr. Speaker - and then we'll come back to that in one second, to what we'll recommend. But the fact is, Mr. Speaker, if the government is prepared to admit that the policy that I declared is the policy, then why didn't they admit that when they introduced this Act? And why didn't they admit, Mr. Speaker, that this is really the direction where they're going? And why do they try to snow the community in some way that they're really involved, or that there really is, you know, the process is such that the involvement of the democratic process will mean that there will be greater and greater control by them. Because, Mr. Speaker, there will not be. There'll be greater and greater control by the bureaucracy and by the Minister - and if we get close to an election, Mr. Speaker, it'll be the control by those who are going to be in a position to assist the government in winning the support for that election. Because, Mr. Speaker, the tap will be turned on and the direction the government will take will be controlled by the circumstances of the day and the moment and the time of the election, and that was proven in this past election.

"At the same time the corporate structure allows the enterprise to respond rapidly to existing opportunities and to initiate new activities without becoming tied down by government bureaucracy. A major advantage of a local development vehicle is that it provides for integration of manpower programs with industrial planning, and it enables the community to maximize the collective benefits received from manpower training. Too often the resources poured into training programs are either wasted and that there are no jobs afterwards for the trainees; or they are used to subsidize private enterprise, and the corporations are relieved of the responsibility and cost of upgrading their labour force. This can be prevented by integrating manpower planning with community economic development. Thus the local labour force would be trained for the kind of activities in which the municipal development corporation has expressed interest, because the skills would then be used in the public sector, the benefits of training would accrue not only to the workers involved but to the community at large rather than just the corporate segment of it".

The Minister almost agrees with everything that's said here. -- (Interjection) -- Yes. Well,

(MR. SPIVAK cont'd). . . I am saying, Mr. Speaker - and this is the problem we have, that this really is the Guidelines for the Seventies. You know, that is the Guidelines for the Seventies. And the Minister should have taken that paragraph and introduced it, and then having introduced it on the basis of this Act we then would say - well, the question then at this point comes, if these are the purposes and we agree on the purposes, how are the people protected? How are the people protected from a godfather approach by government with respect to them? How are the people protected to see to it that the kind of democratic functioning that is supposed to take place in the development and involvement really will be with them? How is the residual power with the people rather than with the Cabinet and with the Minister ?--(Interjection)--Well, Mr. Speaker, that's not what the Minister said. That's not what the Minister said. --(Interjection) -- Mr. Speaker, that's not what the people said - and that's not what the Minister said. Now, he didn't introduce it that way. And, Mr. Speaker, nor was the treasury branch introduced that way, nor was the Manitoba Trading Corporation Act introduced that way. But, Mr. Speaker, --(Interjection)--I'm not crying - I'm saying, Mr. Speaker, that the problem we have right from the very beginning is that they have attempted realistically to hide their motives, and in doing this it has had to be inferred from the way in which the legislation is drafted. Had we not had this document, Mr. Speaker, and had we presented our position on the basis of the specifics of the Act, the Minister would have denied that that was their intent. He would have said, no, that was never their intent. But the fact is, Mr. Speaker, when we deal with the powers of the Minister, he has the right to do all he wants by such means as he deems appropriate. Okay? Then he could obviate any acts that interfere with this act. And Mr. Speaker, he can make arrangements with a community council in an incorporated community, a local community to carry out any program in northern - no, to the establishment, acquisition and operation of a commercial or industrial business or activity by an incorporated community.

Now, Mr. Speaker, where is the difference between a municipal development corporation and that proposal? There's none. It is exactly the same thing. The power--(Interjection)--yes, and pretty close, it's the same thing - and that's the power. We are supposed to give the Minister the power to enter into any business activity within the north, and you'll assist the communities like you're assisting the Moose Lake Loggers - except, you know, in the case of the Moose Lake Loggers the people were a little bit happy with the fact that so much of the management came from Swan River - with all due respect to the Honourable Member for Swan River - and the fact that there were some relatives that were placed on the payroll, and the fact that they didn't spend too much time at the community. . .

A MEMBER: A thousand dollars a month. . .

MR. SPIVAK: Yes, Mr. Speaker, so the fact is, the fact is, that he's given that power, you know, and that's unchecked power, and this is supposed to be the new thrust in direction of the north. And, Mr. Speaker, he's also given the power to audit, and he's given the power to be able to borrow money; and he's given the power, Mr. Speaker, to be able to handle, you know, matters in relation to this, which really as I suggested earlier make him the Czar of the North

All right. Now where do we go from here? I do not believe that the communities, I do not believe that the communities in Northern Manitoba understand the implications of this Act.--(Interjection)--

MR. SPEAKER: Order please.

MR. SPIVAK: Mr. Speaker. I don't know what's been represented to them about this Act. I don't know what they understand about this Act. I know don't know what powers they believe they have, and what powers the Minister has. I don't believe at this point they know where the residual power will lay, Mr. Speaker--(Interjection)--well I wonder - if they understand better than me, then it will be interesting for them to be given an opportunity to deal with the specifics of this Act. This is why, Mr. Speaker, I think it is necessary for this Act to be referred to a committee of this Legislature, and to be given the opportunity to be able to take this Act and to deal with the communities, and to deal with the people up North, to be able to hear their positions. It would be important, Mr. Speaker, to understand really what they say.

Now, let's understand the position we're at now. Here is a new Act introduced by a minister who says that he has hired people who are experienced to be able to draw from the communities the basic requirements and needs as they see it, and their priorities. Now this has been drafted as an Act, Mr. Speaker, which gives the Minister the opportunity to execute

(MR. SPIVAK cont'd). . .the will of the people. Well, Mr. Speaker, I think the Minister admitted that they did not see the full Act; it was explained to them and it wasn't explained to everyone, it was explained to some of the leaders in some of the communities.

Our problem at this point is that in looking at this, all we see is a complete take-over of the North by the Minister - in fact, you know, a complete, uncontrolled power to be executed by him, and, Mr. Speaker, you know, a smugness on the part of the government who basically suggest that, you know, we're going to do that, so what. What was the reason for a new Act? Why are we here having to consider a new Act. If this new Act is really an Act which reflects the will of the people, let's hear from the people before this is passed. I would find it very hard to believe that the people are prepared to accept the unlimited power given to the Minister and to the Government and to the Cabinet. I would find it hard to believe that the people are prepared simply - and because I'm not sure that they would understand the specifics of the legislation - simply to understand that what will happen for Northern Manitoba is what happened for Moose Lake, that the Government makes the decision, and the Government will say that this is our decision made in the best interests of the people, and the people of Manitoba, and that's it.

The whole object of the initiation of new activities and the evolvement of democratic procedures in local, in the local control and local development, has to come, Mr. Speaker, from a recognition that as the government attempts to be the activist and the interventionist, that it itself becomes involved to a larger extent than is necessary in the local politics of the area. Because, Mr. Speaker, the government's programs at different times are going to be subject to political debate, and that the government programs are going to be open to question, and the government itself must become involved; Mr. Speaker, involved in seeing to it that they can win the support within the community, and the question is, do you help the people by doing that, or do you set it up in such a way that the people can help themselves, that the decisions can be made by the people locally, that the people are in a position to be able to make the mistakes rather than government make the mistakes? And I say this, Mr. Speaker. There has been tremendous waste in the north. The waste in the main has come from the departments, from the bureaucracy in the way they've handled it, not from the people. And that's the problem. The waste, the mismanagement is not that of the people. It's been the government who has acted in a paternal way to them, who has offered them things that they didn't need at different times, and in turn, Mr. Speaker, has tried to win their support for other things by being, you know, a generous father, or in this respect a Godfather. Mr. Speaker, the problem at this point is that if you are really going to evolve in a democratic tradition the ability of the communities to help themselves, then this Act by giving unlimited power to the Government fails to achieve that purpose.

So, Mr. Speaker, our problem is something like this. The Guidelines for the Seventies, which was the unpublished document, really reflects government policy. The government had an obligation to explain to the people of this province in the election that this was their policy, and had a right, Mr. Speaker --(Interjection)--Yes, the unpublished guidelines. . .

A MEMBER: They were published.

MR. SPIVAK: Well they were published by us but they're not published. . .

A MEMBER: They were published, the Guidelines were published.

MR.SPIVAK: Mr. Speaker, the working paper document that was published and called the Guidelines for the Seventies which was prepared by the department in almost every case reflects the legislation that we have before us. I've read five pages, Mr. Speaker, that are dead on with respect to this Northern Affairs Act. The government is capable of doing it in the Northern Act because it has taken the power to itself. As I suggested, Mr. Speaker, this is what we should have been debating in the first place. The power that has been given to him, the power that's been given to him is unchecked; he does not have to account to this Legislature; he really does not have to respond to the wishes of the people; he deals with the people, and if the people's actions and their decisions are satisfactory to him, he will allow it to take place, and if we are talking about the development of democracy and the evolvement of the communities into a better situation than where they are today, then I fail to see, Mr. Speaker, that the necessity for some of the sections in this Act can be justified.

I come back to the basic position. We should be given an opportunity to take this Act, there should be a legislative committee set up; we should go through the North from this session (MR. SPIVAK cont'd). . .to the next and we should ask the communities to respond to this. We should be given the opportunity to hear their problems; we should be given an opportunity to provide the kind of protection that they themselves want, and we then should be in a position to amend this Act in such a way that it will really reflect what the people of the North want, and it will give that opportunity for the kind of development that I referred to.

If the government is not prepared to do that, then I would say that really they're not interested in the wishes of the people of the North. They have gone through a fairly expensive exercise in trying to establish a base for their action and, Mr. Speaker, in the course of doing this they have taken in this particular Act the kind of power that they really want over all of Manitoba to essentially control the means of production in the development to cause what they consider is their beliefs with respect to redistribution, and in the course of doing it create the kind of state that they want rather than what the people want.

I don't care how well-intentioned in some areas they may be, or how better a situation is today than it was three or four years ago, it still, Mr. Speaker, does not justify the kind of dictatorial power that is now taken by the Minister and which will remain unchecked unless the kind of changes that I suggest have to be introduced, were introduced. And the best way, Mr. Speaker, of determining whether I'm right or wrong, is to allow the people to speak on this, on this new proposal, for them to allow to understand the significance of the implications, and the only way that can happen is by the committee meeting in between this session and the next to deal with it.

We have an Act that's operative now; if we're going to produce a new Act that's going to be better than the previous Act, if it is really going to reflect the kinds of things that we're talking about, and the kind of things even that the Minister was saying from his seat in relation to it, then I suggest, Mr. Speaker, that this piece of legislation be referred to that committee and be allowed to be discussed by the communities with all the members of the Legislature present - I mean of the committee present, so that all parties are present, and we are in the position really to make the kind of assessment, and to be able to in fact develop the Act to achieve a purpose which I suggest is more important - not the complete unfettered control by the Minister, or unlimited control, or unaccountable control, but rather the Minister carrying out a function which realistically represents the needs, the interest, and the wants, of the people involved. And that can come by, Mr. Speaker, with discussion, and with debate, and then with the alteration and amendments to this Act that should take place.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, you know, I really believe that one of the reasons that the Leader of the Opposition wanted to be Leader of the Conservative Party is that he read the rule book and found that in the rule book it says that the Leader of a Party has unlimited time in making a presentation. The Honourable Leader, who loves to hear himself talk so much that he would do anything to achieve that position, decided that he would run for that leadership so that on every question he could get up and make a two-hour address and well, say nothing, say worse than nothing, Mr. Speaker, say worse than nothing.

The honourable member starts his speech by saying that I did not read this bill. I tell the honourable member that I was the Commissioner of Northern Affairs, that when the Honourable the Minister wanted to introduce this legislation I was very interested, and tell him that I read the bill--(Interjection)--Well, Mr. Speaker, the question of "when" really does not become relevant - that I discussed it, Mr. Speaker, with the people who were brought in to draft it.

Mr. Speaker, my conception of what the Minister is trying to do in this bill is exactly the opposite of what the Leader of the Opposition suggests, that the Minister in this bill is trying to divest himself of some of the control which he now has over the region which is in his jurisdiction, and to somehow put it in a statutory form in the hands of the local communities.

Now I can tell the honourable member that if I had criticism of the bill or if I had an observation to make on the bill, it was exactly the opposite to the observations that are being made by the Leader of the Opposition. I felt that placing too much formality into the hands of local communities, such as incorporating them and setting out requirements as to how they operate, will make it, or could make it more difficult for those communities to do the kinds of things that they are now permitted to under the Act, that in effect the communities now have a less formal structure than is present in a municipality, and the less form that is involved, Mr. Speaker, the more freedom there is involved; and that the new Act, if anything,

(MR. GREEN cont'd). . .by trying to vest formal and legal structure in the hands of local community in an effort to have them be the ultimate say over the things within their control, is something which will have a danger, not of the type that the Leader of the Opposition has suggested but of a type, Mr. Speaker, entirely contrary to the Leader of the Opposition.

Now the Leader of the Opposition really, Mr. Speaker, the more he talked the more it becomes apparent that he knows nothing about the communities in Northern Manitoba, nothing whatsoever about the communities in Northern Manitoba. You know when the Conservatives were in power the Minister of Northern Affairs, or the Commissioner of Northern Affairs, was the Honourable Sterling Lyon, and then Mr. Baizley. And although I couldn't agree with their thrust in the north, and their feelings about the primitiveness of Northern Manitoba, and the kind of ready relief that was needed for those communities, in a highlight speech made by the Commissioner of Northern Affairs in those days, he said that in the north you cannot apply the same rules; you cannot have structures; you cannot have form. What they need is that when somebody phones up and says he needs a gun to shoot mad dogs, that that's the kind of thing that the government has to be able to do with regards to Northern Manitoba; that when somebody phones up and says you have to fix a dock, that there has to be a ready way of doing it; that when somebody has to fix an oven, there should be somebody there from the government so that that oven is fixed. Those are the things that he talked about - mad dogs, broken docks and ovens.

Now you know there was a germ of truth in that. I think that there was much more potential than what the former Commissioner of Northern Affairs describes. But there was a germ of truth, that the problems associated with the communities in Northern Manitoba were very close to the operations of the people themselves, and there had to be a structure whereby these problems could be handled on a rough and ready basis. And the honourable member if he was making remarks to the effect that the Minister's direction appears to be a reasonable one of trying to put more control, trying to have the communities structured so that they have the say in what they're doing - Mr. Speaker, each of these communities has suggested to be incorporated, each of them has suggested to be able to make its own contracts, each of the communities is given a manner of proceeding, none of which exists at the present time.

The honourable member read a list of regulations and says that there are numerous regulations, and I said, "You only need one." And he said, "That's right. You could put that the Lieutenant-Governor-in-Council could do oll of these things." Mr. Speaker, he knows whereof he speaks, because under the Commissioner of Northern Affairs Act, as it was established, in effect there was one provision for regulations which enabled the Commissioner to do - and I say this. Mr. Speaker, as an observation, I cannot be certain of it, but I say it as an observation - which enabled the Commissioner of Northern Affairs to do all of the things that the regulations now give the Minister the power to do, all of them in one regulation. And when he talks about the Minister being the Czar of the north, when I become Commissioner of Northern Affairs the communities came to me and said that you are the dictator of Northern Manitoba, and how do we know? Because there is one regulation. The Commissioner has in respect of the northern area - listen to this - "The Commissioner has in respect of the northern area all the powers, rights, privileges, and duties, including the power to make by-laws that a municipality has within its jurisdiction, without limiting the foregoing, the generality of the foregoing. The Commissioner may, subject to regulation, provide for assessment of property, levying of taxes." Mr. Speaker, the Commissioner may with the approval of the Lieutenant-Governor-in-Council enter in agreements on behalf of the Government of Manitoba on such terms as he deems appropriate with any person for the purpose of establishing and developing new townsites, and encouraging the establishment or expansion of industry in Northern Manitoba." Well he says it's in there. What you neglect to say is that it's in here. Mr. Speaker, Mr. Speaker, I suggest to you that the words, "by such means as he deems appropriate" are no different than the words "that the Commissioner with the approval of the Lieutenant-Governor-in-Council on such terms as he may deem appropriate with any person enter into agreement for the purpose of establishing and developing new townsites and encouraging the establishment or expansion of industry."

And furthermore, Mr. Speaker, the Commissioner was, under the Act, the Municipal Government of Northern Manitoba, and a municipal government can do all of the things that the honourable member is saying, they can expropriate property, they can build a convention centre, they can go into business, they can sell ice cream, they can do all of the things that the honourable member is talking about. And the people in those communities told me that I was

(MR. GREEN cont'd). . .the dictator of Northern Manitoba.--(Interjection)--Well, Mr. Speaker, the honourable member says it hasn't changed. At least that's an admission, at least that's an admission.

You know, if he would have come to the House and said that this government is not doing anything different than what has been done before, that they are maintaining the powers of the Commissioner or the Minister of Northern Affairs as they previously existed, and that they should be changing them, they should be moving in another direction, if he had said that, I would say that he is wrong, but that at least would be a constructive speech.

What has the honourable member said? He has said that suddenly this Minister has come in and with the tentacles has tried to assume power for himself which previously did not exist in Northern Manitoba. And I say that if there is anything that is a problem in the Act that has been presented, is that the Minister--(Interjection)--The honourable member, I will permit the same to him as he permitted to me.

I say again, Mr. Speaker, you know, the Leader of the Opposition has a problem. The Leader of the Opposition - I said rhetorically the other day that when the Leader of the Opposition speaks, he speaks only for the Leader of the Opposition. I said that really in response to a charge that he made with respect to myself. But I have to tell the Leader of the Opposition that his backbench is getting very tired of this, that he has done this on numerous occasions. There weren't four people listening to him in this House on this major two hour address on Northern Manitoba, and that he has a problem, that nobody is listening anymore. That's right, nobody is listening. Mr. Speaker, I think, I think and, Mr. Speaker, I seldom do this. I don't remember the last time that I really walked out on a member's speech, not because I had something to do, but because I walked out on his speech cause I couldn't stand it anymore. I don't think I have ever done that before. But I am his best listener, that people are not listening anymore; and it's because of that kind of presentation that people are not listening anymore.

What was the first thing that we did, Mr. Speaker, what is the first thing that we did. We changed this Act. The first year we went out and did what the honourable member said, we visited, along with members of his party and members of the Liberal party, we visited something like 30 sommunities with a task force in a period of not more than two months. Not only did we do that, but before the session started, or almost concurrently with it, we produced a Task Force Report. Now I want to know what other occasion has there been that kind of action in that short of period with legislation introduced immediately at the following session.

And the legislation that we introduced said that the Commissioner has not in respect of the northern area all the powers, rights, privileges and duties, and I admitted at the time that I was making a psychological change. We said that the people of Northern Manitoba through the Commissioner of Northern Affairs have the powers, rights and duties of a municipal council to make bylaws. And I admitted that that was a psychological change, but it was a change insofar as the people were concerned because they knew that the Commissioner when he is acting as the municipal government, and that is a technical thing, it's because there is no organized territory and he in effect becomes the local government administrator for Northern Manitoba, and that just as a local government administrator acts as such on behalf of the people of Lynn Lake, or the people of Alonsa, or the people of Alexander, that there had to be some status, some legal status in Northern Manitoba, and that is the only reason.

Mr. Speaker, the honourable member should know that that is the only reason. That the previous government - I was a defender of the Conservative Government, and the Honourable Member for Swan River knows it. When people came and appeared before the committee and complained that the Commissioner has all the powers, right duties, and privileges, did I not tell them, gentlemen that doesn't mean that he is the dictator, it really means that there has to be a formal status to provide local government where there was no organized community. I never took the position that Mr. Lyon was a dictator and did this because he wanted power. I took the position that it was necessary to provide municipal government since there was no municipality, there had to be a figure through which that municipal government could be exercised. Mr. Speaker, I defended the Conservative administration; I defended Mr. Lyon; I said that possibly we can change the words pround, possibly we can go further, but it is not the case that government when enacting this section was trying to grasp power with its tentacles over the people of Northern Manitoba.

(MR. GREEN cont'd)

Now, I say, Mr. Speaker, that under the previous Act, under the Act passed in 1966 by the Conservative administration, the Commissioner of Northern Affairs had more power than the Commissioner of Northern Affairs has under the Act that is now being presented by the Minister of Northern Affairs. Well the honourable member says no.--(Interjection)--Well, of course, and you, of course, will do it with unlimited time as you have shown and proved on so many occasions, Mr. Speaker, --(Interjection) -- Well no. You know, the honourable member is wrong. He says that if I was the leader of the party I would have no problem. I would have no problem on this bill. I'm just different than you in that I am not a trespasser, I am not a trespasser. I could go to the First Minister, say to him, "Mr. Premier, do you intend to speak on the Northern Affairs Act?" And he would almost undoubtedly say, "no", I would say to him, "Will you designate me so I could use your time?" and he would say "Yes". --(Interjection) -- Why am I complaining? I am telling the honourable member that because one has the right to speak endlessly - I go back to my friend the Member for Swan River who told me that as a member, and he did it in good humour, and I appreciated it. "Mr. Green, because a person has a right to speak 40 minutes, does not mean that he must speak 40 minutes." That's what he told me--(Interjection)--That's what you told me, and I accepted it, and I thought it was a very good statement, and I'm telling the honourable member that because he has the right, or I have the right, to use unlimited time, doesn't mean that I must speak endlessly and say nothing. -- (Interjection) -- Yes, I'll get to the Act, that's right.

MR, SPEAKER: Order please. The hour being 12:30 the House is now adjourned and stands adjourned until 2:30 this afternoon.