

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, June 1, 1979

Time: 10:00 a.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): Before we proceed, I should like to draw the attention of the honourable members to the gallery, where we have 50 students of Grade 8 standing from the Provencher School, under the direction of Messrs. R. Augert and E. McArthur. This school is in the constituency of the Honourable Member for St. Boniface.

We also have 25 students of Grade 5 standing from McCreary Elementary School, under the direction of Mr. Katcsma. This school is in the constituency of the Honourable Member for Ste. Rose.

On behalf of all the honourable members, we welcome you here this morning.

Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable First Minister.

HON. STERLING R. LYON (Charleswood): Mr. Speaker, I have a report, copies of which are available.

I would like to report to the House that the Government of Manitoba has negotiated and signed a loan agreement in Switzerland, which has the net effect of saving the province approximately 4- $\frac{1}{4}$ percent on a current bond issue. Signing took place on Tuesday when the Minister of Finance joined me in Europe where we had talks with bankers and financial people. By way of explanation, I think the honourable members were aware that an outstanding Manitoba issue of 100 million Swiss francs, about \$67.2 million Canadian, had a year to go to maturity to June 16, 1980. It carried an interest rate of 8- $\frac{1}{8}$ percent. We elected to call the issue this year, pay a $\frac{1}{2}$ percent premium for the early recall and refinance it through the just negotiated loan in Switzerland at an interest rate of 3- $\frac{3}{8}$ percent.

The amount of saving to the province including the premium payment for early call of the issue is the 4- $\frac{1}{4}$ percent. This amounts to about 4,250,000 Swiss francs, which in Canadian currency, means a saving of approximately \$2,856,000.00.

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

MR. SAUL CHERNIACK: Mr. Speaker, we've been looking forward to the report, which of course we knew was coming, in relation to the roll over of the Swiss franc loan. It was something we were concerned about to make sure that indeed it was done in Swiss francs, rather than the idea that had been suggested that it might be rolled over in Canadian funds. By rolling it over in this way, it extends the term over which the rate fluctuation will be spread and thus reduce the risk on rate exchange and of course it makes sense now that rates are much lower even to pay the one-half percent premium in order to refinance it. The only question that occurs, and for which we will have to get answers, is how this will affect Hydro, which is now being charged the Canadian equivalent interest rate as of the date of last April, I think, and that means that there may be a saving here, but it's a saving that is not passed on to Hydro, I assume, and therefore Hydro will have been forced to take the Canadian loan equivalent at Canadian rates rather than the advantageous 3- $\frac{3}{8}$ percent rate which has now been announced. That is a question we will certainly have to go into because it is rather an important question affecting the rates of Hydro, and I believe confirming our statement that we don't believe that there was going to be a rate increase in any event for the next number of years, and now we're concerned about who will have to take the brunt of the rate exchange.

MR. SPEAKER: Notices of Motions . . . Introduction of Bills.

Friday, June 1, 1979

ORAL QUESTIONS

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

MR. D. JAMES WALDING: Mr. Speaker, in view of the fact that the Provincial Auditor was prevented from giving information to the House yesterday, what consideration has the Government House Leader given to calling a meeting of the Public Accounts Committee?

MR. SPEAKER: The Honourable Government House Leader.

HON. WARNER H. JORGENSEN (Morris): Well, Mr. Speaker, the normal practice, and that certainly is not the normal practice that was followed by honourable friends opposite, will be followed in permitting the members to question the Provincial Auditor.

MR. WALDING: A supplementary question to the same Minister, Mr. Speaker. In view of the fact that the government prevented the Provincial Auditor from giving facts to the House concerning the sale of farmlands, would the Honourable Minister announce the date of the next Public Accounts meeting?

MR. JORGENSEN: Mr. Speaker, that announcement will be made in due course.

MR. SPEAKER: The Honourable Member for St. Vital with a final supplementary.

MR. WALDING: No, Mr. Speaker, it's a new question. It's addressed to the Honourable Minister of Agriculture. In view of the fact that the Provincial Auditor was prevented from giving facts to the House . . .

MR. SPEAKER: Order please, order please. The Honourable Member's question is repetitive and out of order.

Orders of the Day. The Honourable Member for St. Vital on a point of order.

MR. WALDING: I wish to rephrase the question, Mr. Speaker.

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

MR. WALDING: Mr. Speaker, in view of the circumstances surrounding the Provincial Auditor and the facts he appears to have at his disposal, does the Minister of Agriculture have a statement to the House at this time regarding the sales of farmlands?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. JAMES DOWNEY (Arthur): Well, Mr. Speaker, for the benefit of the members opposite who have asked that question many times and have been answered many times in Committee, the fact that they have asked for an Order for Return on those farmlands and I've accepted that, we are proceeding to get that information. I think we are fully co-operative in providing them with that material which has been requested.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Mr. Speaker, I want to direct a question to the Minister of Tourism. In the advertising that is being directed to the United States for American tourism, is one of the main features of that advertising the dollar discount?

MR. SPEAKER: The Honourable Minister of Tourism.

HON. NORMA L. PRICE (Assiniboia): Mr. Speaker, it's not one of the main features, but it is brought to their attention.

MR. DOERN: Mr. Speaker, in view of the gas shortage in the United States, and the long lineups at pumps, etc., is the Manitoba government featuring that in their advertising at the moment, American tourists will not have any difficulty obtaining gas in our province, or in our nation?

MRS. PRICE: Yes, Mr. Speaker, we have that noted in the advertising. In the areas that they can get here on one tank of gas, we have that put in all the brochures.

MR. SPEAKER: The Honourable Member for Transcona.

MR. WILSON PARASIUK: Thank you, Mr. Speaker. My question is directed to the Minister of Consumer Affairs. In the light of reports that truckers bringing food into Manitoba from the United States aren't getting through because of gasoline and diesel shortages in the United States, and that this is increasing the price of fresh vegetables and fruit in Manitoba, is the Minister investigating these reports to see if the gas shortages indeed are the true reason for increases in vegetables and fruit in Manitoba?

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

MR. JORGENSEN: Mr. Speaker, I have no authority to investigate what takes place in the United States.

MR. SPEAKER: The Honourable Member for Transcona.

MR. PARASIUK: My question is directed to the Acting Minister Responsible for the Energy Council and my question is, is the Minister confident that Manitoba will not experience the gas shortages that are being experienced in the United States, not only in faraway states like California, but in closer states like Minnesota and North Dakota?

MR. SPEAKER: The Honourable Minister Responsible for Manitoba Telephones.

HON. EDWARD MCGILL (Brandon West): Mr. Speaker, I'll accept that question as notice for the Minister Responsible for Energy Matters who we expect will be back in the House on Monday.

MR. SPEAKER: The Honourable Member for Transcona with a final supplementary.

MR. PARASIUK: Yes, I'd like to ask the same Minister if he would have the Energy Council follow the investigations that are taking place in the United States, which indicate that the gas shortages may indeed not be caused by decreases in exports from oil exporting countries to the United States, but rather some type of cartel approach by the multinational corporations controlling oil supplies. Would the Minister please follow those investigations to determine whether they would have any effect on Canada, since the same multinationals are the basic providers of gasoline in Canada?

MR. SPEAKER: The Honourable Minister Responsible for Manitoba Telephones.

MR. MCGILL: Mr. Speaker, I think we understand the general concerns as they are expressed by the Member for Transcona, and I'll see that the Minister is informed of his interest and concern.

MR. SPEAKER: The Honourable Member for Transcona.

MR. PARASIUK: Thank you, Mr. Speaker. I'd like to ask the Minister responsible, perhaps it's the First Minister, in the light of the experiences in the United States regarding gas shortages brought about by apparent multinational collusion, would the Minister indicate what the position of the Manitoba government is with respect to the federal Conservative promise to sell off Petro-Canada to the private sector which would probably entail selling this Crown corporation off to the multinational corporations?

MR. SPEAKER: Orders of the day. The Honourable First Minister.

MR. LYON: Mr. Speaker, without accepting in any way the premise alleged by the honourable member with respect to the causes of gas shortages in another jurisdiction over which we have no control, I can only say that he should watch with interest the developments of the new and enlightened government in Ottawa, and he may learn something as to how public affairs should be run.

MR. SPEAKER: The Honourable Member for Emerson.

MR. ALBERT DRIEDGER: Thank you, Mr. Speaker.

MR. PARASIUK: I believe I have a point of order, Mr. Speaker.

MR. SPEAKER: Order please. The Honourable Member for Transcona on a point of order.

MR. PARASIUK: Yes, Mr. Speaker, I asked a question of the Minister of Consumer Affairs, plus two supplementaries. I got up and asked an entirely different question of the First Minister. He answered and I believe I have two supplementaries under the normal rules of this House.

MR. SPEAKER: Order please. The honourable member has no point of order. The Honourable Member for Emerson.

MR. DRIEDGER: Thank you, Mr. Speaker. My question is to the Minister of Health. In view of the statements made by the Member for Lac du Bonnet during the federal election, that the eastern regional Health and Social Services office was going to be moved out of Beausejour, could the Minister indicate when this move is going to take place?

MR. SPEAKER: The Honourable Minister of Health.

HON. L.R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, references to that matter are purely speculative at the moment. There's no such move planned or contemplated in any firm way.

MR. DRIEDGER: A supplementary question, Mr. Speaker, to the Minister of Agriculture. In view of the fact that recommendations were made to the previous Minister of Agriculture prior to establishing the eastern region office in Beausejour, and that it should be moved to Steinbach, could the Minister indicate whether he is considering to proceed on that recommendation now?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. DOWNEY: Mr. Speaker, for the Member for Emerson, we are, as I had indicated earlier before the election, we are looking at the delivery of our agricultural service to the community of Manitoba, the eastern region being one of them. There was a report surfaced that said that the central office or the regional office should be located in Steinbach. We are re-looking at that whole situation and no final decision has been made. But, Mr. Speaker, I would like to say that our objective is to provide essential services to the farm community, not fill government buildings with civil servants.

MR. SPEAKER: The Honourable Member for Emerson with a final supplementary.

MR. DRIEDGER: A final supplementary, Mr. Speaker, to the Minister of Health. Considering the possibility that most of the government departments might be moved out of the government building in Beausejour — better known in my area as the "Red Fortress" — could the Minister indicate whether he would consider possibly renovating the building into a personal care home?

MR. SHERMAN: Certainly I would consider it, Mr. Speaker, I'd like to sit down with the Member for Emerson on that very soon.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Speaker, just on a point of order and for guidance sake just so that there is no misunderstanding, the Member for Transcona had asked a question and two supplementaries, and then asked another question and thought that he had an additional two supplementaries and you indicated that he had no point of order. I'm not challenging it but I would like for the guidance of members, to know whether a person asking a question is entitled to supplementary questions. So I would appreciate that elucidation. Mr. Speaker — and I'm not talking about going all day — there was nobody seeking your attention when the Member for Transcona

asked his second question, not a supplementary question but his new question. —(Interjection)— Well, Mr. Speaker, if that is the point then we would be aware of it, but that is not what occurred. The Member for Transcona asked a new question, was given an answer and wished to put two supplementary questions or at least another supplementary question and I presume that that is in order. If not, we would like to be advised so that we are aware of the procedures of the House.

MR. SPEAKER: The Honourable Government House Leader on the same point of order.

MR. JORGENSON: Mr. Speaker, my honourable friend's point of order simply is that they believe on that side of the House that they have the God-given right to monopolize the Question Period, and, Sir, they do not have that right. The right is open to all members of this House, whether my honourable friend from Inkster likes it or not.

MR. SPEAKER: Order please. The Honourable Member for Inkster on the same point of order.

MR. GREEN: Yes, Mr. Speaker. I fully agree with my honourable friend that any member of the House is entitled to be recognized. That wasn't the issue that I put. The Member for Transcona had asked a question and two supplementaries. When he asked his new question, no other person was seeking to be recognized. He then tried to put a supplementary and you indicated that you would recognize the next person. I'm not objecting, nor should my learned friend suggest that I am. Every member has a right to put questions, but the Member for Transcona had asked a first question and received an answer. There was no objection to that. He then wished to put a supplementary and all I'm asking you is whether, when a member puts a question, he is entitled to a supplementary question, that's all. I'm not seeking any monopoly.

MR. SPEAKER: The members of the Chamber at all times have the right to make representation to the Rules Committee to have the rules of the Chamber changed. I am nothing more than the servant of the Chamber and the rules of the Chamber are the ones that I have to abide by. One of the fundamental rules of the Chamber is that the Speaker has the option of recognizing, if more than one member is standing at the same time it is the choice of the Speaker who he shall recognize.

MR. GREEN: Mr. Speaker, I'm afraid that I have to pursue it because there appears to be a misunderstanding. We are not arguing about that rule. Is it the fact, Sir, and this is the only question: that when a member puts a question he will be entitled to ask a supplementary question and then another before another member is recognized, which is what we understand the rule to be. That's the only question.

MR. SPEAKER: If the honourable member can show me the rule in the Rule Book, then I will abide by the rule. I am suggesting that there is a Rules Committee of this Chamber who have the right to set the rules. Orders of the day. The Honourable Member.

MR. GREEN: Mr. Speaker, I then ask you to take under consideration and I will certainly produce it for you. It is your own rule that you have been following throughout your entire period of Speakership that when a member asks a question you will permit him to ask a supplementary question and then another, if need be, before you recognize another honourable member. That is what I'm asking you to take into consideration.

I then now, Mr. Speaker, put a question to the Minister of Economic Development. Is the Minister of Economic Development, as a Minister of the Crown, taking an official position vis-a-vis the mayoralty contest in Greater Winnipeg?

MR. SPEAKER: The Honourable Minister of Economic Development.

HON. J. FRANK JOHNSTON (Sturgeon Creek): Mr. Speaker, the member is referring to an article in the paper which I perused very closely, but he says he's not referring to anything. I'm sure that he read the article which proted the question.

MR. GREEN: Just so that there is no misinterpretation of my question, I did not read the article. I did not see the article and I have been advised of something and that is why I'm asking the Minister, but I did not read the article and I'm not referring to the article. Is the Minister taking an official

position as Minister regarding the mayoralty contest in Greater Winnipeg? I didn't read the article.

MR. JOHNSTON: No, Mr. Speaker.

MR. GREEN: Just so there is no misunderstanding, I wish to ask another question. If another member had got up and you wished to recognize him, recognize the other member because mine is a new question.

MR. SPEAKER: The Honourable Member for Swan River.

MR. DOUG GOURLAY: I'd like to direct a question to the Minister of Resources. I wonder if he is ready to announce a policy, or going back to a former policy, whereby officials from his department will deal with troublesome beavers, in especially the Swan Valley area, where they are causing much damage to flooding of agricultural lands, and also causing considerable damage to roadways where they plug culverts and have been washing out some of the roads.

MR. SPEAKER: The Honourable Minister of Mines, Resources and the Environment.

HON. BRIAN RANSOM (Souris-Killarney): Mr. Speaker, I acknowledge that that situation is in fact a problem and that the existing policy is inadequate to deal with it. We are in the process of reorganizing the field services of my department. Along with that reorganization, we will also be bringing in a more effective means of dealing with that problem.

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

MR. BILLIE URUSKI: Thank you, Mr. Speaker. I'd like to pose a question to the Minister of Agriculture. In view of the severe weather conditions we are experiencing this spring and continuing on, is the Minister considering drafting some contingency plans to assist grain farmers in terms of their possibility of not being able to seed any acreage this spring?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. DOWNEY: Mr. Speaker, as the member is quite aware, we are on the first day of June, we still have something like the majority of June left for seeding. I would hope that the seeding conditions would improve over the next few days, however, we have no control over the weather.

We have extended, for the people in the flood valley, in the flooded areas of the province, an opportunity some weeks ago to extend their crop insurance coverage for changing of crops. I will be tabling a complete report on the crop conditions, or the planting conditions, in the House next week.

In parts of the province, seeding is something like 30 to 40 percent completed, at the maximum, down to about 5 to 15 percent.

MR. URUSKI: Mr. Speaker, can we expect more from the Minister other than the attacks on the Wheat Board that we have experienced in this House, in terms of assisting the farmers?

MR. DOWNEY: Mr. Speaker, I do not accept the allegations that I was attacking the Canadian Wheat Board. As far as contingency plans, as far as the planting is concerned, we have no immediate plans to try and change the weather.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. HOWARD PAWLEY (Selkirk): Mr. Speaker, my question is to the Minister of Economic Development. In view of the lay-offs involving Electro-Knit Fabrics and the fact that there will be some 80 laid off by June 15 if the plant is not sold, can the Minister advise what efforts he and his department are undertaking in order to obtain alternative employment for those being laid off?

MR. SPEAKER: The Honourable Minister of Economic Development.

MR. JOHNSTON: Mr. Speaker, I have explained to the honourable member approximately three times now, that the Department has worked with Canadian Manpower. We have been out to the

plant on more occasions than he was in eight years. —(Interjections)— Well, if the honourable members want to laugh, I will tell you that 80 jobs is no laughing matter, and I will tell you to be exact that the Honourable Member for Selkirk had the plant in his constituency and in eight years he visited it twice.

So, Mr. Speaker, we have been working very hard to try and replace those people. We're very concerned about the fact that there is a layoff. We have been in touch with the owner, as many of the media have been in touch with the owner in Montreal. It's just a case of the product that is being made in that plant is not being used by the public.

MR. PAWLEY: Mr. Speaker, a supplementary question. In view of the fact, on those occasions when I did visit the plant, there were some 200 and up employees; in view of the fact that the Minister is now indicating that in his visits the number of employees is away down and there's future layoffs taking place, I would ask the Minister if he would cease visiting the plant if that's the outcome of his visits to the plant?

MR. JOHNSTON: Mr. Speaker, it doesn't deserve an answer, but we will continue to try and help the people in Selkirk.

MR. PAWLEY: Mr. Speaker, a supplementary question to the Minister of Labour responsible for Manpower. Is the Minister of Labour involved in any way, shape or form insofar as Manpower programs involving those who will lose their jobs from the closure?

HON. KEN MacMASTER (Thompson): We are aware of the situation, Mr. Speaker, and we're not directly involved at this particular moment. I will let the member have another question if he wishes.

MR. PAWLEY: Mr. Speaker, the Minister's answer of course does lead to a further supplementary—not at this moment. Does the Minister intend to become involved in future moments?

MR. MacMASTER: Mr. Speaker, I think it is the history of the department, particularly since it's all been pulled together into Manpower, that we are fairly active in this type of situation. We were fairly active in a couple that's been brought to our attention so far, and others that everybody isn't always aware of.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. HARVEY BOSTROM: Thank you, Mr. Speaker. My question is to the Minister of Northern Affairs. I refer to a statement which he made in the House during his Estimates and I ask him whether or not the project for the rebuilding of the internal road system in Berens River will be retendered as he committed himself to do, during his Estimates process in this Legislature?

MR. MacMASTER: Mr. Speaker, I intended to rise today to clarify that particular situation at the end of Question Period, but I can certainly do it now.

I wish to clarify the statement I made to this House during discussions on the Department of Northern Affairs respecting the reconstruction of the internal roads at Berens River. What took place and what I said during Estimates was that the tenders were not awarded in the fall because the Department of Indian Affairs and Northern Development could not get approval from the Treasury Bench in Ottawa for their portion of the funding. My information at that time, in truthfulness, was that they would be retendered, because the project hadn't gone ahead.

Unbeknownst to myself at that moment but since I have been made aware of it, discussions, meetings, negotiations took place between all parties and the lowest tender at that particular time, the construction company, was asked if they would consider doing it in the spring with a 10 percent increase. That was agreed to by all parties and the equipment has been moved in. The increase, in fact, still is substantially lower than the other two people who tendered. When I was made aware of this particular situation, I asked for a meeting with the Member for Rupertsland and the Member for St. George. The Member for Rupertsland was unfortunately not available, but I did meet with the Member for St. George, and I explained this entire situation to him. I feel that he was satisfied with the explanation and that he accepted the fact that what I had said during my department Estimates was, in fact, the truth as I knew it at that time. Today is the facts as we all know them to be.

MR. BOSTROM: Mr. Speaker, I would question the Minister as to when exactly he first learned

of the change in the information which he had supplied to the House, and if he had learned about it some time ago, why he did not make a correction earlier in the House?

Mr. Speaker, a further question. Why does his department give a contractor a 10 percent increase to go in and build a piece of road under conditions which are far more favourable than having to move in in the fall of 1978 and construct over the winter, and have to shut down for a period of time and have equipment tied-up over the winter? Why did the Minister agree to give a contractor 10 percent increase rather than retender this whole contract?

MR. MacMASTER: I must say, Mr. Speaker, that it was agreed to before it was brought to my attention. The difference was felt to be appropriate because of increased costs.

The other question that was raised in that relationship was, if the local community would be involved at all in this operation, and we have assured ourselves that the contractor would be in touch, as I'm sure he has already, with the local community, in addition to that, we have notified the local communities of over \$130,000 worth of other capital works going on in that community which they will have an opportunity to participate in.

MR. SPEAKER: The Honourable Member for Rupertsland with a final supplementary.

MR. BOSTROM: Mr. Speaker, I would ask the Minister if — in fact, Mr. Speaker, I direct this question to the First Minister of this province, and ask him if it is the practice of his government to award a contract to a contractor, and after the contract is awarded, go back to that contractor and negotiate an increase in the contract? I believe, Mr. Speaker, there's a long-standing practice that this sort of thing be put back to the retendering process to give the other contractors a fair chance at the bidding process for capital projects under the responsibility of the Province of Manitoba.

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Mr. Speaker, the general practice followed by this government is to tender contracts in all Capital Works Programs. It was not the practice of my honourable friends, when they used to award contracts to companies that they had established on their own. From time to time circumstances change, however. I'm not familiar with the circumstances my honourable friend is discussing with the Minister of Northern Affairs.

MR. SPEAKER: The Honourable Member for Kildonan.

MR. PETER FOX: Thank you, Mr. Speaker. My question is directed to the Minister of Labour. I wonder if he could inform the House whether Canadian Bronze has informed his department when they will be reopening their plant?

MR. SPEAKER: The Honourable Minister of Labour.

MR. MacMASTER: Mr. Speaker, in response to a question yesterday, I said — and I must repeat — that discussions have been taking place between the Company, our officials, the union and the workers. Discussions are continuing. An interim arrangement — and I must express it is interim — has been close to completed between all parties. I understand that the union themselves are having a fairly major meeting today to discuss how they feel about the proposals.

To specifically answer the question, I can only say that if arrangements are acceptable to all parties, then there is a good possibility that that plant could open approximately June 10th or 11th.

MR. FOX: I thank the Minister for that answer. Can he indicate whether the negotiations indicated that all the employees would be started at that time, or just a partial start-up?

MR. MacMASTER: To the best of my knowledge, and I don't have access to all the minutes of the meeting that took place yesterday, and I understand that a portion of them would return immediately and others would return shortly thereafter. Now exactly the numbers and the percentages that the member might be interested in, I don't have that at the moment, but that's one of the specific type things that are being discussed.

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

MR. LLOYD G. HYDE: Thank you, Mr. Speaker. I direct this question to the Minister responsible for Government Services. When the early planning for the provincial building in Portage la Prairie was going on and being discussed with the Mayor and Council of the day, the Mayor was told that ample parking would be assured to the people of Portage, for the people using that building. Is his department looking into some relief to this problem brought on by the previous government on the people of Portage?

MR. SPEAKER: The Honourable Minister of Highways.

HON. HARRY J. ENNS (Lakeside): Mr. Speaker, we are of course doing our very best to try to sort out some of the problems created by the previous government in all departments. In this particular case, there is a question of some additional parking space being required, but on the other hand, Mr. Speaker, I would have to indicate to the Honourable Member for Portage that we're not in the business of buying land for parking lots per se. I would have hoped that that was included within the original plans but the member has expressed his concern to me before in this matter; I'll continue to see what we can do about it.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I propose a last question to the Minister of Highways. Will the Minister of Highways tell the public of Manitoba when he will stop using the provincial garage, which is eminently suited for a garage for provincial vehicles, as a propaganda base in the same way as the Arab nations have for years used the Palestinian refugees, who they have kept in deplorable conditions, as a propaganda weapon against the State of Israel? When will he stop using the provincial garage in that way and wasting that good space?

MR. SPEAKER: The Honourable Minister of Government Services.

MR. ENNS: As soon as we sign a peace treaty, Mr. Speaker, and the peace treaty being the coming together of the irrational expenditure of public money by the previous government and the legitimate needs of the people of Manitoba by this government.

MR. SPEAKER: The Honourable Member for Inkster with a supplementary.

MR. GREEN: Yes, Mr. Speaker. Then I take it that the Minister of Highways agrees that the garage is being used in exactly that fashion, as a scapegoat and a propaganda weapon against the previous administration?

MR. SPEAKER: The Honourable Member for The Pas.

MR. RONALD McBRYDE: Mr. Chairman, a question to the Minister for Manpower. I wonder if the Minister could indicate whether he has been able to investigate and change the situation at Easterville, whereby a highway contract has been let and highway work is going on there in which no local people are involved in the work? I wonder if the Minister has been able to rectify that situation as yet?

MR. SPEAKER: The Honourable Minister of Northern Affairs.

MR. MacMASTER: I haven't been able to rectify the situation, Mr. Speaker, but we're certainly having a look at that particular project.

MR. SPEAKER: The Honourable Member for Transcona.

MR. WILSON PARASIUK: Thank you, Mr. Speaker. I will ask my supplementary to the First Minister and I'll ask it to the Acting Minister in charge of the Energy Council, seeing as how I couldn't ask the question before. Since the First Minister. . .

MR. SPEAKER: Order please. The question is out of order. Would the member care to rephrase it?

MR. PARASIUK: Yes. My question is directed to the Acting Minister responsible for the Energy Council. I would ask him to take this as notice for the Minister and for the First Minister, who has

now left Question Period, and this arises from the answer the First Minister . gave me regarding the Conservative proposal to sell off Petro-Can. The question is the following: Since the First Minister has been out of town and undoubtedly out of touch with developments since May 22nd, 1979, I would ask him to review his answer to me regarding Petro-Canada in light of the fact that private Canadian petroleum companies have publicly requested that the federal Conservative Government not sell off Petro-Can, as this would hurt Canada's chances for achieving self-sufficiency in oil.

MR. SPEAKER: The Honourable Minister responsible for Manitoba Telephone.

MR. MCGILL: Mr. Speaker, as Acting Minister for Energy matters, this question follows on previous ones, as the member indicated. I don't accept his premise that the First Minister of this province was out of touch with affairs since May 22nd, Mr. Speaker. The member infers that travelling in this day and age leaves one without communications. I am quite sure that the First Minister is very much aware of the developments in Canada and elsewhere during that period. But, Mr. Speaker, I am quite pleased to relay his further question to the First Minister and to the Minister responsible for Energy.

MR. PARASIUUK: Thank you, Mr. Speaker, I'd like to ask a supplementary to the same Minister. Since oil price increases are a major factor in increases in the cost of living, and since Petro-Canada is an important device in the strategy of keeping oil prices in Canada lower than those of the rest of the world, does this Conservative government have a position regarding the retention of Petro-Canada as a Crown corporation?

MR. MCGILL: Well, Mr. Speaker, I would note with pleasure that the member is aware of the importance of energy costs in relation to every day life and to business in this country of ours. Again, I would point out to him that it's somewhat inconsistent with his position relative to our Budget announcements that we were freezing the price of Hydro, a very important energy cost in the Province of Manitoba. This seems, Mr. Speaker, somewhat inconsistent with his concern for other energy crises.

MR. SPEAKER: The Honourable Member for Transcona with a final supplementary.

MR. PARASIUUK: Since it is a Crown corporation, Manitoba Hydro, that will enable Manitobans to have frozen Hydro rates for the next five years, does this government have a position with respect to the federal Conservative government's announced intention to sell off the Canadian petroleum company namely, Petro-Can, which would then leave us at the mercy of Exxon and other multi-national companies that have raised the prices of oil in Canada fourfold since 1973.

MR. MCGILL: Well, Mr. Speaker, if indeed there are developments with respect to Petro-Can by the new Government of Canada, certainly our positions will be very clear when those developments occur, and if such developments occur.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. LEONARD S. EVANS: Thank you, Mr. Speaker. I would like to ask a question of the Minister of Economic Development pertaining to the moving out of the Electro-Knit Fabric Company, on the closure of that company in Selkirk. Could the honourable minister advise whether the company is removing the machinery and shipping it to Montreal, or whether they are simply leaving the plant as it is?

MR. SPEAKER: The Honourable Minister of Economic Development.

MR. JOHNSTON: Mr. Speaker, I am advised by my department, who have been in touch with the management in Montreal that they plan to mothball the knitting machinery that is used for double-knit. The company in question was started by assistance from the Progressive Conservative government in the '60s, and was very successful, and the owner of the company advises my department that, you know, if some designer would just come up with a change that would have the use of double-knit, he'll be back in business. He said he's been through this type of situation on three different occasions and he intends to mothball his machinery for the day when it's valuable again.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. EVANS: Thank you, Mr. Speaker. Well then from that explanation, Mr. Speaker, does it follow that it's not possible for the Department of Economic Development to seek out some other business or some other enterprise who might be persuaded to use those facilities for some other purpose perhaps. But is it out of the question therefore, because the machinery is being mothballed in the present facilities, is that out of the question?

MR. JOHNSTON: The department has been working to see if we could find somebody to go into that facility. The building would be adaptable to most any industry; it's a very good sized building. It wouldn't necessarily be in the needle trades, but we are trying to find somebody that would use the building. If the owner wants to sell it to them, we will try to work with them.

MR. SPEAKER: Order please. The time for Question Period having expired, we'll proceed with Orders of the Day.

ORDERS OF THE DAY—BUSINESS OF THE HOUSE

MR. SPEAKER: The Honourable Government House Leader.

MR. JORGENSON: Mr. Speaker, I should like to announce that the Public Utilities Committee will be meeting Monday morning at 10:00 a.m. to consider the report to the Manitoba Telephone System.

Mr. Speaker, I move, seconded by the Attorney-General that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee to consider the Supply to be granted to Her Majesty.

SUPPLY — LEGISLATION

MR. CHAIRMAN, Mr. Abe Kovnats (Radisson): Committee will come to order. I would direct the honourable members to Page 3 of the Main Estimates, Department of Legislation. Resolution No. 2, Clause 5. Provincial Auditor's Office. (a) Salaries—pass — the Honourable Member for Rupertsland.

MR. BOSTROM: Thank you, Mr. Chairman. I wish to follow up on a question which I had asked this morning during the Estimates process regarding the awarding of a tender for the building of an internal road in Berens River by the Department of Northern Affairs. The question I asked the Minister this morning was why the Department of Northern Affairs had made arrangements with the contractor, who I believe was the lowest tenderer in the fall of 1978 to build this particular road — why they had made arrangements with this contractor to pay him 10 percent more to build the road in the spring of 1979. Now, Mr. Speaker, I know something about the tendering process and enough to know that in this particular case the contractors involved who tendered on the project, tendered on it with the idea and with the knowledge given in the tenderer's documents, that they would have to move their equipment into Berens River in the fall of 1978; that they would be required to do some work in the fall of 1978; keep their equipment in the community of Berens River over that winter and complete the job in the spring and summer of 1979. Mr. Chairman, somewhere along the line conditions changed, so that the contractor was not required to go into the community then; he was required to go in only this summer; so he didn't have the problem of having to have his equipment tied up over the winter period. . . —(Interjection)—

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

MR. JORGENSON: What the honourable member is doing now is precisely what you suggested last evening is not in order. I would suggest that the honourable member stick to the item that is before this Chamber.

MR. BOSTROM: Mr. Chairman, on the same point of order.

MR. CHAIRMAN: The Honourable Member for Rupertsland on a point of order.

MR. BOSTROM: I believe we're discussing the Salary and Expenses and Office of the Provincial Auditor of this province, who is responsible to all members of this Legislature. And as one member of this Legislature, I intend to bring to the Auditor's attention something which I believe is not correct in the way in which the Government of Manitoba is operated. Mr. Chairman, I believe that as a member of the Legislature, I should be entitled to bring such information to the Auditor's attention at this time in the Estimates process, when we're discussing his Office.

MR. CHAIRMAN: The Honourable Government House Leader on the same point of order.

MR. JORGENSEN: Well, Mr. Chairman, the proper time for that information to be brought to the Auditor's attention is when you're considering the Report of the Auditor, and that Report will be considered by the Public Accounts' Committee in due course and my honourable friend knows that. —(Interjection)— Well, my honourable friend knows that. Those matters have always been brought before the attention of the Auditor-General when the Public Accounts meets and the Report of the Auditor-General is brought before the Public Accounts. And all that we are doing here is examining the particular item that is before the House.

Mr. Chairman, we have gone through this last night and it looks like we're going to go through it again today and I don't intend to allow that to happen. Therefore, I move that the question be put on this particular item —(Interjection)— It's not debatable. There's no debate. —(Interjection)— There's no debate. —(Interjection)— No.

MR. CHAIRMAN: I would ask all members to wait to be recognized, I will give a ruling in just a very short time so sit tight.

We have a motion before the House that the question be put.

MR. USKIW: Mr. Chairman, on a point of order.

MR. CHAIRMAN: Before I carry on, Clause 14, "Where the motion for the previous question is moved in Committee of Supply, or in a section of the Committee of Supply, the motion is not debatable."

MR. USKIW: Mr. Chairman, on a point of order.

MR. CHAIRMAN: There is no debate.

MR. USKIW: Mr. Chairman, on a point of order.

MR. CHAIRMAN: You keep talking on a point of order.

MR. USKIW: I'm talking on a point of order.

A MEMBER: I'm sure it's recognized. You should know better than that.

MR. CHAIRMAN: The Honourable Member for Lac du Bonnet on a point of order.

MR. SAMUEL USKIW: Yes, Mr. Chairman. As I recollect the proceedings, a few moments ago the Member for Rupertsland was on his feet, when he was interrupted by the House Leader on a point of order. We were debating a point of order when he, at that time, moved a question. We have to dispense with the point of order first, and then, if he wants to move his question, that's fine.

A MEMBER: If he's recognized.

MR. USKIW: If he's recognized.

MR. JORGENSEN: I was not. The point of order had been dealt with. When I was on my feet, I was not on a point of order.

MR. USKIW: No. The Chairman has rules.

MR. CHAIRMAN: I would ask the honourable members to please be recognized before speaking. I did not recognize the Government House Leader on a point of order. I recognized the Government

House Leader to speak. —(Interjections)—

The Honourable Member for Inkster, on the point of order.

MR. GREEN: Yes, on the point of order, Mr. Chairman. If the Member for Rupertsland had caught your eye, was in the middle of a speech, and then was interrupted, then, before the floor is given to somebody else, the Member for Rupertsland must be permitted to continue. My honourable friend will then be able to be recognized and make whatever motion he wants to. But surely the member . . . he sat down, Mr. Chairman, because he was interrupted on a point of order. And if that had been disposed of, then the first person to be recognized with the floor should be the Member for Rupertsland.

The House Leader will be able to get the floor to put his motion, but he cannot interrupt a member in the course of speaking. And all the Member for Rupertsland is saying is that, "I had the floor; I was interrupted; if the floor then changes hands, it shouldn't be until I am permitted to finish making my remarks." That's all he's saying. There's no question about the motion.

MR. CHAIRMAN: I have a ruling here, it's under Clause 42: "When a member is speaking, no member shall interrupt him except to raise a point of order or a matter of privilege."

I declare this motion out of order.

MR. GREEN: What we are saying, Mr. Chairman, is that the Member for Rupertsland should be permitted to finish; that's all.

MR. CHAIRMAN: I recognize the Honourable Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, as I mentioned earlier, I was bringing to the Provincial Auditor's attention a problem in the tendering process which I believe he should be aware of, and which I would request that he take some notice of, and perhaps take action if he deems necessary.

And I wish to explain the situation which I believe he should take some notice of, and hopefully take some action on. And as I was explaining, Mr. Chairman, before I was so rudely interrupted, the contract for building of the internal road system in Berens River was awarded, I believe, in the fall of 1978. It was awarded to a certain construction company, based on the tendering process, which provided information to the contractors involved. And the information which was provided to the contractors . . .

MR. CHAIRMAN: If I could just suggest to the honourable member, as a caution, we are under discussion of the Provincial Auditor's office, and any other department really is not in order at this point.

The Honourable Member for Rupertsland.

MR. BOSTROM: If I may speak on that; as I explained earlier, and I believe you agreed with me, I believe it's the option of a member of the Legislature to bring to the Auditor's attention things which are germane to his office, while his office is under discussion. And, Mr. Chairman, one of the things which comes under the purview of the Auditor, is not so much departmental in nature, but overall governmental in nature, and that is, in this case, the tendering process for the Province of Manitoba. And I'm bringing a specific case to his attention, which I believe I should be able to bring to his attention, as a member of the Legislature. I would hope I could continue to bring . . .

MR. CHAIRMAN: . . . to continue with the guidance that a department other than one that's already been discussed is out of order. There is a time and a place that the Provincial Auditor will be open to questions, and that is not at this point here, if it involves another department.

The Honourable Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, I'm not bringing to his attention any particular department. I'm bringing to his attention the question I have regarding the tendering process, which is germane to all departments of government. But in particular, it comes under the purview of the Provincial Auditor, because it is something which, I believe, he has the responsibility to all members of the Legislature to supervise and to report on. And, Mr. Chairman, this is on a case which I believe he may not be aware of, and which I would like to bring to his attention so that he would be able to take some notice of it, and take a proper investigation of it.

Mr. Chairman, if I may continue to outline what the problem is. Before I can ask the question, I have to properly describe the situation. And, Mr. Chairman, the situation is such that the contractors

in this case were given certain information in the tendering documents which, I believe, guided them in the way in which they presented their prices to the government.

And their prices in this case were based on the information that they would have to move their equipment into this community in the fall of 1978; they would have to keep it there over the winter to finish the job in the summer of 1979. And now, Mr. Chairman . . .

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

MR. MCGILL: Yes, Mr. Chairman, I'm beginning to see that the meer is dealing with a tender relating to the Department of Northern Affairs. That department, Mr. Chairman, I again say, has been debated; the Estimates have been covered; and we are simply going back into the Department of Northern Affairs. This is a tender that relates directly to that department.

And I appeal to you, Sir, to bring this matter to a close. And at least we have already had a ruling on this, and surely this committee can abide by your ruling.

MR. CHAIRMAN: To the honourable members, in all fairness, I had cautioned the honourable member concerning this, and tried to give some guidance as to the discussion. And I didn't want to be as harsh to rule out of order with a caution, and I would allow the honourable member to continue if he will stick to the Auditor's office, rather than to a specific item in a department that has been already discussed.

The Honourable Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, I'm looking at the tendering process as it applies across the wide range of the government, and it is something that we didn't have the opportunity to discuss during the Estimates process. I'm bringing one case to his attention right now, and I may refer to another which is similar in nature and that is the awarding of a tender in the park — I believe it's the Birds Hill Park where the highest tender in that case was not accepted by the government for a concession in the park. Mr. Chairman, I'm putting these things to the Auditor's attention in order that he may investigate them. In order that he may investigate this one I'm referring to in particular, regarding Berens River, I have to be able to describe the situation, and the situation is, as I've already described. The contractors made their bids based on certain information. Based on that information they made bids which would have allowed them to move their equipment in over that long period of time. Now we find out, Mr. Chairman, that the one tender has been awarded a 10 percent increase to move in this spring, in the spring of 1979. Mr. Chairman, I believe that to be not a proper way of handling the tendering process, since in this case the person who is moving in in the spring of 1979 has the option of not having to have had his equipment tied up over the full winter period. He's moving in under rather better conditions than were originally given in the tender information to the original contractors, and now, Mr. Chairman, he has the favourable edge of getting a 10 percent increase on top of having better conditions under which to work.

So Mr. Chairman, I believe in this case that it should have been necessary for the government to retender the whole thing in order to give all the contractors who were bidding on the original project an equal chance under these new conditions. Mr. Chairman, the new conditions are, as I mentioned, that the contractor will be able to work in the summer as opposed to both winter and summer, and he will be able to do the complete job over the summer.

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

MR. BANMAN: Mr. Chairman, if we are going to allow this type of latitude in the debate, I think then the members opposite will have to realize that we can open up every department. We can start talking about the Hecla Island tender, we can start talking about a whole bunch of other things. I think we are dealing with the Provincial Auditor's report at this time, and if we want to we can get into a whole wide-ranging debate and drag every department through here. What's happening is the member is setting a very dangerous precedent.

MR. CHAIRMAN: To the honourable members, I would have to rule that we are on the Provincial Auditor's Office. The Provincial Auditor would be under the Public Accounts Department where these questions could be asked rather than at this point. I would have to rule the honourable member out of order. I would allow the honourable member to continue if he would make reference to the item under discussion only. The Honourable Member for Rupertsland.

MR. BOSTROM: Thank you, Mr. Chairman. Well, the question I would ask the Provincial Auditor then is if he could indicate if it is a common practice or an acceptable practice to provide a 10

percent increase to a contractor, given that the conditions have changed? In this case, Mr. Chairman, the particular case I'm talking about, if the whole project were retendered, I would assume that the contracts would come in, the tender prices would come in probably 10 percent or more less because of the favourable conditions. So rather than have to pay 10 percent more of the taxpayers' money for this project, I would assume, and I believe from discussions with other contractors who were involved in this tendering process that they would even bid less than they bid in the original circumstances because of the changed information available to them. Mr. Chairman, I would further ask the Provincial Auditor to investigate the situation in the Birds Hill Park, where a concession was let to somebody who did not put in the highest bid available to the government. In other words, Mr. Chairman, other considerations entered into that other than the purely financial ones of revenue to the government from awarding a concession to someone. So Mr. Chairman, I believe it's within the purview of the Provincial Auditor's Office to investigate these situations where there may be some danger to the taxpayers' money of Manitoba and that in one case the government is paying too much for a contract to build a summer internal road in the Berens River community and in the other they're accepting less revenue for a concession in a park where they could obviously have had more money if they would have accepted the highest tender.

So in both of these cases, Mr. Chairman, I believe it's in the purview of the Provincial Auditor's Office to comment as to what other conditions were involved in these situations, Mr. Chairman, to investigate to see what other conditions allowed the government or convinced the government to in one case accept less revenue for a concession and in the other case to pay a contractor a higher price than I submit they would have had to pay if they had retendered the whole project. Mr. Chairman, I believe it's unfair to the tendering process when these kind of things happen, unless there is a proper documentation of all of the conditions involved so that the people that are involved in the tendering process, namely the bidders, know that the tendering process is not only fair but appears to be fair. In both of these cases, Mr. Chairman, I believe that there's some danger to the tendering process in that I'm sure the bidders in both cases, in both the park's case and in the Berens River road case, the bidders feel that something funny is happening, that there is not a proper method of dealing with the tendering process when the government is making deals which bring into consideration other factors than those which are of a purely financial nature. Mr. Chairman, without a knowledge of the other factors that are involved naturally the bidders and the general public in Manitoba begin to be suspicious of the government as to its motives in these cases. And we in the opposition, Mr. Chairman, as representing certain of those interests in Manitoba, want to know what those other conditions are. We want to know why the purely financial considerations in the tendering process are not being adhered to and why there is jockeying around of position. What other considerations are the government taking into account when they're awarding these tenders or contracts to people?

Mr. Chairman, I believe that's within the purview of the Auditor, and these are just two cases that I would want to bring to his attention, and I would ask him just a yes or no answer if he could reply to me through the Minister, if he has investigated these two cases, the Birds Hill Park case and the Berens River case.

MR. CHAIRMAN: The Honourable Government House Leader.

MR. JORGENSON: Mr. Chairman, my honourable friend has brought to the attention of the Auditor-General these two cases. They will be investigated, and now, Sir, I move that the question on this item be put.

MR. CHAIRMAN: The motion before the House is that the question on this item be put.

QUESTION put, MOTION carried.

MR. FOX: Ayes and nays, Mr. Chairman.

MR. CHAIRMAN: Call in the members.

Order please. The motion before the House is that the question be put.

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

Yeas, 25; Nays, 17.

MR. CHAIRMAN: I declare the motion carried.

I would direct the honourable members to the gallery on my right, where we have 100 Grade 8 students from Parkside School, Altona, accompanied by four teachers and two bus drivers. This

school is in the constituency of the Honourable Member for Rhineland and I would ask the honourable members in joining me in welcoming this group this morning.

Item (b) Other Expenditures—pass — the Honourable Member for St. Vital.

MR. D. JAMES WALDING: On a point of order, Mr. Chairman.

MR. CHAIRMAN: Pardon.

MR. GREEN: Put the question on the other item.

MR. CHAIRMAN: On the other item? —(Interjection)— On Item (a). Okay. 5.(a)—pass; (b)—pass; Item 5.—pass; Resolution 2—pass — the Honourable Member for Lac du Bonnet.

MR. USKIW: Yes, Mr. Chairman. We're now dealing with Other Expenditures I gather.

Mr. Chairman, yesterday, when we were attempting to debate the expenditures of the Provincial Auditor, it was revealed to us —(Interjection)— Yes, the Member for St. Vital said, "Before closure." It was revealed to us that there has been a new direction taken by the government with respect to how the public purse, the public interests going to be protected. And I was astonished, Mr. Chairman, to hear the words from the Minister reporting to the Legislature, because I never believed that that particular Minister would ever be in a position, in his own right, to make the statement that he did. I never believed that that was possible from the Member for Brandon West. But the Minister went on to indicate to us that there is really nothing wrong with referring the auditing procedures to the private sector, that really all this was, was a difference of ideology between his party and our party, and that's all there was to it, is what he tried to impress us with, Mr. Chairman. Well, Mr. Chairman, it's much deeper than that. He admitted yesterday, that it was going to cost us somewhere in the order of \$100,000 or \$120,000 more to do it this way. That, in itself, Mr. Chairman, raises the question: why then, are we doing it? What has the responsibility to the people of Manitoba have to do with the need to satisfy some particular private auditors, who happen to want a bit of extra business, Mr. Chairman.

You know, I couldn't believe my ears yesterday, Mr. Chairman, when the Minister tried to tell us that that was quite in order. It represented merely a difference of a point of view.

A MEMBER: It's legal in . . .

MR. USKIW: Well, I don't know whether it's legal or illegal. I can't believe that a government in our time, a government who — well, its predecessors put the legislation governing the auditing procedures on the books in this province, Mr. Chairman. It was not, as I recall it, the New Democratic Party government that passed the various legislation, pieces of legislation dealing with procedures on auditing, reporting to the Legislature. I believe that there was good reason, Mr. Chairman, to put into the Act, the fact that the Auditor reports to the Legislature and not to any particular government. And the logic of that, Mr. Chairman, was that the Auditor had to be independent of the government of the day those were the checks and balances — and that the government of the day should not expect from the Provincial Auditor, that he should cater to their particular desires, because his responsibilities went far beyond reporting to the government itself, but rather it went to the House as a whole. His responsibility is to every member of the Assembly. But in the casual way in which the Minister revealed to us that his group thinks it's quite all right and nothing wrong with tampering with that policy; nothing wrong with referring the auditing process to private concerns, and in particular where it involves those areas which are defined in statute law as being areas that must be audited by our Provincial Auditor.

You know, we talk about people having to have respect for law, Mr. Chairman. We talk about the citizens of Manitoba have to have respect for the law, whatever it is, and that if they fail in that regard, there are penalty measures, whether it's in the traffic department or wherever it is in the criminal department, it doesn't matter where, people are led to believe that laws are passed to be observed, and that it is not the norm and if the norm isn't provided for by society, then those that violate the norm would have to receive some degree of punishment.

Well, here we have a blatant case, where the government is violating its own law, Mr. Chairman, where statute has required the government to move in a certain direction with respect to the auditing of certain corporations. The government has told us that they intend to violate the statute. Now, Mr. Chairman, I think that people generally would frown, if they were aware of the consequences of that statement. They would frown very much on the fact that governments themselves are not prepared to abide by the laws that they themselves create and place on the statutes of this province — for that matter, of any jurisdiction in the world.

But, Mr. Chairman, there are greater things to be concerned about. The Minister, through his statement, is really telling us that we have degenerated to a position where the government wants to operate through handpicked auditing firms, for whatever reason, and one has to then speculate for whatever reason, Mr. Chairman.

Is it because certain auditing firms happen to be friendly to the government of the day? Is it because certain auditing firms have made contributions to the political party represented by the government of the day? Is that the reason? I mean, we ought to know what the logic is. We know that it's wrong, but then let's pursue why the government is following through with a very bad practice; something that I don't believe has occurred in this province — if ever, certainly not in the last number of decades.

So, Mr. Chairman, what is the total bill that the people of Manitoba have yet to pay to these friends of this government? How many more I.O.U.'s do we have to make good on, is the real question. You know, the taxpayers of Manitoba are being asked to pay for I.O.U.'s of this government, not because it's in the public interest, Mr. Chairman, because the Minister has told us yesterday that it's going to cost us more money to do it this way. So there is no public interest involved from a dollars and cents point of view. But the taxpayers are being asked by this government to finance an auditing system that is inefficient, expensive and furthermore, the most important, Mr. Chairman, is that it's not neutral. It is responsible only to the government of the day, and not to the Legislature.

Mr. Chairman, this is insanity. It's unbelievable. It's a scandal, Mr. Chairman, that should demand the resignation of the government. That's what it is. And let's not underestimate the proportions, Mr. Chairman.

Let's follow through on what has to take place. Several auditing companies are now involved in auditing the books of the government. Now, it seems to me that in the minds of those auditing companies, they must say to themselves, "Well, we must satisfy the government with our report. Because if we don't satisfy the government with our report, Mr. Chairman, we won't get the job next year."

Yes, Mr. Chairman, that's where we are. That's where we are, Mr. Chairman.

MR. ENNS: That's utter garbage and nonsense, and you know it.

MR. USKIW: If an auditing firm doesn't satisfy the wishes of this government, they will not be the auditing firm next year, Mr. Chairman. Wherein lies the interests of the people of Manitoba, is the question that I ask. Where does the interests of the people of Manitoba lie when the government blatantly, and very casually through the Minister yesterday, revealed to us that as far as they are concerned, there is a mere difference of ideology; we prefer the public system, and they prefer the private system.

Mr. Chairman, they can't get away with that. They can't get away with that, because we know that it has been an accepted fact for many many years — as long as I can recall — that public bodies spending public funds have to have an auditing system that is accountable to the public. Not to any particular sector of the public, but to the whole of the public.

And in this case, Mr. Chairman, the public is represented by 57 members of the Legislative Assembly. Mr. Chairman, we are not in a position, through this policy, of having the benefit of the views of these private auditing companies before this Assembly; we are not in that position. We are not in a position to question Auditing Company A as to how they arrived at their report, or to question items from their report. We are not in that position.

The Auditor is in the position of having to rubber-stamp something that is handed to him from the private sector, and if he isn't going to rubber-stamp it, Mr. Chairman, then he has to do a second audit on it, which means that we are paying twice. I don't expect that to happen, Mr. Chairman.

So, Mr. Chairman, the government has lost complete credibility, as far as I am concerned, and as far as the members of this side of the House are concerned, with respect to their accountability to the people of Manitoba, through the members of the Assembly who were elected, Mr. Chairman, — in case the members opposite forgot — elected to be the watchdogs for their respective areas; the 57 members have a responsibility.

Now, Mr. Chairman, it's very obvious to us that these particular auditing firms will try hard to satisfy this government when they file their reports, because it is in their particular interest to do so. They will want another contract, and they will want another one after that. And therefore, in order to receive additional business from the government, they are going to have to satisfy that government.

Now, I think that one of the disasters of this, Mr. Chairman, is the fact that it places the Provincial Auditor in a terrible position. He is here trying to represent the interests of the people of Manitoba,

through his function as Auditor; but he is now in a position unable to report, unable to report properly to the 57 members of this Assembly, because he has been told by the government that, "Your role is going to be diminished; we are farming out our business to the private sector; and when you receive it, you must pass it through and we will accept it as being a proper audit of our accounts with respect to a number of Crown corporations, or whatever."

Now I know, Mr. Chairman, that the government's policy is that as much as they can, in fact, even more than they're able to, they would wish to have everything done by the private sector. We know that that is their policy; they don't have to remind us of it. But, Mr. Chairman, when you get into an auditing function, there is a much greater need, a much greater expectation, that we take out any conflicts of interest that exist or that could exist. And there is a definite conflict of interest, Mr. Chairman, here, where the provincial government wants to have its books audited by private firms, and not firms that have allowed to compete for the business, Mr. Chairman' but firms that have been handpicked — handpicked by whoever it is in the Department of Finance, or whichever department was responsible. Handpicked for whatever reason, which we can only speculate on, Mr. Chairman. We don't know. We don't know how much connection there is between the size of a campaign contribution in the last election, and the size of the auditing contract that a firm receives.

We don't know whether there's a major connection there, but we can only allege that there must be, because otherwise why would this happen? —(Interjection)— We know — well, we can assume, Mr. Chairman, that this is also a measure to ensure that financial contributions keep flowing in to the governing party. We know that that's to be expected, yes.

And, Mr. Chairman, where there is room for delegating responsibilities, for having work done, and where it is not practical to have it done in a way which is totally secure in the public interest — and I know of situations where, yes, sometimes departments and small contracts have to hire people on an hourly basis, casual labour, casual contract, or whatever — that from time to time they have to get into a one-to-one relationship because of the circumstances that they find themselves in at the time.

And that's, I suppose, to a degree reasonable to expect that maybe in that area, they might want to give some weight to people who they know in any particular field. I accept that, for whatever it's worth. But, Mr. Chairman, I don't accept for one minute the idea that an auditing function can be carried out in the public interest by private people, who are handpicked by the government, who want a favourable report from the Auditor. That I cannot accept. And for the Minister to simply let it go by with a comment that, "Well, you people are opposed to the private sector" — it's just not going to wash. It's just not going to wash, Mr. Chairman.

Mr. Chairman, there is only one way to put the question, and that is that the government lacks complete, complete, credibility in the way that they are proceeding. Mr. Chairman, it is absolutely illegal to have the auditing farmed out with respect to the Manitoba Public Insurance Corporation. It's a violation of the provincial statute, and the government knows it. The least they can do, Mr. Chairman, is amend the statute to make it legal, before they proceed in that way, and we would have a lot to say about that, Mr. Chairman. But at least, the least they could do is amend the statute before they would proceed in that direction.

So, yes, we have a government that is operating illegally, and they say, "So what! We are the government." That is their answer to the opposition; that is their answer to the people of Manitoba. "We happen to like some private entrepreneurs that we want to give some business to" is the answer, yes.

They didn't say they want to divvy it up to all of them. No, no, they didn't even give that opportunity. Not all of the auditing firms were in a position to submit bids or tenders; that was admitted to yesterday.

So, Mr. Chairman, it is a scandal. The government is embarrassed, yes, the government is embarrassed; embarrassed, Mr. Chairman. Yesterday, Mr. Chairman, the government had a majority in this Chamber, all the way through the ringing of the bells for an hour and 25 minutes. —(Interjection)— The government had a majority, yes, and they insisted on not proceeding with the business of the House. —(Interjections)—

Mr. Chairman, whenever the government is stuck, whenever the government is in the corner —(Interjection)— they move closure. Yes, they did it in the Estimates on Agriculture in Room 254, when we had the Minister pinned down in an impossible position, the rescue weapon was closure. Yes. Yes, the Minister of Highways moved in very quickly to close off debate, because his colleague was in trouble.

A MEMBER: On the ropes.

MR. USKIW: Yes. Yesterday, we barely got into the debate on this item. I don't believe — and

I stand to be corrected — but I don't believe we spent an hour and a half of debate on this item. I don't know if we spent an hour on it, Mr. Chairman — less. And then we had the bells ringing for the balance of yesterday, so there was really on debate on this item, Mr. Chairman. And today, before debate gets under way, the House Leader decides that we've had enough debate. Yes, we've had enough debate. After all, do you need more than 15 minutes to pass the Auditors's amount, whatever it is? What is the amount, I don't even have it before me. —(Interjection)— \$1.2 million, Mr. Chairman. The House Leader believes that debate is no longer relevant. Yes.

A MEMBER: \$1,235,000.00.

MR. USKIW: \$1,235,000, Mr. Chairman, and that wasn't worth a couple of hours of debate, as far as this government is concerned, as far as this House Leader is concerned.

It's not that it wasn't worth the time, Mr. Chairman. The fact of the matter is they were thoroughly embarrassed yesterday; they were unable to respond to it; and so they let the bells ring in order to kill debate for the whole evening. Yes. That was the strategy, Mr. Chairman. —(Interjection)—

And then they moved closure this morning. Mr. Chairman, this is not democracy, this is dictatorship and, Mr. Chairman, I say to the Member for — yes. Mr. Chairman, I say to the House Leader keep it up. Keep it up, Mr. Chairman. You know, in all of my years in the public service, I have never had the kind of response that I have been getting in the last six months, Mr. Chairman. In fact, I had a call just last week complaining about the government, and they say — you know what the question was? How long before we get them out? I said, "Would you tell me who is speaking?" Mr. Chairman. She said, "Oh no, I'd rather not, but how long before we can get them out?" Mr. Chairman, those are the kinds of feelings that are expressed by many people throughout the province because of the arrogance of this administration, because of their dictatorial position, because of the lack of good faith with the people of Manitoba. And the motion of the House Leader this morning demonstrates it fully, Mr. Chairman.

The fact that they're in the corner, they're embarrassed. The least debate possible is the best route to take, so let's shut down the debate. Well, Mr. Chairman, that may suit them well tactically in this Chamber, but for the record, Mr. Chairman, it doesn't say very much for this government.

MR. CHAIRMAN: The Honourable Minister of Highways.

MR. ENNS: Mr. Chairman, throughout the eight long years of New Democratic Party administration, the then opposition never once got close to the some 326 hours that have now been spent in the examination of the Estimates of government. We are now at 326 hours, Mr. Chairman, and we are talked about not giving adequate time for debate.

Now Mr. Chairman, far from any embarrassment about last night or this morning, I consider these last 12 hours perhaps some of the most profitable in terms of politics for this administration because, Mr. Chairman, what the honourable opposition is demonstrating so clearly is that they are prepared to smear the entire Association of Chartered Accountants in this province, the entire Association of Chartered Accountants because the Member for Brokenhead who just spoke, indicates that they are not capable of exercising and giving their professional judgment and indeed of carrying out their responsibility as a profession when they put their stamp of approval, audit sta of approval on a document. He is saying that the entire chartered accountancy profession in this province can and will willingly prostitute themselves and defy their code of ethics, defy their code of ethics and furthermore, Mr. Chairman, he says that unless — and this of course I do appreciate and welcome — he says, "Unless they are in the employ of government."

Now Mr. Chairman, that means I would assume, that I can't take professional engineering advice as to when a bridge structure needs to be built unless he is working for the Department of Highways. That means that we cannot take professional medical advice unless the doctor is employed by government. That philosophy came through very loud and clear, and Mr. Chairman, all professional organizations will receive copies of Hansards of last night's and this morning's debate and this debate, Mr. Chairman. That's not the question. The question is that chartered accountants are not capable of providing an honest audit unless they are in the employ of the government. That is the purport of what's going on here now, Mr. Chairman.

Now then, secondly, Mr. Chairman, they talk out of both sides of their mouths about having some respect for the democratic procedure. The democratic procedure was exercised last night. A ruling on this question was made by the House, by the democratic elected members of this House, and they have persisted all morning in defying that ruling, indicating to us once again that to them the democratic traditions and procedures of this House are meaningless. Are meaningless.

Mr. Chairman, I just simply want to indicate that, you know, I rather welcome the kind of very clear position of the New Democratic Party with respect to their thoughts on professionalism, with their general willingness to smear all professional groups, doctors, lawyers, engineers, unless of course they're in the employ of government, because that's what we heard today. A chartered accounting firm is not capable, to put it in the words of the Member for Inkster, the chartered accountants of this province all kiss ankles for a lousy buck. Mr. Chairman, that is the message that is coming through loud and clear by the actions taken by the opposition. I wish I would have a bit more confidence that the media would understand that that is taking place, but I don't. So I will personally see to it —(Interjection)— well, Mr. Chairman, it's a very serious charge. He's saying that when a chartered accountant puts his stamp on a document that he's prepared to pervert everything that that profession stands for because the Member for Brokenhead said he will distort, he will put down anything in that audit in the hope that maybe he'll get next year's contract. He's nodding his head. There is not an honest, there is not a trustworthy chartered accounting firm in the province of Manitoba. That is what the final bottom line of this whole presentation by the members of the opposition is all about. And I can't leave it at that.

I must assume that that same attitude prevails when you're talking about accepting professional engineering advice. That unless the engineer is employed directly by the Department of Highways, the professional status of an engineer, of any professional in this province who may from time to time do business with government is suspect unless he is in the full employ of the government.

Well, Mr. Chairman, that is of course utter nonsense and I welcome that clear delineation of how they view professions and how we view professions. I am quite prepared to let that clear division of philosophy stand. I might say, Mr. Chairman, and again for the edification of those listening that the contracting of auditing services done in all other jurisdictions, including the federal government and including the governments of Saskatchewan and the contracting out of auditing services has always been carried on in the province of Manitoba, including the years of the New Democratic Party administration.

But Mr. Chairman, they are prepared because they think they're going to score a brownie point. They think that because they can tie maybe campaign contributions to auditing services, they're prepared to smear an entire profession. And I say to you, Mr. Chairman, that is on their heads. That is on their heads.

Now, Mr. Chairman, the smear was made very clearly, very understandably right here in this Chamber five minutes ago. The federal government contracts out auditing in the manner and way we are doing. Most all other jurisdictions in Canada are doing it, but this opposition stands up and says that the chartered accountants, it's impossible for them to do their work in the manner and way which they are charged to do because of their professional status and because of the code of conduct and ethics that they are governed under. If they don't, of course, they will be, in legal terms, disbarred or they will be thrown out of the profession. But of course that has no impact on members opposite. Unless you're within the arms of government, and then under total control by government, you know, to take the honourable member's arguments one step further, he is suggesting that an outside auditing firm can't provide an honest audit because he's worrying or he's keeping his eye on next year's contract. Well my goodness. If they are all employed by government and his daily job depends on the advice that he gets, his daily job, never mind — and his total job depends on the political process — well, you can't have it both ways, Mr. Chairman.

Well Mr. Chairman, the real sad truth of the fact is that the opposition wishes to continue to defy a ruling of this House made yesterday and it leaves us no option, no option at all, but Mr. Chairman, I beg now to move the question on this particular item, that the question now be put.

QUESTION put, MOTION declared carried.

MR. PAWLEY: Yeas and Nays.

MR. CHAIRMAN: Call in the members.

Order please. The motion before the House is that the question be put on this item.

A COUNTED VOTE was taken, the result being as follows: Yeas, 26; Nays, 15.

MR. CHAIRMAN: I declare the motion carried.

Item (b)—pass; Resolution 2—pass.

Resolution 3, Item 6. Ombudsman (a)Salaries — the Honourable Member for Elmwood.

MR. DOERN: Yes, Mr. Chairman, I would like to thank the government for the opportunity to make a few comments. I wanted to also ask the Minister just for my information whether the Ombudsman will be in the Chamber for the debate on Estimates?

MR. CHAIRMAN: The Honourable Minister.

MR. MCGILL: Well, Mr. Chairman, that has not been the practice in the past and I see no reason why that should be the case now.

MR. DOERN: Mr. Chairman, I wanted to commend the Ombudsman for his report this year because I think he did an excellent job. He's been in office now for a number of years and I think he was able to make some very useful comments and to rectify some problems. His writing style has certainly proved more interesting and he has done a commendable job.

Mr. Chairman, I give you as an example the fact that he was able to determine a number of problems, for example, there was one comedy of errors that he corrected in the Department of Parks, wherein a home was wrongly inspected and this had an adverse effect on the selling price; something that he was able to, over a period of time, squeeze a settlement out of the department.

Mr. Chairman, the one area that I have a complaint about is on the Ombudsman's report on Juvenile Corrections which after many months of discussion and debate in the Chamber has still not been properly dealt with by the government. You will recall, Mr. Chairman, that in February, the Ombudsman's report was released with some scathing criticisms of The Pas Correctional facility and of the fact that juveniles were housed with adults. Mr. Chairman, that matter was repeatedly raised in this Chamber by the Member for The Pas, by the Member for Winnipeg Centre and by myself, among others, attempting to force the government to rectify a situation which was pointed out by the Ombudsman and described in rather strong language as scandalous — his own words, Mr. Chairman, that it was a scandalous condition — and we attempted to elicit a response from the government.

I would be very interested, Mr. Chairman, to hear from the Minister when I conclude my remarks, as to how they intend to deal with this matter. Because I believe that it was on —(Interjection)— Well, by closure may be one method of dealing with the problem — it has been the method of dealing with the problem today — but I hope that the government will get control of itself and will allow a reasonable discussion on matters before the Assembly.

Mr. Chairman, on February 20th, if my memory serves me correctly, this report was released and we began to press the Attorney-General right after that, for an opinion on whether or not the government was violating provincial and federal statutes in regard to the incarceration of juveniles. It took him from February 20th to a few weeks ago, which would be almost three months, to provide the answer that yes, the government was in violation of federal and provincial statutes. Well, you know, that isn't good enough, Mr. Chairman.

There was an admission by the Attorney-General on behalf of the government that the Ombudsman was correct, that his allegations were correct, and yet there has been no action taken. Now we have also attempted to get answers from the Minister of Government Services, and from the Minister of Corrections, about proceeding with a new correctional facility and court house at The Pas. All that we have had in terms of eighteen months of office from this government, and an Ombudsman's report is, we have had them saying they are reviewing the plans — reviewing the plans. Mr. Chairman, if they had not interfered with the actions and plans of the former administration, there would now be a new correctional facility and court house at The Pas. All we got from the Minister of Government Services was a lot of silly comments about how they were going to make minor adjustments in the building design here and at Brandon; little deletions of a couple of hundred square feet; he's going to cut the corners off a couple of buildings; he's going to eliminate the parking lot I suppose. I mean, has it really taken this government eighteen months to come up with that? It's a case of "they laboured and gave forth a mouse."

Here's a government that is pressuring the opposition to move ahead, to speed up the process, to pass the legislation, to conclude the affairs of this House, to conclude the Legislative Session for this year, and all they can produce on their side of the scale is a lot of silly studies in the Throne Speech, a bunch of standstill studies on Autopac and on the Liquor Commission. When it comes to real action, they're monitoring and studying. I just say, Mr. Chairman, that that isn't good enough. They have been in violation of statutes for the past year-and-a-half; they are now studying what to do with these buildings,

They have gone on that basis to The Pas Council and asked for an extension, twice, of a licence to use trailers. Mr. Chairman, we originally bought those trailers or rented them I guess, in an attempt

to improve the situation temporarily at The Pas. This government has made no improvements whatsoever, but they have gone to the town Council, and you know, I say to the Minister of Health, I really believe that they have in effect, misled the town Council. All that they have done; they have gone to the town Council and they have said: "We are redrawing and redesigning the facilities" and on that basis, Mr. Chairman, they have had permit extensions. I really do not feel that that was a genuine case and a genuine position put by the Minister. I believe that they have in fact misled the town Council, because the crunch came with the permit running out. So they addressed themselves to the smaller problem of the permit by saying that they are of course redesigning still further. And we don't know how many more months it will be before that redesign will take place.

We know that in eighteen months they're back to Square One, and we know that it's going to take another six or twelve months, the way they operate, to come up with a plan, then they'll tender the plan, and then they'll design the building. This is all taking a very long period of time, Mr. Chairman.

MR. CHAIRMAN: The hour being 12:30, I am now leaving the Chair and will return at 2:30 this afternoon.