

THE LEGISLATIVE ASSEMBLY OF MANITOBA

10:00 o'clock, Friday, March 17th, 1967

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions
Reading and Receiving Petitions
Presenting Reports by Standing and Special Committees
Notices of Motion
Introduction of Bills

HON. GEORGE JOHNSON (Minister of Education)(Gimli): Mr. Speaker, I wonder if I could, by leave of the House, introduce Bill 88 in the resolution stage this morning. It appeared in Votes and Proceedings on Wednesday. It isn't quite 48 hours but it would be most helpful, and I think expedient, to have the money resolution this morning so that we could have the second reading on Monday. There is some necessity of this as the law officers inform me that the -- I thought this was covered under the Bill that we passed last December, Bill No. 4. It is not, and I would like to bring this forward a little more hastily, if I may.

MR. SPEAKER: Does the Honourable Minister have leave to proceed? (Agreed)

MR. JOHNSON: Well Mr. Speaker, I wish to move, seconded by the Honourable Provincial Secretary that, by leave, Mr. Speaker do now leave the Chair and the House resolve itself into the Committee of the Whole to consider the proposed resolution standing in my name.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House resolved itself into Committee of the Whole with the Honourable Member for Arthur in the Chair.

COMMITTEE OF THE WHOLE HOUSE

MR. JOHNSON: Mr. Chairman, His Honour the Lieutenant-Governor, having been informed of the subject matter of the proposed resolution, recommends it to the House.

MR. CHAIRMAN: Is the Committee ready to consider the resolution?

Resolved that it is expedient to bring in a measure to amend The Public Schools Act by providing, among other matters, that all or part of the costs of the election of a new board of trustees of a school division declared under Section 313C to be a school division within the meaning of Section 443 be paid from and out of the Consolidated Fund.

MR. JOHNSON: As I explained, Mr. Chairman, we understood this was covered but I could see -- the school divisions haven't been declared single-district divisions. On the 15th of February the necessity of -- these are the Interlake Divisions; the C divisions 313, are the Interlake Divisions and the 443 are the so-called single-district or unitary divisions, so this is providing that the same provisions as govern the election of trustees in the unitary divisions shall apply with respect to those divisions that have been so declared in the Interlake by the Boundaries Commission as of the 15th of February.

MR. JACOB M. FROESE (Rhineland): Mr. Chairman, just what resolution are we discussing? I came in probably a minute late, but I don't see any resolution on the Order Paper.

MR. CHAIRMAN:not on the Order Paper but by leave of the Committee has been presented.

MR. DOUGLAS CAMPBELL (Lakeside):the honourable member, Mr. Chairman, it might be pointed out that it was in the Votes and Proceedings of the day before yesterday. The Honourable Minister mentioned that not the full 48 hours had elapsed and so he asked the leave of the House. It was shown in the Votes and Proceedings of Wednesday.

MR. GILDAS MOLGAT (Leader of the Opposition)(Ste. Rose): Mr. Chairman, I wonder if I might ask a question of the Minister? I take it then that he is not proposing any changes at all in the time involved for the election of trustees. Is there anywhere in the department, a simple booklet or even explanation sheet, as to the eligibility of trustees and so on. I am having a number of questions, in fact I have been asked to a meeting in my own area this evening, on this very subject, and if there was a handy form that we could discuss this -- I think it is very important that we get good trustees. They are going to have a major responsibility under the new single-district plan, particularly those areas where they as well take the responsibility for all the schools that were previously under Official Trustee, and it is extremely important to the success of the division that there be a clear explanation, that we get the best men and women possible on these boards.

MR. JOHNSON: Mr. Chairman, I'll make statements. I have them with me this morning. I'll send the statement around that will answer the questions of the honourable member.

MR. CHAIRMAN: Resolution be adopted? Committee rise. Call in the Speaker. Mr. Speaker, the Committee of the Whole has adopted a certain resolution and has requested me to report same.

IN SESSION

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, I beg to move, seconded by the Honourable Member for Springfield, that the report of the Committee be received.

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

MR. JOHNSON introduced Bill No. 88, an Act to amend The Public Schools Act (3).

MR. SPEAKER: Orders of the Day.

MR. ELMAN GUTTORMSON (St. George): Mr. Speaker, before the Orders of the Day I rise on a point of order. Last evening at 8:00 o'clock the House did not re-convene as they do normally, and the bells continued to ring for, I think, eight minutes after, despite the fact that there was a quorum in the House. I rise to protest, unless I am in error, because, as I understand the rule, it is only on Division that we ring the bells until such time as the Whips of the respective parties suggest, or give the -- not the Sergeant-at-Arms but the man in charge of the bell the nod that we have all our members in their chairs, but last night there wasn't a Division; we adjourned until 8:00 o'clock; and I would like to know what the reason was that the bells continued to ring for the time that they did. If they are allowed to do this then does it mean that the members of the Opposition can keep the bells ringing until such time as they want to start the House? It seems to me that there are rules and we should try to follow them. There was no Division and I suggest that when 8:00 o'clock arrives we start the House and at 2:30 we start the House, and it seems to me there was a flagrant breach of the rules last night.

MR. RUSSELL DOERN (Elmwood): Mr. Speaker, before the Orders of the Day I would like to direct a question to the Attorney-General. It was reported in the Press yesterday, the Winnipeg Tribune, that several members of a mime group were arrested for dope in Calgary, and this particular group, which seems to concentrate on Civil Rights and black-face mime, played in Winnipeg only a few days before, at the beginning of the week. I was wondering whether the Attorney-General was aware of any irregularities connected with this group while they were in Winnipeg.

HON. STERLING R. LYON, Q.C. (Attorney-General) (Fort Garry): No, Mr. Speaker, I have had no information on that subject at all. I can make enquiries but I doubt if they will produce any information of the sort sought by the honourable member.

MR. SIDNEY GREEN (Inkster): Mr. Speaker, I would like to direct a question to the Attorney-General who is, I understand, also in charge of proceedings of the House with respect to the ringing of the bells generally. I noticed that in Ottawa the bell I believe rang for 67 minutes. The Honourable Member for the constituency of St. George said that on Division there is some ability to keep the bell ringing if the Whips want it. I would like to ask the honourable member whether or not it wouldn't be advisable that there be a rule regarding a fixed length of time for the bell to ring even on Division, or is there such a rule? I noticed that the Leader of the Progressive-Conservative Party in Ottawa suggested just what I am suggesting now.

MR. LYON: Mr. Speaker, I think if the honourable member will have reference to the report of the Committee of the House that sat last year to discuss the rules of the House, he will see reference made in that report to the question of Divisions and the convention, which is not part of the rules, but the convention which was suggested by that committee in its report, which report was subsequently adopted by the House and which is now being followed, vis-a-vis the role of the Whips on this matter.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party) (Radisson): Mr. Speaker, before the Orders of the Day may I direct a question to the Honourable -- no it's not on the same -- go ahead.

MR. CAMPBELL: Mr. Speaker, on the same general subject, I understood the Honourable the Attorney-General to say a few days ago that a committee to deal with the rules of the House would be convened again this year. Is that correct?

MR. LYON: Yes that is the intention, Mr. Speaker.

MR. CAMPBELL: Thank you.

MR. PAULLEY: Mr. Speaker, I wonder if I may direct a question to the Honourable Minister of Industry and Commerce. It relates to the manpower situation in the Prairie region.

(MR. PAULLEY cont'd)...I understand that the manager of manpower for the Federal authority made a report which was contained in the Winnipeg Free Press yesterday, and the report indicated that there were sufficient, or more than sufficient, unskilled workers for the mining industry at the present time. I would like to ask my honourable friend the Minister of Industry whether he considers this to be so and is he going to continue the immigration program in the area for which he appealed to Ottawa; that is, namely, of unskilled workers and in particular for the mining industry and one other industry.

HON. SIDNEY SPIVAK, Q. C. (Minister of Industry and Commerce)(River Heights): Mr. Speaker, the information contained in the newspaper report was correct. The report stated that there was sufficient miners. However, we were informed by the Director, Mr. Terry Watt, the Regional Director of Manpower and Immigration, last night that the report that was filed in his name, although he was not present at the regional committee, was incorrect and was mistaken, that in fact there are insufficient numbers of mines, that there will be a press conference called this morning and at that press conference he will be informing the press that the information contained in the report presented yesterday was not correct; it was mistaken.

MR. PAULLEY: Mr. Speaker, my second question was - supplemental to that - then the Honourable the Minister is going to continue his program of immigration of unskilled workers for the mining industry? Is that correct?

MR. SPIVAK: Mr. Speaker, Mr. Watt informed the Department yesterday that the investigation of the committee and the investigation of the Manpower Department had indicated a very substantial need for a large number of unskilled and skilled miners for the mining industry in the prairie region, and on that basis I would suggest that the Department of Industry and Commerce will continue its immigration program.

MR. GUTTORMSON: Mr. Speaker, I'd like to direct a question to you with respect to the point of order that I raised. I wish you'd give the House a ruling. Do we start at 8:00 o'clock and 2:30 as the rules prescribe, or are we to have flexibility and the Whips can determine on both sides when the House will proceed?

HON. DUFF ROBLIN (Premier)(Wolseley): Mr. Speaker, I don't like to intervene in this case but perhaps if there's any concern about this we could include this in the agenda of the committee on the rules which is to meet soon. This does represent a problem and I think it could probably be discussed there although Mr. Speaker may wish to make a ruling in any case.

MR. SPEAKER: I appreciate the opinion given by the Honourable Member for St. George. I'm at a loss to understand what the circumstances surrounding the situation were. I shall certainly inquire into it and give him an opinion at a later date.

MR. JOHNSON: Mr. Speaker, before the Orders of the Day I thought I should make a statement on the election of trustees as mentioned by the Member from Emerson yesterday and the Leader of the Opposition today. And I'm prepared to pass out -- I have a few copies of this statement here. During the informational campaign preceding the referendum it was widely advertised through brochures, advertisements and meetings through the province, that wherever the vote carried in a division an election of trustees for that division would take place on Friday, March 31st. Consequently, the Returning Officers in the school divisions in which the elections will be held have been at work during the past week appointing deputy returning officers, setting up polling subdivisions and advertising the call for nominations for trustees. The call for nominations has been forwarded to the secretary of each school district, to the secretary-treasurer of each municipality, to the secretary-treasurer of each school division, to the resident administrators of each Local Government District affected. In addition, notices have been posted in other public places in each division. During this week, notices calling for nominations have been and will be appearing in newspapers having general circulation in each division in which the vote will take place. Nomination papers have been forwarded to each school district, school division, municipal office, and the offices of the resident administrators in Local Government Districts. Nominations close 6:00 p.m. March 20th. Immediately after nominations close, Returning Officers will post and advertise notices showing the names of candidates, giving the description of the polls. The voting hours on March 31st are from 9:00 to 8:00 p.m. I certainly endorse the comments of the Leader of the Opposition as we have -- certainly I tried to emphasize throughout the past months the necessity of people, trustees presenting themselves forward at this time. I'm prepared, Mr. Speaker, to table copies I have, and give a couple of copies to each of the parties opposite.

While I'm on my feet, last week I was asked about the swimming pool regulations at the University. My information is that there's a manual on swimming pool policy which is published.

(MR. JOHNSON cont'd)....I'd be happy to pass this to the Member for St. Boniface who asked the question. In summary, the extent of the use of the pool is quite wide. I'd be happy to share this with him. If any other member wishes it -- in short, the student body, faculty, staff, alumni families apparently can use it, and that's a minimum of \$2.00 a year for membership for an entire family. I thought I would pass this out after showing its wide use.

MR. MOLGAT: Mr. Speaker,make a brief comment on the statement of the Minister. I thank him for his statement. The problem arises mainly in the Unorganized Territories where very often there is no school district in many of the areas; it's been under the Official Trustee and the Local Government District is very large. Is it possible to obtain nomination forms here? Can a member get forms? And the eligibility in all the rules insofar as are available as well to us here, are they?

MR. JOHNSON: The same as any other trustees in the past.

MR. MOLGAT: Under the present arrangement all of the schools that were previously under Official Trustee become the responsibility of the division. There are, as well, other schools either known as orphan schools or special schools that come I think under Mr. Grafton, where there is no school district. What happens to these? Are they going to remain under the special schools structure or are they going to be integrated into the division?

MR. JOHNSON: Mr. Speaker, in short, in the past year about 95 pro school districts have been transferred to divisions, about 117 Official Trustee Districts, and there only remains about six that individually have not been turned over. I think one or two are in the territory of the honourable member. At the moment these have not been opted in through special difficulties and reasons but it's something we can work on in the coming year. We're down to about six special areas of this nature.

MR. MOLGAT: But as it stands at the moment if the question arises, the answer to anyone who asks is that the special schools remain as special schools for the time being. Now those that which were integrated into the over-all division, prior to the integration the total costs of the school were borne by the province with some local contribution in whatever way they could obtain it, because most of the time there was no land in the area that was taxable. The residents were living on Crown land so there was no local taxation. It was paid for by the province. What is the situation when one of those schools is put into the division? Is there a special grant structure for them?

MR. JOHNSON: Well I'll have to -- they're paying their -- they'll come into the same program as the rest of the district. There's no special grants envisaged for these people; that is, for those schools that have opted in.

MR. MOLGAT: This means then actually a heavier burden on the division, does it not? Because previously these special schools were a complete provincial responsibility. They were an anomaly, I agree, but it so happened that there were children living in these areas; a school had to be provided; there was no base for local taxation; therefore the government paid. Now if we take these and put them in a division then obviously we're loading costs on the division.

MR. JOHNSON: But I think you're talking -- my honourable friend is talking about two different things. One, the special schools which were completely supported by us and there's about six left and at the moment they're still under Mr. Grafton, and hopefully we can phase out in the future. The Official Trustee Districts, they raised a certain amount and got grants from us and we just more or less supervise them. They're in the general

MR. MOLGAT: I'm sorry for being so long but the reason I have to ask the questions, Mr. Speaker, is because it is being asked of me in my constituency and it happens to be an important matter there because of the special problems, which the Minister is aware of. It's the special schools that they're concerned about. Now at least one of them has been integrated into the system. Are there special grants there or not when a special school comes into a division?

MR. FROESE: Mr. Speaker, on the same statement, will there be the same number of polls in each of these divisions where they will have elections as they had in the one-district division vote?

MR. JOHNSON: By and large the trustees can -- the wards are up to 11 trustees per division now, whereas previously they had anywhere from five to nine. The range was raised to 11 trustees and most all of these divisions have passed by-laws some time ago anticipating a favourable vote, setting up new wards with increased numbers of trustees. On an average most of them have about 11, the maximum.

MR. GUTTORMSON: Mr. Speaker, I'd like to ask one question of the Minister. The Foundation grants, how do they apply in an area such as the remote area north of the Lakeshore where there was no vote and they're not in the division?

MR. JOHNSON: Remote areas get the same grants.

MR. GUTTORMSON: As those that voted for it.

MR. JOHNSON: As they're called, the new grants.

MR. SAUL CHERNIACK, QC (St. John's): Mr. Speaker, I wonder if the Minister of Public Works has yet ascertained who is responsible for the policing of the Legislative Building complex during curfew hours?

HON. STEWART McLEAN QC (Minister of Public Works)(Dauphin): Mr. Speaker, No.

ORDERS OF THE DAY

MR. SPEAKER: Orders of the Day. Order for Return, the Honourable Leader of the Opposition.

MR. MOLGAT: Mr. Speaker, I beg to move, seconded by the Honourable Member for Lakeside, that an Order of the House do issue for a Return showing details of any appraisals made or being made at Winnipeg Beach since 1960 including the following:

1. the date on which the appraisals were made.
2. by whom the appraisals were made.
3. the qualifications of the appraisers at the time the appraisals were made.
4. whether in all cases, the appraisers were accredited appraisers.
5. what the basis of payment was, (fee, per diem, or what).
6. how much was paid for the work.
7. the description of the property appraised.
8. what appraisal values were indicated for the various parcels of land and buildings appraised.

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

MR. SPEAKER: The adjourned debates on second reading. Bill No. 38, the Honourable Member for La Verendrye.

MR. ALBERT VIELFAURE (La Verendrye): Mr. Speaker, I would just like to say a few words on this Bill to qualify my vote more than anything else. As was said in the House, this is a free vote. It is each and everyone's right to vote according to his opinions, or to his experience, and I would like to point out that my remarks are certainly my own and not those of the church or the racial group or the party I represent in here.

Mr. Speaker, I am one who has changed his opinion almost completely on this subject. In the years 1946 to 1957 I used to operate a small transport company and supplying beer to two hotels who are now in my constituency, and I might say that I had the occasion of visiting these places two or three times a week, and which I did on mostly every occasion when unloading the beer that we were supplying to these hotels. And I will say that the atmosphere in those places in those days was certainly nothing commendable. The language that was used there and the attitude I think in many cases was that people just went there to drink, and certainly I would not want to be tagged as one who simply is in favour of drinking. I don't think anybody in here is strictly in favour of changing laws in order that people drink more.

Now, in my opinion, this was the attitude of many of the people that did go there in those days. When changes in the liquor laws were suggested in 1956 and 1957, if I'm right, I was one who was strongly opposed to any of these changes because of the attitude that I had towards these places, and when I noticed that the legislation would be so that it would permit women, ladies to come in those establishments I thought this was terrible. I think that everyone of us finds it very ugly to see anyone, any man intoxicated or under the influence of liquor, and certainly in my opinion it is much worse to see the women under the influence of liquor.

However, after experiencing the changes that I have seen in those places - and again I say these are my own opinions based on my own experience in the rural areas - the changes that I have seen there since then have made me change my mind on this subject. The same places that were, in my opinion, dumps have become respectable places. There are very very few people, in my opinion, that go to these places now simply to drink, and I am one who often visits a beverage room in my own home town and I certainly don't do it just for the idea of getting there to drink. It is, in my opinion, a place where I like to meet with my friends, with my wife and my wife's friends, and to have a social gathering, to have a meal, to have some liquor with the meal, but certainly with no intention of simply drinking, and I am of the opinion

(MR. VIELFAURE cont'd) that in by far and large the greatest majority of cases it is the attitude there.

Now this legislation proposes, for one thing, legislation that will affect the people that visit these places. Now I have the greatest, how would I say, admiration or sympathy or respect for the opinions of those who are against it. However we must realize that this legislation is for those people mostly who go to these places, and as far as I am concerned some of the changes that I favour in this Bill that is before us, for example, it covers many. I would just go over a few that I approve of and one of them is the permission of people making their own wine or beer at home. There again, in my opinion, it is being done now; I see very little evil in it. We were called the other day carpetbaggers on this side. I was brought up in a home where my grandmother was from France where they tell me wine is practically considered as food there, and I will say that I was maybe not a carpetbagger but I was a dandelion picker practically every year. My good old grandmother sure made sure that every year she had a good supply of dandelion wine, and let me tell you that it was a very prized possession. There were very few that were allowed to taste it; it was only on occasions where we had rather selected company and the amount was very limited. So I had probably just as well admit to the Attorney-General that I have been part of breaking many a law in that respect. And even today, in visiting my constituency when I go to homes of people who are of European descent, quite often I find some older people who take great pride in offering you a glass of wine, and I don't mind saying that in many cases the taste is such that there is absolutely no danger of being intoxicated on it but the satisfaction that these people get of offering you something that they did make themselves is really to them a great pleasure, so making it lawful I think is the right thing to do, and I agree with it.

Now I dwell for a few minutes on the extension of hours. Well, again I say, if you take the attitude that people go to an establishment simply to drink I think there is plenty of time now for anyone who really wants to do some abusive drinking. I think if one goes to -- if there are people - I don't know - that go there really to drink, they don't have to go there. If I really wanted to get drunk I could do it at home and cause a lot less people trouble, if this was my intention. But I think it is very few, and I see the extension of hours - and again this is my own views - as only accommodating people who do use the place, and as I said it isn't unusual for me, for example, in the rural area - tonight, for example, after being gone all week - that I might phone one of my employees that I have not seen for a week or so and ask him to meet me with his wife and my wife at the beverage room. It might be ten o'clock by the time we were ready to go there. His wife and my wife might chat together of their shopping or the kids or what, and we might discuss our business, and if we come there late and if the closing hour is eleven, this gives us less time. In the country it is not unusual again for us, for after, for example, a meeting of the Chamber of Commerce or the Sports Club or any other organization, to make it so that a couple of us or two or three of us will ask our wives to meet us down there and we will spend an hour very quietly having a meal in a social atmosphere. So for these reasons I am in favour of the extension of the hours.

Now, liquor with meals on Sundays is another point and I know that very many people have strong ideas on this and I respect them very much. I do. However, there again I take the same attitude. I am one who goes to church every Sunday and I don't mind saying that as a matter of discipline I go to eight o'clock church every Sunday. We have eight o'clock and the eleven o'clock service but this is again my views. I go to eight o'clock church as a matter of discipline. I always take Sunday as the Lord's Day, of course, and like to be close to my family all day, and I don't see anything wrong in going to church in the morning and, for example, taking my family out for a ride or visiting friends in the afternoon, and all of us going for a meal and Mom and Dad having a glass of wine or a bottle of beer with their meal. I think this is only teaching the children that you should not hide the drink; that it is not something that you should try and consume excessively, or so on and so on. So there again I really don't object to having liquor with meals on Sundays.

Now another part that is in the Bill is advertising, and there again, of course, is a very controversial matter and I suppose it's very hard to make a case in favour of advertising and I certainly don't intend to. However it is part of the Bill and here again I would like to make my own comments according to my own experience. But from a practical point of view I really don't find that the advertising as we get it today (and we do get it) is really bad. Now a lot of people will challenge me in this but if you look at all the types of advertising that you see on television and on papers, in my opinion you find many other types of advertising that do advertise

(MR. VIELFAURE cont'd)....a product that is either more or less important which, in my opinion, are worse than the advertising we see on liquor. Certainly there is I don't suppose too much of a case to make for education as far as that advertising, but in general I find that with all the restrictions that you see on liquor advertising now, that we can't really say that it is producing a real bad effect. Now again on this matter I am one who would not be influenced of buying more of a certain thing just because of advertising. I might buy a different shirt from a certain advertising because it will point out to certain advantages of this particular type of a shirt, for example, or this could go for many other products, but as far as I am concerned advertising is mostly to draw the attention of people to one particular kind of a product in a group of products, and I am of the opinion that advertising in itself would not really increase the consumption of liquor.

So, Mr. Speaker, these are, as I said, my own opinions and on these opinions I have decided to support this Bill at this time.

MR. GUTTORMSON: Mr. Speaker, I rise to support this Bill. Many of the House might wonder why because I was raised in a family of teetotallers, and they still are, and as far as I'm concerned I couldn't care less whether I ever saw another drink of liquor in my life, but I think that the attitude we've had in the past is rather outmoded and I think it's time that we took an attitude toward the laws of this land. For example, I hear so much objection to the drinking of liquor on Sundays. I don't see any difference drinking on Sunday with your meals than on any other day of the week. In Winnipeg today we have some excellent restaurants, some of them that rank with the best in North America, and these restaurants, or at least most of them, are being closed on Sunday because of our liquor laws. I think if we took a more broad attitude towards this we'd have a lot less drinking in a barbaric manner. If the people want to drink, have a glass of wine with their meal on a Sunday, I think they should. I think under the present law we're discriminating against the people who aren't able to belong to clubs, private clubs, where they do serve liquor on Sunday.

With respect to the liquor advertising, now we hear a great deal of opposition to this. I don't care whether we have any liquor advertising at all but as long as we permit magazines of all description to come into this province with liquor advertising; we have a television station beaming into Winnipeg and reaching I presume 60 to 75 percent of the people of Manitoba with their liquor ads, I think it's ridiculous for us to prevent our own media in Manitoba to be deprived of these funds. I know of one whiskey outfit who plans to spend \$7 million on advertising in Canada. They're going to spend this money and we're going to see it whether it's spent in Manitoba or on the magazines that come into Manitoba that are printed outside. For example, in Manitoba, we've got breweries in Manitoba who are spending thousands of dollars each year and that money is going to the United States and is being beamed right back into Manitoba. We might just as well leave those dollars in Manitoba for our local media, our local television, and I'm sure we'll find that the restrictions on advertising will be more restrictive than we're getting in the United States, and yet it's being spent in the United States and we're losing all that money. Now it's just ridiculous. If there was no advertising at all allowed in Manitoba, or any magazines, I would say I would be opposed to it, but as long as we permit magazines and we have television beaming into Manitoba with liquor advertising, we are just burying our heads in the sand to say we shouldn't let our local people advertise.

I recall so vividly with respect to the Sunday drinking a few years ago, the opposition we had in this Legislature to baseball and hockey being played on Sunday, and I was one of those who fought hard with some others, the Member for St. Boniface and a few others, to get Sunday sports in Manitoba. Has there been any outcry since then? It's an accepted thing and people are doing it. In my area they played Sunday before the law was in effect, and no Attorney-General regardless of party stripe would have dared to prosecute the people who did put on sports days on a Sunday. And I know there are areas today who used to object so strenuously to sports on Sunday, are doing it themselves now and realizing it's the proper thing to do, to let people take their families to a hockey game or a baseball game on Sunday. I think it's time we took a broader look, instead of this barbaric attitude of hiding liquor and so on, of using it in the proper manner with our meals and in a proper manner. The attitude we took in the past is wrong. There are some reservations I have on the Bill and when the Bill comes up in the Committee stage we'll raise them at that time, but I think in general we should pass the Bill.

MR. RODNEY S. CLEMENT (Birtle-Russell): Mr. Speaker, can I ask the honourable member a question? Simply say yes or no. Does advertising pay?

MR. GUTTORMSON: Would you repeat the question, please?

MR. CLEMENT: I realize he's a little dense at times, but does advertising pay?

MR. GUTTORMSON: Pay who?

MR. CLEMENT: The advertiser.

MR. GUTTORMSON: I presume that the advertiser thinks it does but as long as we're going to allow magazines such as Life and Time and countless other publications to come into the province and we allow the television - we don't allow it but it's coming in to us on Channel 12 - we're just acting foolish to forbid our own local stations from getting it.

MR. SAMUEL USKIW(Brokenhead): ...a question I wish to pose so that if the Honourable Member for Wellington wants to put a question let him go ahead.

MR. SPEAKER: The Honourable Member for Brokenhead.

MR. USKIW: Mr. Chairman, may I say that I rise to support the liber -- I have that problem with the word "liberal", I don't know why. Maybe I'm looking at the Opposition here. Nevertheless, Mr. Chairman, I rise to support the Bill. I am one of those that personally don't indulge too frequently in the, not only the subject matter incidentally, but in the drinking of beer, wine, liquor or otherwise. I have never truly enjoyed drinking. If I have the odd drink it's only at some social do, and most of them this year have been those functions which this group here has attended and this is pretty well it for me. I don't think I've had a beer in a beer parlor more than once in the last twelve months. I haven't been in a cocktail bar in the last five years. But I do say that because I don't indulge, I do say I don't want to restrict someone that wishes to indulge in the drinking of liquor.

I recall some of the remarks made, I believe it was yesterday, when the Member for Pembina took issue with the fact that we are sort of encouraging our youth to drink more, that youth is impressionable and for that reason we shouldn't advertise and so forth. I on this one point will agree with the Honourable Member for Pembina. I believe that youth is impressionable and for that reason I don't support that one aspect of the Bill, the one dealing with advertising. The Honourable Member for St. George tells us that we do have an element of promotion, insofar as liquor is concerned, in Manitoba; that we have Channel 12 and various publications that advertise liquor; but I want to point out to the Honourable Member for St. George that I, in my home, have the option of switching the channel so that if I as a parent don't want to expose liquor advertising to my children as such, I simply don't have to tune into Channel 12, so I don't think that his argument is valid. I think at the present time the parents have a discretionary power and they can use this discretionary power insofar as the advertising of liquor is concerned with respect to the TV media, but if we adopt the attitude that because Channel 12 is introducing this form of advertising into Manitoba, that we might as well allow it across the board, then we are removing the discretionary power which the parents have today. For that reason I oppose that one section of the Bill.

One of the things that I have observed over the years, and this is in all occasions - banquets, weddings, beer parlors for that matter - this business of watching the clock, this business of closing at a certain hour. This is one area where I disagree with the Honourable Member for Pembina. The Honourable Member for Pembina the other day stated that if we restrict the hours that we will be restricting the amount of liquor consumed and so forth, and of course, in observing situations where the clock on the wall indicated to a group in the beer parlor or a group at a banquet or at a wedding party or what have you, when the clock on the wall indicated that it was just about approaching the curfew hour, the usual reaction of people - this is my observation - was and is today and will be tomorrow, that "we might as well buy another round or two before the curfew," and in fact, what is the net result of this? We have people consuming an extreme amount of liquor in a short period of time, and my argument is that because we have this restriction, that we in fact cause people to become intoxicated because of the restriction; that in fact the restriction may be the cause of many highway accidents.

In this area I strongly disagree with the Honourable Member for Pembina. I know that if you attend any function, any social function, that around 11:30 on a Saturday night you will hear the tinkle of glasses, bottles, etc., because everyone wants to load their tables before the cut-off time. Some ten or twelve years ago I had occasion to assist the staff in a beer parlor for a short period of time, and in serving the general public this was my experience, that just before the closing time everyone wants to order another round and a double one if they can get it, so I disagree, and I hope that this point may be well taken, that the hour is not the important

(MR. USKIW cont'd)..... item in this bill. I disagree that we should close at midnight on Saturday night, because for me, if I'm out partying, Saturday night does not end at midnight; Saturday night often carries on until the wee hours of the morning. And I don't think that we are doing anything insofar as safeguarding people from the hazards of drinking because we state that they must go home at midnight.

Many people perhaps take the argument - and of course this is the argument put to us by the Honourable Member for Pembina - that Sunday is a special day, and I certainly respect her opinion for that. I agree that it is; but it isn't a special day for all people. We have various groups in our society that don't recognize Sunday as that special seventh day, so I don't know that we should legislate in such a way that we discriminate against these minority groups. I don't know that we should have a blanket law stating that everyone is cut off at a certain point. I think people use their own discretion quite well, and I think if we let people use their own discretion, that it will be all to the benefit of society. I don't suggest that because I believe in the seventh day being Sunday, that the Jewish Community should do the same or the Seventh Day Adventist group should do the same, or otherwise. I think this is presumptuous. There are many groups in society that don't recognize 12 o'clock midnight Saturday night as being the deadline and that Sunday is a day which you don't indulge. So I think we are fooling ourselves. What we in fact are doing is actually forcing these people to look for other avenues in order that they may continue the program of Saturday night, and when I say "other avenues" I mean house parties, and let's not forget the bootlegging establishments. I don't know that we haven't any. So you are not stopping anyone from indulging past the hour of midnight. You may create some inconvenience but I don't think you're really getting the point across.

So I want to say for the record that I do support the idea of this Bill, with those few exceptions. Thank you.

MR. DOERN: Would the honourable member accept a question? Am I to believe that a potato farmer (a) doesn't drink; and (b) doesn't make any liquor?

MR. USKIW: Yes you may believe that I don't make any liquor. I didn't say I don't drink. On occasion I have one or two.

MR. JAMES COWAN QC (Winnipeg Centre): Mr. Speaker, I intend to support the Bill because I support some of the sections in the Bill and because I would like to see some changes made in the proposed bill and the changes can be made when it goes to committee. I have important reservations, though, with regard to the Bill. One of the proposals is to allow the extension of advertising and there is no doubt about it that advertising means increased sales. Why would a whiskey firm spend \$7 million on advertising in Canada if it didn't mean increased sales? Why would anybody spend money on advertising if it didn't mean increased sales? So we will have increased sales if we have increased advertising, and of course, with increased sales we will have increased consumption and an increased number of automobile accidents, increased number of injuries and deaths, increased number of beatings and killings which happen fairly frequently now in Manitoba. Almost every second week we will read of someone being beaten or killed by somebody that was drunk, and this is something that we certainly don't want and something that we should not be permitting - increased advertising with regard to liquor.

Now I know that there are some inconsistencies and I know that we have liquor advertising over Channel 12 and I know it is put there over Channel 12 for the purpose of beaming it to people in Winnipeg and in southern Manitoba to increase consumption of the liquor products that are advertised there. It is being put there for the people of Manitoba and we know that the firms that are advertising over Channel 12 are not acting in accordance with the wishes of the laws of this province and in accordance with the wishes of the legislators of this province as expressed to date, as shown by our law books. They are not playing the game; they are violating the spirit of our law. Now we can play that game too, Mr. Speaker, because in Manitoba all liquor is sold through the Manitoba Liquor Commission, the government liquor body, and so we can tell these firms that advertise over Channel 12, if they are not going to play the game then they must look for restrictions with regard to the sale of their products, that if they are going to advertise over Channel 12 we won't sell their products; if they are going to advertise over Channel 12 we will charge more for their products than we do for those firms that play the game and don't beam advertising to Manitoba over Channel 12.

Another inconsistency is that we have periodicals coming into Manitoba which have liquor advertising in them and we don't allow periodicals to be published in Manitoba with liquor advertising in them. We could very well amend our laws to permit periodicals which are published

(MR. COWAN cont'd)....in Manitoba to have liquor advertising in them so that they can compete with those other periodicals so that we don't do Manitoba printers out of work because of this law, by changing our Liquor Act so that periodicals where more than half the issues are distributed outside of the province, periodicals that are printed not more frequently, we'll say, than once every two weeks or something like that, will be allowed to have liquor advertising in them, and in that way the local printers could try and have periodicals printed in Manitoba and they would be able to compete with other firms and other periodicals printed in other parts of Canada. The law would still prevent newspapers and daily papers from having liquor advertising and would still prevent, would still stop the radio stations and the TV from having liquor advertising, but such a change would allow periodicals to have such ads.

With regard to the closing hours, or the extension of closing hours, I am against the proposed extension insofar as beer parlors and beverage rooms are concerned. We speak of England as being a country where they have liberal liquor laws, yet in England the closing time is, generally speaking, 10:30 or 11 o'clock. They go for a reasonable time and I think we have a reasonable time here with our 11 o'clock closing, 11 o'clock cut-off rather, and the places can still remain open until 11:30 and I think that's late enough; late enough, particularly when you consider that a great many of our people have to get up at 7:00 o'clock in the morning and have to do a full day's work, and if they are going to be able to do that good day's work on the average they then can do a better day's work if they get home at a reasonable time instead of extending the time for another hour; and furthermore, we are told that in the country that very often on Saturday nights they are having to wait for the father to come out of the beer parlor or the beverage room, and the children are having to wait, and having to wait an hour until 11:00 or 11:30 is late enough without having to wait until 12:00 or 12:30. We are told by the Honourable Member for Brokenhead, that if we have a restriction, a closing time, then people load up their tables just before closing time. Well it will still happen. We are still going to have a closing time and that event will still occur whereby the tables are loaded up before closing time.

Now with regard to Sunday hours, drinking on Sunday; the general idea is that we should permit drinking on Sunday with meals. Well, all right; we could permit that without saying that the restaurants and dining rooms may stay open all day; we could permit that by allowing drinking with meals on Sundays between twelve and two and we'll say between four and eight, and in that way you've got your drinking with meals and you don't have people who perhaps generally would have gone to the beer parlor or the beverage room and stayed a good part of the day; you don't have them staying there all day because of the shorter hours. The man that will tend to have perhaps gone to a beverage room or a beer parlor will now tend to go to the restaurant on Sunday, and there we have an inconsistency. Whereas during the week there's the cut-off for that man, for the supper hours on Sunday under the proposal there will be no cut-off but there will be hours for drinking for the whole day from 12 o'clock on in restaurants and dining rooms. So I am just for drinking with meals on Sunday, and in order to insure that, that it be restricted to times between twelve and two -- about between twelve and two, and four and eight.

MR. CAMPBELL: May I ask the honourable member who just spoke a question? The Honourable Member for Winnipeg Centre is, as I understood him, in disagreement with what seemed to be the main principles of the Bill. Why would he support it?

MR. COWAN: Because I support some of the items in the Bill and in Committee we would have the opportunity to propose changes, particularly with regard to advertising and with regard to the hours - Sunday hours.

MR. CAMPBELL: Mr. Speaker, if I may ask a supplementary question. My honourable friend is one of the ones who espouses proper principles in the House and isn't it the principle of our -- isn't it the philosophy of our Legislative Assembly that if you're opposed to the main principle that you oppose the Bill on second reading?

MR. COWAN: Well, Mr. Chairman, I think there's quite a few principles in this Bill and if you're for some principles and against others you've got to put the Bill into a Law Amendments Committee where the Bill can be changed and where you can go along with some of the changes.

MR. CAMPBELL: My last supplementary question, Mr. Speaker. But didn't my honourable friend in his speech oppose all the main principles?

MR. COWAN: No.....

MR. DOERN: Mr. Speaker, I'd like to direct a question or ask a question of the honourable member. Does he believe that there is a direct connection or a direct casual relationship between, say, a one hour extension of the drinking laws and this would result in a similar proportionate rise in the number of beatings and traffic deaths and alcoholism?

MR. COWAN: No, it would certainly result in more liquor consumption in some but I was particularly concerned with the advertising when I mentioned the fact that more people would be encouraged to drink more.

MR. DOERN: Did you also mention in that same connection of an increase in these bad results of drinking that this would be a result of an extension of hours, or were you speaking only on advertising?

MR. COWAN: I didn't mention it with regard to the extension of hours but it would increase to some extent.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I've heard so many pro arguments this morning that I feel it's time the anti's were heard from -- anti this Bill. To begin with, Mr. Speaker, I am completely opposed to any piecemeal tinkering with the Liquor Act on the basis that it has been approached. I have before me a copy of the report on the Manitoba Liquor Enquiry Commission headed by Mr. Bracken and this work, I feel, should be consulted in a manner more than it has been done obviously in the way that this Bill has been brought out. I note in glancing at the Enquiry Report that the committee visited nine out of the ten provinces and visited six representative states in the United States in the District of Columbia, and they compiled a vast amount of information upon which they made their recommendations.

Now admittedly the report is ten years old and I certainly do not oppose the view that from time to time a review should be made, but I believe the review should be made with the whole report in context taking into consideration the social, economic problems as well as hours of sale and advertising and things like this, and I certainly do not like to see this approach where every year from now on I suppose we will have special interests wanting changes made without regard to the over-all approach of the sale and manufacture and distribution and consumption of liquor in Manitoba. I'm the first to admit that in 1957 liquor laws really were a mess. There was no respect for the law in many cases. The law was harsh and restrictive and it certainly was not conducive to civilized consumption of liquor, and I say I'm not opposed to an over-all review but I am certainly opposed to the method in which this Bill has been brought down.

To go over some of the points that are covered in the Enquiry - and I think they bear bringing out again. On the matter of how this change in the law, the Liquor Act, will help our tourism, I don't think that the liquor law as it stands in Manitoba with the hours of sale that we have and the many outlets of various grades, I don't think our liquor laws suffer in comparison with places like Texas, where in Texas if you wish to purchase a drink you have to join a club. And Oklahoma, somewhat similar; Nebraska, somewhat similar. The Honourable Member for Winnipeg Centre has reminded us of the laws in England where the closing hours are 10:30 or 10:00 o'clock, and not only that but they do close during the supper hour. So I think that tourists coming here by and large are coming to a place that has, in my opinion, a reasonable approach to the sale of liquor and to the hours, and as far as the Pan American Games are concerned I would hope that our foreign friends and visitors would come here in the spirit that most of us would approach their countries and their provinces and their states, that they would come to enjoy our climate and our location and the entertainment, and not particularly looking down their noses at the type of laws we happen to have here.

Regarding the longer hours, I don't know why the hour of 1:00 o'clock or 12:00 o'clock was chosen. Perhaps it should be 2:00 or 3:00 or 4:00 o'clock in the morning. We've heard much about freedom of choice and if we are to give this freedom of choice then maybe there shouldn't be any hours at all. But I think that legislators have a duty to make reasonable laws that suit the majority of the people.

Regarding the matter of beer and wine with meals on Sunday. Certainly there are arguments both ways for this, and like my honourable friend, the Member for St. George, has said, that there's no difference between drinking with a meal on a Monday or a Sunday, I agree with him a hundred percent. But I would like to mention what some of the Commission have said in the Enquiry. Now this is listed as talking about hours of sale and it lists some of the reservations that some of the Commissioners had. "The Enquiry Commission considered at length the question of the sale of liquor with meals on Sunday in premises holding restaurant,

(MR. JOHNSTON cont'd)....beer and wine licences"

MR. LYON: Would the honourable member be good enough to give us the page for reference, please.

MR. JOHNSTON: Page 695.

MR. LYON: Thank you.

MR. JOHNSTON: "...but was unable to agree." This is, the Commission was unable to agree. And on Page 708 there is another reference to the matter, and this is one of the Commissioners who is talking about Recommendation II, that is, the hours of sale, and I would like to read what Mr. C.A. McRae says in this regard: "I am opposed to the sale of liquor on Sundays. As the Commission is unable to reach agreement on the question, I therefore wish, as a member of this Commission, to make my position clear." And he lists some of his reasons: "1. There has been no concerted demand for sale of liquor on Sunday in Manitoba." Now the only people that I have had lobbying me in this regard is two of my colleagues. I haven't heard from constituents or people at large. I haven't had letters or phone calls or it's never come up in conversation, and I admit that I have heard it mentioned by two of my colleagues but that's about, to the best of my recollection, any change that I have noticed in people's drinking.

Now his next statement does not hold true today and I admit it: "Our neighbouring provinces of Ontario and Saskatchewan do not permit Sunday sales. In fact only two provinces in the Dominion do allow it: Quebec and Newfoundland." I admit that that has changed.

Finally, he says, "Statistics show that the traffic accident rate is 35 percent higher on Saturdays and Sundays than on the average of other days, and it is my feeling that Sunday sales of alcoholic beverages tend to further increase the accident rate." One of the other Commissioners -- and I just haven't the page here -- said that in her opinion (I believe it was a lady) sales on Sunday with meals would lead to pressure on the restaurants to sell liquor other than with meals, and I know this happened in Montreal. They used to have what they call the 'rubber sandwich' and for \$1.00 you bought the sandwich and it was never eaten but it gave you the privilege of sitting and drinking all afternoon. Now I'm not saying that this is wrong but I'm saying that if there are to be changes they should be made in a complete review, not on a piecemeal fashion.

Regarding advertising. Well surely there have been enough arguments stated here that advertising is only for the purpose of increasing sales, and if this is the reason well I am opposed to that reason, and because the magazine is printed in Philadelphia or New York or Toronto and their laws there permit this, this doesn't change my opinion one bit. We have our own television stations and our own news media, and if you feel that advertising on Sunday -- or advertising of liquor and beer is the wrong thing, it doesn't matter what they do somewhere else; it doesn't matter. Admittedly, it makes your own laws less effective but it doesn't mean you should change because people somewhere else see it in a different light.

Finally, Mr. Speaker, my final point is this: that any changes such as are contemplated should not be done in this method. There should be some type of a hearing held so that people can make their views known, and I note in the Bracken Report there were 165 organizations spoke; there were over 100 individuals who spoke; and I don't think that a Bill like this should be proceeded with just because we have Pan American Games coming up this summer and it may bring in a few more dollars in the tourist trade, and I don't think that these changes should be made at this time and I think the whole matter of liquor in Manitoba should be looked at in context and not changed piecemeal in this manner.

MR. LYON: Might I ask the honourable member a question? Is he aware of when the last changes in hours were made and how they were made?

MR. JOHNSTON: No, I'm not.

MR. LYON: They were made in 1959 by a Bill such as this extending the hours. I thought he might like to know that.

MR. SPEAKER: Are you ready for the question?

MR. GORDON W. BEARD (Churchill): Mr. Speaker, I move, seconded by the Honourable Member for St. Vital, that the debate be adjourned.

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

MR. SPEAKER: Bill No. 56. The proposed motion of the Honourable the Leader of the Opposition in amendment thereto. The Honourable Member for Birtle-Russell.

MR. CLEMENT: Mr. Speaker, I adjourned this for the Honourable Member for Rhineland. I turn it over to him.

MR. FROESE: Mr. Speaker, I want to thank the honourable member for standing this in my name. However, I'm not prepared to speak this morning; however, if anyone else wishes to speak I certainly have no objection. Otherwise I would like to have the matter stood in my name.

MR. LYON: I wonder if I might just reiterate the suggestion that has already been made to the House, Mr. Speaker, that if there are members who wish to participate in the debate that they do so with reasonable dispatch, having regard to the responsibilities that attach to the Minister who has the carriage of the Bill for getting a very massive administrative machinery under way. And we're not, as it has been said before, we're not trying to hurry the debate unduly; we're merely appealing for the co-operation of members of the House in advancing it.

MR. MOLGAT: Mr. Speaker, I wonder if I might ask a question of the Honourable the Minister. If the government were to declare that they will support the amendment, then I think there would be no question at all, the Bill could be referred to Law Amendments immediately and I think we'd be prepared to sit on Monday.

MR. LYON: My honourable friend is missing my point, however. I'm suggesting that if there are honourable members who wish to support or to speak against this particular amendment that they could be heard. Usually the practice is for the government to let its position be known, although I'm sure my honourable friend is in no doubt as to what that position is.

MR. MOLGAT: Well no, but if my honourable friend wishes to move the Bill along, Mr. Speaker, I suggest to him one method is for he to rise in his place and say that the government is prepared to accept the amendment and then I would think that there would be probably an end to the speeches, we can go into Law Amendments Committee, and there have a discussion.

MR. CLEMENT: Mr. Speaker, I'd like to ask the Honourable the Attorney-General a question, or suggest that surely there must be, out of 30 members of the opposition, somebody prepared to speak besides the frontbenchers. I'd say, you crack the whip and get some of your boys to speak.

MR. SPEAKER: The Honourable Member for Rhineland asked leave of the House for this to stand if there is no one else Does the honourable member have leave? Bill No. 58. The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, we have now had an opportunity to look at this Bill. We have no further comments on it.

MR. SPEAKER: Does the Honourable Member have leave?

MR. GREEN: No, I'm not asking for leave, Mr. Speaker. That's my speech.

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

MR. SPEAKER: Bill No. 65. The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I'd ask leave of the House to let this matter stand unless somebody else wishes to speak on it.

. . . . continued on next page

MR. SPEAKER: Bill No. 68. The Honourable Member for Gladstone.

MR. NELSON SHOEMAKER (Gladstone): Mr. Speaker, I confess that I haven't had time to study the Bill in depth but I would like to make some observations at this time because it is, and I think my honourable friend will agree, one of the more important Bills that will be passed at this Session of the Legislature. A most important one, of course, will be the sales tax or revenue tax bill or Education Tax or whatever name that it has acquired in the last three or four days. -- (Interjection) -- Yes, it will be called a lot of other names, no doubt. However, this one that I propose to make some comments on now is certainly a very very important Bill, Bill No. 68.

Back in May and June the whole question of Medicare was one of the Number 1 or 2 or 3 planks in the platform of the government at the time of the election. As a matter of fact, on June 20th, which I believe was just three days before the election, there was a front page story in both the Free Press and the Tribune, date June 20th, 1966: "Roblin plans a Fall session. Special sitting would deal with Medicare, farm gasoline tax, and school tax rebate." placing Medicare ahead of everything else for the reasons for calling the Special Session. And of course during the campaign it was suggested by the 57 Tory candidates that they were going to go it alone, if necessary, in the field of Medicare, and certainly it would be started by July 1st of 1967. This was what they proposed. And of course they have back-tracked a little bit from that position since June 23rd. And I question very much, Mr. Speaker, whether or not the government really ever did intend to go it alone. I question whether they did or not.

However, we've got the Bill before us now and I don't think that even in June, I don't think there were too many people that objected to it, and the government were just trying to make some political hay out of it. I still say that by and large there is not too much open opposition to the Bill - to the principle of the Bill and the purpose of the Bill. However, there are certain things that I would like to comment on at this time. Now I understand -- well of course the object of the Bill is clearly set out in one brief, short sentence on Page 4, the intent, purpose and object of the Act: "The intent, the purpose, and the object of the Act is to provide insurance for residents of Manitoba in respect of the costs of medical services." There it is, all tied up in one nice, tidy little sentence on Page 4. That's the object, and I would think, too, that the object would be to make the services available at a lower cost than they are presently paying; that is, that the people are presently paying. Now probably not lower in cost when you consider every single angle, but if I am paying \$100.00 for my coverage presently to MMS - and I think it is slightly in excess of that, that I'm paying - then I suppose that I should be expected to pay roughly \$50.00 for the Medicare program as envisaged by the government, leaving the other 50 percent to be paid by the Federal Government - still my money but being paid by the Federal Government. So it can easily be said on the one hand that it's going to cost you less money, but could also be said on the other hand that it will cost you more money in total, because governments have not been able to do many things cheaper than private enterprise.

Some of the things that I would expect, and I think my honourable friend has admitted, MMS intend to administer the whole plan. Am I right in my assumption on this? MMS are going to administer the whole plan, and perhaps this is good that they should because I believe they have a new building out there. In fact I know they have a new building out on Empress Street that is probably a million dollar building and the space is there, and then of course they - that is, the present Manitoba Medical Service or the present MMS - will be out of business when this plan comes into effect. I think, or I hope that I'm right when I make a statement of this kind. Am I correct, Mr. Minister, in making this assumption and deduction? Surely I'm right. All of the press stories to date suggest that this is going to be the case, and if it is, then I hope that the board, the board of MMS, will take a little broader view and a little more liberal view of some of the cases of dispute that come before them. Once again, I would just like to say that with my own personal experience and several other - not too many but several other cases - I have found that the, what is it, the Review Board or the board that makes the decision at MMS have been pretty conservative in some of their judgments that has ruled to the disadvantage of certain certificate holders.

I would just like to cite the most recent one where a person -- well, a man and his wife from Neepawa were holidaying in Calgary a year ago now, and they both had MMS coverage. The MMS refused to pay the medical services for the head of the household on the usual grounds that he could have had his medical needs attended to in Manitoba. This is what they said, and therefore they refused to pay it. Eventually, after about 12 months of corresponding, my

(MR. SHOEMAKER cont'd.) corresponding back and forth between Calgary and MMS on his behalf, they eventually paid it. Well, the point that I'm trying to make is this, is it natural to expect -- and I'll ask my honourable friend; supposing that he is on a month's holiday in Halifax or Vancouver and he develops a condition there, after he has been there two weeks, in the middle of his holiday and he requires medical attention. Is it natural to expect that you would break your holiday in two, whistle back to Winnipeg and have the work done, and then go back and spend the rest of your holiday in Halifax or Victoria. Now this is being done, and apparently the MMS seem to think this is quite right. They provide the service in Manitoba and it doesn't matter whether you're in Texas or Alaska you've got to get right back to Manitoba and get the work done pronto. And I think this is wrong and they've taken absolutely too restrictive a policy in this regard.

The other case of course is the one that I've mentioned on two or three other occasions in this House and that is where my own wife had to have open heart surgery and they refused to pay even a five-cent piece when she had the surgery done in Rochester. Now, my point is this, that if it can be established beyond any question of doubt, that the services of - let's cite open heart surgery or kidney replacements or very serious surgery of this nature - if the same quality of service is available in the province, then nothing wrong with the attitude that MMS take; but if you can obtain better service outside of the province -- and incidentally on this case in question, I asked point blank the doctor that was going to do the surgery what the loss ratio was on open heart surgery and he said about 75 percent successful, which meant 25 percent not successful, whereas in Rochester it was about 99 percent successful -- well then where would you go? Where would you go when there is a human life at stake? And I say it is fine and dandy, fine and dandy to dictate where you are going to go to receive your surgery, provided always that the same quality of service is available within the province, but not until it is. So I hope that if MMS administer the plan that they will be a little more liberal on reviewing and interpreting their policies and program.

Well my honourable friend has pointed out that it is going to be a special board that deals with these things as cited on page 4 of the Act, but it also refers on page 4 of the Act to the Manitoba Medical Services Insurance Corporation and -- (Interjection) -- not MMS he tells me. Well the air has not been cleared. What are we going to do with the big building out at Empress Street. Surely to goodness, we are not going to need MMS and Medicare plan so my honourable friend to my right is just as confused as I am in this respect and surely the air will be cleared on that one.

I notice in the Free Press story of last evening, it is reported "The patient and the doctor will be allowed to make an agreement that a charge in excess of the benefit fee set by the corporation can be set. However the patient would only be able to collect the benefit fee set by the Corporation and would pay the excess himself." That sounds like MMS again to me because presently under MMS if it can be established that you are earning over a certain amount of money annually, then the doctor can collect a further 30 percent from the patient. They haven't tried that stunt with me yet, and I'd certainly rebel if they did; but I know of cases where they have. But it sounds like MMS again. It sounds like they will be given, that is the doctors will be given the authority, given the authority - that's the right word to use - to collect an additional fee from a patient after having paid a premium. So I would like some comment on that.

I notice in one of the propaganda sheets that went out on October 14th, 1966, headed "Medicare by July 1st," quoting again "in Manitoba at present, some 60 percent of the people are covered through Manitoba Medical Service Insurance, another 10 percent have other private insurance programs and a further 25,000 Manitobans in need are receiving full health care through a special Medicare plan that provides them with medical, dental, optical care and drugs." So if you are to interpret the content of this propaganda sheet you would say that we had 70 percent of the people, plus all of those on welfare that are being covered now - covered, so there would be something like 28 or 29 percent that are not covered, something of that nature. Now the bill provides that all people who are presently in receipt of welfare of one kind or another will be covered without paying premiums. This is the way I interpret it; so that something like 25,000 who are presently in receipt of a Medicare card will have their premiums paid by the government.

Another question I would like to know is, will all of those people who are in receipt of Old Age Assistance, Blind Persons, and total disability pensions will their premium be paid by the government? Because, Mr. Speaker, this group, that is the group of Old Age Assistance, Blind Persons and total disability pensions, those people that are in receipt of these three

(MR. SHOEMAKER cont'd.) pensions, they don't qualify for the \$30.00 supplement, so they are having to get by presently with \$75.00, as I understand it, and surely to goodness, they will all qualify for exemption premium under the proposed Medicare plan.

I notice, not in the Bill, it's probably there though, but in the propaganda sheet that I referred to, it outlines some of the essentials of a good plan, and here's what the government are saying that you must have if you are to introduce a plan, and the first item on the proposal here, it says "He said" - and it's Mr. Roblin that's making this comment - "He said the essentials of a good Medicare plan would include (1) provisions for those in need medically who were unable to pay premiums in full, and a standard of coverage that is equivalent to HCX Plan of MMS and portability of benefits outside the province and reciprocity with Medicare plans of all other provinces." Well I have already touched on that; that is I hope that if I need medical attention in Halifax or Victoria that I am going to get it without too much complaint from the Board and not demanding that I break my holidays in two and break my neck to get home to obtain the services.

I understand, Mr. Speaker, that the collection of the premiums will be made at the same time that you pay your hospital premiums. I would like to know whether I am correct in my assumption on that? Will everyone in the rural areas, self-employed persons be able to pay their premiums at the municipal office as they are presently doing on the same date that they pay their hospital premiums? I am referring to page 10 of the Bill that is before us.

On page 20 of the Bill I note that nothing in this Act or the regulations imposes any obligation upon any medical practitioner to render medical service to any insured person. That is no doctor has to render medical service to any person so they are not tying the hands of the doctor at all; but I am wondering whether this will work to the disadvantage sometimes of some of the certificate holders. And the second last page, on page 26, 49 "Other health services brought under Manitoba Medical Services Insurance Act."

I think, Mr. Speaker, that that is about all the comments that I want to make this time and I'll be quite interested to find answers to some of the questions that I have asked; but once again, I want to repeat what I said on first reading of the Bill, and that is I for one, and many more like me, want some assurance that the rural people of Manitoba will be able to obtain adequate services for premium paid, because I have been doing a lot of talking in the last two or three years about the shortage of doctors and dentists and nurses in rural Manitoba - and I don't think there has been any improvement in that regard in the last couple of years - and I will warn the government that once you introduce a plan where people are paying premium for a service, and if they fail to get the service, they are going to be doing a lot of hollering about it. -- (Interjection) -- They are going to help us out; well I hope they do help us out.

An article that appeared in the Tribune last night suggests that the utilization of services will be - here we are here "Dr. Garth Mosher said in an interview that if comprehensive medical insurance is obtained by the 50 percent of Manitobans now not fully covered by any plan, there will be an explosive rise in utilization, mainly in rural areas." Isn't this what I have been saying all the time? There will be an explosive rise in utilization mainly in the rural areas where we haven't got enough doctors now. -- (Interjection) -- Well he doesn't say but my honourable friend the Minister of Education says they propose to do something about this and I would be interested to know just to what extent we will have some assurance that we will have adequate doctors and dentists in the area. And so with those few remarks and following a speech by the Minister of Education and the Minister of Health, I expect that we will have some answers to the problems I have put.

MR. PAULLEY: Mr. Speaker, if no one else wishes to speak I beg to move, seconded by the Honourable Member for St. John's that the debate be adjourned.

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

HON. GURNEY EVANS (Provincial Treasurer) (Fort Rouge): Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Highways, 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.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House resolved itself into a Committee of Supply with the Honourable Member for Arthur in the Chair.

COMMITTEE OF SUPPLY

MR. CHAIRMAN: Department of Highways, Resolution No. 38. The Honourable Minister of Highways.

HON. WALTER WEIR (Minister of Highways) (Minnedosa): Mr. Chairman, as we rose last night I think that I was coming to the end of some comments that I was making on some observations of other members of the committee. Maybe if I could be allowed to continue, there are some comments made by the Leader of the Opposition that if he is not in his seat when I come to them, I will reserve them until he is here because I think that I want to make them when we can have some communication back and forth.

The Honourable Member for Burrows spoke about whether or not the best road construction techniques were being used within the province. Well that would be a difficult thing I think to guarantee in anything that is as imperfect a science as road construction is. But I think it is fair to say that all things considered an analysis is made of every job in an effort to provide the technique that is best suited to the project that is at hand. In various areas stage construction is being used so that the road can progress through various stages with anticipated traffic and so on and so forth. Being an imperfect science, we have our disappointments the same as other areas do in the odd failure that you have. It would be quite simple to go to a more perfect if you went to a policy of going to reinforced concrete on all of the trunk highways in the Province of Manitoba, but if we did that we would reduce the coverage that we could have of our road system so drastically because of the differences in price that it becomes impractical. Cost benefit studies are done in locations which are dictated more or less by the length of gravel haul as opposed to the amount of traffic and the weights of traffic and long term maintenance costs are taken into consideration as to which is the most economic type of construction. So I think my answer to that would be, every effort is made to use the best construction techniques for the project that is at hand at the moment. He speaks about devising a numbering system. I think I indicated our concern about that and I hope maybe to be able to improve it in the future. And also he spoke about road information.

Road information is probably a very difficult thing to have real efficiency in. I think that the boys do a pretty good job and if anybody takes the opportunity to inquire of the telephone operator to find out who the local highways foreman is, within the area, they are the ones that can really give you the best information. We speak about the RCMP - and maybe there could be a little better relationship there, I don't know. My experience has been that they are in fairly close touch with one another, because the road information that comes to the central headquarters here in Winnipeg is sent in here by the foremen who go out and actually inspect the roads over the beat that he is in charge of and within his own area and with his contact that he has with the central headquarters in Winnipeg at the time that he's making his report, he gets a little more general information than even just his own area and there is a fair amount there. The number of offices that there are throughout the province are fairly significant and I think that most people, certainly most local people, know where to phone in their own areas. Now it may well be that there could be some improvement in making it easier for the tourist. On the other hand, if there are road difficulties in the area we make every effort to have it with the radio stations. If there is a matter of severe danger on the road or even if we see what we think are areas coming that require storm warnings, every effort is made to attempt to look after this sort of thing.

The items in the Annual Report were questioned as far as right-of-way. Without going back to the books and actually looking at it parcel by parcel, I think the best explanation could be made of that is that all of the costs of the right-of-way for that year would be included in that figure in the locations that are described, whether it be within the right-of-way or in some instance if it was necessary to buy out a whole parcel, the cost would be included in that item as well. It wouldn't be restricted to just the area of the right-of-way itself, if in fact there had been an additional expenditure that was required and which may have a recovery at some later date.

We had a fairly extensive discussion on signs and Metro signs as far as the Honourable Member for Elmwood is concerned. I think the only question on signs that I didn't answer is the one that was given to me in the middle of my remarks yesterday by the Honourable Member for Wellington and the answer to his question is that there is no relationship between the Metro Route markers and the provincial road markers. All Metro routes end at the Perimeter. They may in fact in some places for bookkeeping accounts go beyond the Perimeter in areas that the

(MR. WEIR cont'd.) Metro Corporation extends beyond the Perimeter, but I don't believe that they have them planned from the standpoint of picking up traffic. It's intended to be keyed in with the Perimeter and an attempt to be made to use the Perimeter for what its major function is: the shuffle of traffic that is trying to find its way into the City and finding its way on the Perimeter without cluttering up the downtown section of the City. I may say that I think this is particularly true of -- I hate to use the term but really it describes it best I think -- undesirable traffic. It's not undesirable from the standpoint of the province but it's undesirable from the standpoint of downtown. I'm thinking of the oil tankers from the Imperial Oil Refinery; I'm thinking of the heavy semi-trailer livestock trucks coming in from the various areas that are able to use the Perimeter as a shuffle area and take the shortest route through the best areas to get to the industrial areas really that they are trying to reach.

The Honourable Member for Turtle Mountain, I think there's two or three things there that he mentioned that I could just mention briefly: one, the difficulty that he was talking about on signals. We can have that checked. It is a difficult situation within built up communities where trains are stopping for long periods of time. I don't know, I've often wondered if it wasn't possible to have a switch that could be thrown by a conductor and thrown on again by a conductor afterwards but at the present time I know of no solution but we'll have it checked to see if there's anything we can do. I'll make a point of asking the engineers if we can't get water running downhill again. This effort that they made to get it going uphill we'll attempt to have that reversed and check into it and see what we can do.

The other comment he made was in relationship to No. 18 Highway between 3 and 23 and whether or not it could be expected to stand up. Also he mentioned the delay. All of the remarks he made are the key to the answer. As far as we can tell it should stand up the same as any of the other roads in the Province of Manitoba according to design and the reason for the delay was the fact that the inspector on the job refused to accept the materials that were there because we were afraid of what might happen. They spent considerable periods of time scurrying around looking for materials that would meet the specifications. So the answer to the delay and the answer to his original question really tie in together and the answer that I can give him as far as I can tell is 'yes'.

The Member for Hamiota asked a couple of questions: one on 250, and the two or three miles that he was talking about; yes, it will be re-laid this year. It's really a maintenance situation rather than a new construction proposition therefore it doesn't show up in the capital program. As far as Highway 24 is concerned and the delegation that was in: while they did talk a little bit about the improvements that he was talking about, their major concern in that delegation was really for a little piece of construction. We've got one small area that hasn't yet been graded on No. 24 Highway and I have stubbornly -- rightly or wrongly, but stubbornly -- been refusing to do anything about it until we knew what happened to a rail line abandonment in that area. There are two rail lines involved, one crosses the other one and the approach of the road and the railway track that is a main line is very bad in that location. I've been concerned enough about it that I've walked the half or three-quarters of a mile that's necessary to go down to see where they pass to see whether the possibility would be there of using the right-of-way and extending the opening in the main line to provide a grade separation in that area and until these problems are resolved one way or the other, it may or it may not be satisfactory, but until they are resolved I am not prepared to recommend the expenditure in that area. As far as the other upgrading of it is concerned, there is a little part of that road in a constituency that I'm fond of and I too would like to be able to see it scheduled, but the part that he's concerned about and the part that I'm concerned about, we'll have to try and fit into the priorities as we go along the way.

Now if I can come to the remarks that were made by the Leader of the Opposition, First of all he wanted to make some inquiries about carry-forward and so on and maybe I established some confusion by trying to eliminate some of the figures which I did purposely in attempting to keep from confusing anybody. I thought if we had too many figures with too many millions in them that we would get them mixed up. So I start with a carry-over, the carry-over that came from last year to -- well from the year we're in now until the next year. In other words from the '66 construction season to the '67 construction season. We have a carry-over of something approaching \$14 million -- \$14 million. There had been an anticipated expenditure last year of \$24.8 million; there was an actual expenditure of \$28.5 million. On top of that \$14 million that is carry-forward in the green sheets there is an estimated \$20 million worth of new work that wasn't listed in the sheets before, making a grand total in the green sheet area of \$34 million.

(MR. WEIR cont'd.)

There is an anticipated expenditure for 1967 of \$23.4 million as it shows up in the estimate book, which leaves an anticipated carry-over of something probably a little over \$10 million into 1968. These increases that we've had, you will recognize we've had the increases in costs which reflected in our estimates. They applied to the work that hadn't been let in the 1965 construction season and carried over into the 1966 construction season. They applied to the work that was done in 1966 and the estimates have been increased not just for that period of time but also for the carry-over and for the new program, which I think brings us into line assuming that we go within a relatively even pace of what we've been going in the recent past.

Now does that answer the questions that my honourable friend wanted about the big dollars now before I go into the North Star area.

MR. MOLGAT: In part, Mr. Chairman, I just want to check that we are speaking of the same thing. These sheets, last year they were white sheets, but the program - last year's program then at the end of the construction season, 14 million of this had not been done. Am I correct? So those items that were not done on last year's program are repeated in this year's program - that's 14 million. In addition to that there is a new of 20, so assuming that the department was to do all of this this year there would be 34 million expended. Correct? Now insofar as the money part of it, that is the carry-over of funds and so on, we'll deal with that obviously when we come along to the capital bill, I presume. We're talking here about work, we're not talking about dollars to cover the work.

MR. WEIR: We're talking about dollars for this year as well.

MR. MOLGAT: Yes.

MR. WEIR: It's not borrowed money this year it's current money.

MR. MOLGAT: It's all current. You anticipate then out of current this year \$23.4 million. Now why is it that there is such a heavy carry-over from year to year; why is it that last year we didn't complete the program; why this year are we only - we say there's \$34 million worth here but we're not going to do 34 we're going to do \$23.4?

MR. WEIR: Well, Mr. Chairman, this isn't new, the size is a little bigger, but I think it's been going on since they've been building roads and it gets a little bigger as we get into doing a little more winter work. I was with the Leader of the Opposition and heard him comment about a hole in the ground the other night that we wouldn't have considered even starting just a few years ago. The same really is holding true in the road construction business from the standpoint of gravel crushing and things of this nature. We're getting into a different means of letting contracts at different seasons of the year - that to start with; and you're getting the better use of the equipment that is owned by contractors - this is one benefit that flows from it. And the other is that seasons, things like that - whether or not you get jobs finished or get jobs done. Actually there's two reasons for last year's. The main reason is that the funds would be underestimate, the underestimate of the work that was done. In other words we really spent more money than we anticipated spending, it has been raised by special warrant - well I think most of the construction was raised by special warrant, the supplementary supply was by and large for maintenance purposes, but we spent more money than we anticipated even at that.

The other question that my honourable friend is going to ask, I might as well give him the answer because I just thought of it or I would have given it to him earlier, is the borrowing authority remains the same as it did when I reported at this time last year, at \$17 million. It hasn't changed, it hasn't been increased and there's been none of it used. I forgot to give it to you or I would have given it to you earlier. But the \$10 million varies; last year I anticipated a carry-over into this coming year of something over \$7 million. It wasn't something over 7 it was 14; the increase in price and changes and so on created that. So, is that part of it clear now? Can we go on to the other item?

This is a perplexing situation as the Honourable Leader of the Opposition has mentioned, and it's one that right now we think that we have the large part of the cure but we're not sure. I think that steps are under way now so that we will know whether we have or whether we haven't just what area it falls in because he mentioned the people that he had before that it took something up to four years to get straightened out and that some of them went short, and this is true. And as a result of those problems that he was talking about we brought in legislation for a labour and material bond which is now in effect. At that time it wasn't in effect, and it has certain provisions in it. Since it's been brought in we have never had one of the bonds tested; this is the first case of which I am aware of where we have run into difficulty of this nature since the bond came in. The bond is such that following the completion of a contract the creditors of the

(MR. WEIR cont'd.) contractor who hasn't paid his bills have four months - 120 days I believe it is - to register their claims. During that 120 days no action can be taken on the bond; then for - I'm not sure whether it's a year after that time but it's about a year - there's a limitation in there during which any one of the creditors may sue the bonding company if the bonding company hasn't come through, they can't for the first four months, because this four month period is to allow for registration of all claims. And when any creditor sues he sues not on behalf of himself but on behalf of all creditors, so that you get a court ruling on what items fall within a bond and what items don't fall within a bond, because this is one of the very difficult things in, you know, what is a legitimate expense and what isn't a legitimate expense. A man goes out and buys a new bulldozer and there's 10 percent of the value of it used on that job and yet do you charge the whole thing against the bond on that job or how do you sort it out - what falls within the bond? The 120 days are over and it's my understanding that one of the creditors is now proceeding to sue the bonding company on behalf of himself and all of the other creditors. If this is done we hope that this will indicate to us what effect the new bond is having and where you go -- until it's tried nobody really knows; and whether the bonding company is holding pat because they're looking for the same kind of answers that we're looking for, I'm not aware; this is in the realm of private enterprise where they have their obligations and the rights fall back and forth.

He also mentioned in this particular case he thought that there were some people that might go short. If the information that comes to me is correct -- and I can never be sure that I know or the department knows of all of the creditors -- but if we do we don't feel that when this thing is finished that there's going to be any of them out of money. Granted there's going to be the delay pending the court, and there is a holdback of some \$27,000 as opposed to some \$45,000 worth of accounts, but there's a bond for \$36,000 and there has been many of the creditors wanting to know if they couldn't get the holdback. We have been resisting it. As a matter of fact we've taken the position that we won't pay on it at this stage of the game because we have a fear, quite frankly, that if we paid we might well pay off on claims that the bonding company should be paying, and until the bond is set up the holdback shouldn't be used under these circumstances and that the claims that were remaining that didn't fall within the terms of the contract should then be paid out of the holdback before the bonding company had the balance of the holdback turned over to them to pay any part of the claims that were coming to them. You have a delicate area to move in this area to make sure that everybody maintains the legal position that they have in relation to it.

We talk about mistakes in calculations. Well I have a lot of faith in the tendering system and I'm scared skinny of anything that might jeopardize it. We talk about it in terms of the Nelson River Power project. I can't debate the Nelson River Power project because I wouldn't begin to say that I know all of the reasoning behind the decision that was made by Hydro. I did note that Hydro took the precaution of saying that it wasn't to be considered precedent at the time that they made their decision. Certainly if we were to adopt that attitude it would be precedent in my time because I feel quite strongly about a bid bond, I feel quite strongly that we don't want to see a bid bond get to the position that it doesn't really mean anything. A bid bond is a cost which the Province of Manitoba has to pay, it's charged against the job by all of the contractors, and if a bid bond is of no value then the people of Manitoba shouldn't be asked to pay the bonding company the price of the bond. But if you get so that you acknowledge mistakes too freely -- and particularly with smaller contractors who don't have the same engineering staff, the same engineering staff that the larger contractors do for going out and bidding jobs, and you may say that they're in a little more delicate position but I don't really think they are because they know the work fairly well themselves -- it wouldn't become difficult for an unethical one - and I don't know of any right off the bat - but for an unethical one to begin to build in a mistake, but to only reveal it if he found too much money left laying on the table as opposed to the other tenders that are in, and the department would be in an impossible position as far as knowing where the matter stood. We talked about this man here and while I'm not prepared to give my honourable friend the estimate - and he wasn't exactly accurate on the one that he used but he's not all that far out. You know, within general terms he is there. -- (Interjection) -- A lot more than that but it's in the general area between - in the general area between where the second and where the low was, approaching somewhere in the middle there, was where the estimate was. I may say that this contractor did a good job. There's no complaints on this contractor's work; he did a good job. It's unfortunate that he was just starting and he ran into this difficulty. He completed the job, if I know all of the bills, if I know all the bills

(MR. WEIR cont'd.) that are here, at a darn sight less than the engineer's estimate. It's not all that much over and above what his actual bid was; and if my information is correct that he actually - the gravel haul that my honourable friend is talking about is not the actual gravel haul that was counted first, that he was fortunate in finding gravel closer, and this is why if you were to reject a bid because you thought it was too low you might well be penalizing a contractor who had been smart enough to go out and develop something that wasn't foreseen by the engineers. I really just can't see my way through that one, I think that the decisions that we make, until I can find some other means of sorting it out whereby if the man feels that he has made a bad mistake -- granted it's tough - going to lose money -- he at this stage of the game has to come to the logical decision as to which is his least loss, whether it's to give up the bid bond that he put in as security to back up his bid and to prove that he could get a performance bond when it came time to do the work -- there's two people at fault in here; you've got a bonding company that gave him that bond. The whole thing comes into one package there -- or if he feels he can do the job and lose less money than he would on losing his bid bond he has the privilege of going ahead and doing the job. Logic would tell you than an individual if it was possible - and take this case there was \$15,000 at stake - I don't know whether that was the figure or not but it's in that area - you can see the logic of a contractor sitting down and saying well gee if I work my equipment all summer and lose \$15,000 that's not a - 15, 20, 25 - that's not very good; I might be further ahead to drop my \$15,000 and bid another job and get the equipment working hopefully at a job where I won't make just the \$15,000 but maybe make 20 or 25 or 30 or whatever it is so that you don't have the two losses. But this is a decision that as far as I can see must remain with the contractor.

I realize that it's in direct opposition to the decision that was made by Hydro. I only assume that Hydro had very good reasons for basing their decision on what they did and I have reason to believe that this is a change in Hydro's normal policy, and as far as I'm concerned for the normal work that is carried on within the department it would be my intention to try and continue with the policy the way we have it now. This bonding area that we're in, the labour and material bond in particular, is one that I wouldn't sit here and say I'm satisfied with. The Attorney-General's Department is looking at it and for all I know they may find something that we could improve it at this session, if there's a Bill this session I wouldn't even be surprised at that. I can't tell you of an answer today but they are working at it. The thing that I can't see is whether there maybe should be another dead line in there; I don't know whether they should or not so that given - the creditor given a 120 days to file his claim. Maybe there should be a period of time for the bonding company to either accept or reject the claim. The way it sits now, if the bonding company doesn't do anything for a period of time the only action the individual creditor has is to sue on behalf of everybody that's claimed. It may well be that there is an area in there but at this stage of the game having had no decisions I am hoping on the outcome of this one that will be in a better position to judge the position we are in or maybe some of our lawyer advisors will be able to develop some means of improving the situation.

Now if I have been muddied any place that doesn't come clear, I would be happy to hear from the Honourable Leader.

MR. MOLGAT: Mr. Chairman, there are a number of problems in this particular case. There is the whole of the bonding procedure itself.

First of all I want to deal with the specific case at hand - that of North Star Gravel and the problems in which they find themselves. Now the Minister says, well Hydro said that that was no precedent, that I admit Hydro said that, but having said it, doesn't change the situation. I think that governments don't establish precedents by what they say; they establish precedents by what they do, and in this case it was accepted that an error would be rectified and the error was added to the amount of the contract. Now what difference is there, and I specifically asked this question in committee the other day, because I was afraid of what this would mean to the whole of the tendering system, what difference does it make to find the error at the beginning of the contract, in the middle of the contract or at the end of the contract? If you accept as a principle that an error can be corrected, then does it really matter when you find the error?

Now in the case of the Nelson River one there certainly appears in the minds of many people a question as to this error, when you consider that five different groups of people had to make the same error in order to come out with the final error, there appears to be some creditability gap -- (Interjection) -- the five different firms that were in the consortium, that made the bid. -- (Interjection) -- This is my understanding that they all figure separately and

(MR. MOLGAT cont'd.) when I asked the question in Committee the other day this was indicated was the normal procedure, that each one of the separate firms bids separately, or prepares a separate bid, then they get together and assemble their bid. This is the reply that was given to me and I have checked this out with engineers and this is the reply I get there as well.

Now let's come to this particular case that we have at hand. The contractor in this case did a good job; the Minister agrees with this. The contract called for the job to be done within 55 days; the job was actually completed in 50 days. I think that the Department accepts that the job was well done; they have no complaints on the work of the individual. The contract was completed on the 18th of August and the job was turned over to the Department. The Minister says that they are surprised at the way in which the contractor was able to complete that job. Well he was able to complete it, Mr. Chairman, because he personally worked on it, his son worked with him, they took no salary or wages out of the affair at all, they ploughed everything back in, they tried their very best - and I think the Minister will agree with this - to live up to their commitments and do this job properly, faced nevertheless with the problem that they had.

I am told that during the course of the contract for example, they found themselves unable to pay for certain equipment, one piece of machinery for which they had paid \$18,000 on a total value of 34 was taken back in the middle of the contract and they lost everything that they had put into it; when that went nevertheless they carried on with their contract. At the end of the contract the government was holding back some \$27,000, which I agree is the government's right to do and in protection of the creditors must be done, meanwhile the machinery which this contractor owned and which was evaluated somewhere between \$65 and \$70,000 was seized by the mortgage company that held it, he still had some debts on it, something in the order of some \$24,000 plus interest, this was seized and it's up for sale. I am told in fact that it's probably up for sale this very morning, and as the Minister well knows, on a sale of this kind, a forced sale, the chances of getting a reasonable value are very slim indeed insofar as this contractor is concerned. Meanwhile the contractor himself proceeded to borrow money from friends, took everything he had out of savings and I think put back another \$12,000 of his own into the operation to see it through. He ends up the contract, he now owes to various creditors for machine parts, labour and trucks and truck drivers, something between \$35 and \$40,000.00.

I point all this out, Mr. Chairman, to indicate, and I think the Minister will agree, that the contractor at hand was an honourable individual who did his very best to live up to his contract, to see to it that whoever had any obligation from him, did in fact receive what he was entitled to. He put more money into it when I suppose he could have thrown up his hands in the middle of it and dropped the whole affair but he tried to see it through and he did complete the contract. And how did this problem arise? It arose from an honest mistake - a mistake which the department has agreed to - a mistake simply of a calculation of mileage. I think one that could be easily verified on checking the calculations of the work papers preparing the contract. I haven't seen those, and I have no means of proving this, but there is a letter from the Department of Public Works acknowledging that they realize the error existed. The contract itself,

MR. WEIR: The Honourable Leader of the Opposition has mentioned this before. I am not aware of the letter. I just wonder if he would mind letting me see it or tabling it or something. I am not aware of it. I am not disputing it but

MR. MOLGAT: What I have is merely a copy of the letter. I don't have the original itself. I would be quite happy to pass it over to the Minister. The contract itself, which was the original tender, called for a haulage of something in the order of approximately 6.6 miles and the letter states "I also note that W. W. . . . used the haul mileage of 3.5 instead of 9 when calculating the cost of the project." Now this was simply that it was a straight case of undercalculation of mileage. Now what is the difference between that, Mr. Chairman, and the calculation on the Nelson River? The calculation on the Nelson River we were told the other day in Committee was simply that they had taken the price of the concrete at the batching point and had forgotten to include the cost of taking it from there to the point where it is going to become part of the dam or whatever is being set up and the cost of putting into place the forming and so on and so forth - a straight case of instead of taking the cost plus transport and other work, they took only the cost on site, and here it seems to be a straight case of taking the costs at the pit site and taking it to the beginning of the contract instead of calculating over the length

(MR. MOLGAT cont'd.) of the contract. Now what difference then is there, Mr. Chairman, in principle here? Frankly I see none.

Then we come back to the question of the position of the Department when they received the bid. Now when one looks at a bid of this sort and sees 72 million 9 as the lowest bid, and the next bid 128 million, I think that any of us who've had anything to do with business, our first question is now somebody's way off, particularly when there are another two bids all higher than that 135 and 145. One can imagine a gap between 128 and 145, this is one that is within reason, but to see a gap between 72 and 128 I think that any of us would immediately question and say well now something is very wrong here. There must be a mistake of some kind, something has been forgotten; it just can't be that far out. I know the department has its own estimates which is the proper way to proceed and the Minister is not prepared to tell us what the estimate is. It seems to me again on the same basis as in the case of the Nelson project, where we were told the estimate - in fact, the first time the Committee met the estimate was revealed before the whole matter had been concluded. There were still some very important negotiations to come on, there was no indication the first time the Committee met as to what would be the course of action and nevertheless the amount of the estimate was revealed. Why should it not be revealed in this particular case under the same type of circumstances?

So the departmental estimate, presumably as the Minister said this morning, is somewhere below the low tender and the next one up. Now surely faced with a situation like that the Minister or his Department must have been aware that either a mistake had been made in their own calculation or in that of the tender and that it would be impossible if there was as wide a gap as there appears to be, something like say \$40,000 on a \$72,000 bid, that it would be impossible for the contractor to complete the work, unless he had developed an entirely new method of crushing gravel and hauling it and some drastic new brands, he was bound to go broke. It was an inevitable result of this type of bid. Now faced with a situation like that, there is another group involved admittedly, the bonding company, and this is why I think we have to be much tougher on our bonding regulations because they are the ones who in the final analysis will take up or should take up any loss that exists, that's why they are there, but if we allow them the rest of the then nothing happens. But coming back to this specific case it seems to me that we are here on all fours with the situation on the Nelson River Power Project. It's a mistake. The government agrees that there was a mistake, their own estimate is substantially higher, we find an individual now who's tried his very best to do a good job, has done a good job and the man is now bankrupt.

MR. CHERNIACK: Mr. Chairman, I wonder if I would be permitted a question to the Honourable the Leader of the Opposition. I have been listening to all he said. I still don't know whether he thinks that there ought to be a change made or whether it ought not to be; I don't know whether he is critical of the manner in which this was handled or whether he is critical of the manner in which the Manitoba Hydro handled it. He is asking questions about consistency in practice but I wonder if he has an opinion or has stated an opinion that I can find somewhere as to how he thinks it ought to be done.

MR. MOLGAT: I stated when I first introduced my request for this Order - if the honourable member will go back to that - that in a case where there is an obvious difference between the amount of the government estimate and the tender, that the matter should be investigated at once. I said this a month ago or whenever I introduced this, because this was the problem that arose here, the problem was evident from the beginning.

MR. CHERNIACK: Well then shouldn't there be a correction when it is found that there is a mistake?

MR. MOLGAT: Well I presume that that's the policy of the government That's what's being done in the case of the Nelson River.

MR. CHERNIACK: No I am asking what is your opinion?

MR. MOLGAT: My opinion is that in a case like this one, where there was a clear mistake from the beginning it should have been acted upon at that time, that either the bid should not have been accepted or there should have been a re-tender of that particular contract.

MR. CHERNIACK: Not a correction?

MR. SPEAKER: It's 12:30. I wonder if we could have the motion that Committee rise.

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

IN SESSION

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

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

MR. SPEAKER: It is now 12:30 and I am leaving the Chair to return again at 2:30 this afternoon.