

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Wednesday, September 3, 1969

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.

At this point may I apologize to the honourable members for a ruling made by me in error yesterday and in particular my ruling that an Address for Papers is not a substantive motion and hence does not qualify for a rebuttal or closing debate by the mover. I erred in this respect and for this I apologize.

HON. RUSSELL PAULLEY (Minister of Labour)(Transcona): May I at this juncture, Mr. Speaker, say possibly you were influenced incorrectly to some degree by myself and I too wish to rise and say that I was in error in raising the point too.

MR. SPEAKER: At this point I wish to make two observations which I hope the honourable members will accept. They are not directed at any member specifically but it behooves all of us to bear them in mind in the interests of maintaining an efficiently operating House.

The first deals with the matter of oral questions before Orders of the Day. May I remind the honourable members of Beauschesne Fourth Edition Citation 171 which reads in part as follows: "In putting a question a member must confine himself to the narrowest limits. In making a question observations which might lead to debate cannot be regarded as coming within the proper limits of a question. The purpose of a question is to obtain information and not to supply it to the House." And further, the same citation states: "A question oral or written must not be a speech however short." Citation 181 subsection 1 of the same text offers counsel to Ministers. "Questions must be answered briefly and distinctly and be limited to the necessary explanations though a certain latitude is permitted to Ministers of the Crown whenever they find it necessary to extend their remarks with the view of clearly explaining the matter in question."

My second observation deals with the matter of attire. Our Rule 1 subsection 2 states as follows: "In all cases for which provision is not made in the rules or by sessional or other orders the usages and customs of the House of Commons of Canada as in force at the time shall be followed as far as they are applicable to the Assembly. There is a custom in the House of Commons which although it does not define standards of dress in specific terms does suggest that the standard be such that it be neither anti nor post fashion trends but that it be what is commonly accepted by all as being appropriate, bearing in mind that within certain limits this is the institution housing the supreme law-making body."

May I refer the honourable members to the July 14, 1969, issue of Hansard wherein this matter was raised and spoken on by Mr. Speaker of the House of Commons. In the present generation and era I interpret this to call for the wearing of a jacket and tie by the men. I appreciate that extenuating circumstances do develop from time to time insofar as temperature, members' health and their ability to work efficiently in comfort is concerned. I also recognize the fact that Clerics and others have their own standards of attire, but generally speaking as long as the existing custom prevails and in the absence of unusual circumstances the co-operation of all members of the House in adhering to this custom would be appreciated. I make both statements not with the intent to chastize anyone but rather with the hope that every member of this Assembly, of which I am one, would assist in maintaining the dignity which our Legislative Assembly deserves and thus permit every member therein to properly discharge his duties and responsibilities.

Orders of the Day. The Honourable Member for Rock Lake.

ORAL QUESTION PERIOD

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, before the Orders of the Day I would like to direct my question to the Honourable the Minister of Municipal Affairs. I wonder if the Minister could inform us as to whether they -- could indicate whether auto insurance legislation will be brought forward at this Session

HON. HOWARD R. PAWLEY (Minister of Government Services)(Selkirk): Mr. Speaker, I believe that the honourable member should first specify that the question is being addressed to me as the Minister of Government Services rather than Municipal Affairs. The Throne Speech indicates, Mr. Speaker, the intentions of the government in respect to the automobile insurance area during this Session.

MR. SPEAKER: The Honourable Member for Souris-Killarney.

MR. EARL McKELLAR (Souris-Killarney): I have a supplementary question of the Honourable Minister. A news article in today's Tribune by the Minister indicates the appointment of Donald E. Blackburn as a consultant to the government on automobile insurance; and also in the article it states that politicians to the administrators -- no -- this article refers to the consultative body which will be composed of politicians and administrators. Will the politicians from this side of the House be brought into this body? -- (Interjection) -- consultative body on automobile insurance.

MR. PAWLEY: Mr. Speaker, I have not seen the article that the honourable member is referring to or the basis of the quote. I don't know whether he's referring to a quote from this Minister or not. But this is a policy decision that will be made known in the course of this Session.

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

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, my question is for the Honourable the First Minister. Is it going to be the practice of this government to make important announcements of positions on government staff outside of the House while the House is in session?

HON. ED. SCHREYER (Premier and Minister of Industry and Commerce)(Rossmere): Generally, no, Mr. Speaker. Perhaps the honourable member could be more specific as to precisely which position he's referring to.

MR. G. JOHNSTON (Portage la Prairie): Well I'm referring specifically to the previous question where Mr. Blackburn -- it has been announced that he's hired as a consultant at 20,000 a year and it's a front page article. Obviously it was given to the press.

MR. SCHREYER: Mr. Speaker, my understanding is that if it is a question of appointment of someone to a permanent position then it should well be announced to the House if the House happens to be in session at the time. But with respect to the hiring of consultants I tell my honourable friend that neither in this House nor in the Parliament of Canada is that a practice.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I wish to direct my question to the Honourable Minister of Municipal and Urban Affairs. The Mayor of Winnipeg, who is also on the Boundaries Commission stated today that the government will be bringing in legislation for one city government. I wonder if he can confirm that report.

MR. PAWLEY: Mr. Speaker, this is a -- I'm unaware where the Mayor of the City of Winnipeg received this information, but this again is a matter which we are not dealing with at this particular time. The whole area will be looked into after the termination of this Session and again a policy decision will be made known when a decision is arrived at.

MR. SPEAKER: The Honourable Member for Churchill.

MR. GORDON W. BEARD (Churchill): Mr. Speaker, I'd like to address a question again to the Honourable the Minister of Municipal Affairs in respect to Churchill water and sewer. Does he know that the owner is required to pay cash for the installation of the water and sewer into his home? There's no way in which they can have debenture; that the water and sewer will cost anywhere up to \$3,400 an installation and some homes are almost \$2,370 installation. I would hope that maybe the Minister could look into this today because the program is under way and the people have to give their answer.

MR. PAWLEY: Mr. Speaker, I appreciate very much the question raised by the Honourable Member for Churchill and it is a concern that we are faced with. The matter is being looked into very closely at the present time. There is a real difficulty here and I would expect within the next few days to be able to make a definitive statement to the member.

MR. SPEAKER: The Member for Ste. Rose.

MR. GILDAS MOLGAT (Ste. Rose): I'd like to address a question to the Minister of Municipal Affairs regarding the Boundaries Commission. Is he planning any changes in the membership of the Boundaries Commission?

MR. PAWLEY: No, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. BUD SHERMAN (Fort Garry): Mr. Speaker, my question is to the Minister of Municipal Affairs and I ask it quite apart from the reference to Mayor Juba of the City of Winnipeg a moment ago. But in connection with the question of total amalgamation, has the

(MR. SHERMAN cont'd.) Minister held any consultations with the administrations of other area municipalities in the Metropolitan region?

MR. PAWLEY: In respect to what, Mr. Speaker?

MR. SHERMAN: In respect to total amalgamation.

MR. PAWLEY: No, there hasn't been any consultations specifically in reference to that, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Charleswood.

MR. ARTHUR MOUG (Charleswood): Mr. Speaker, I'll direct this question -- I don't want to direct it to the Minister of Municipal Affairs because he's had about six questions in a row. I'll direct this to any Minister in the Government. Their opinion of a one city concept for Metro Winnipeg.

MR. SCHREYER: Mr. Speaker, on a point of order, I believe that a member addressing a question should address it to a particular Minister.

MR. MOUG: The First Minister, Mr. Speaker.

MR. SCHREYER: Mr. Speaker, that obviously is a matter of policy which will be announced at the appropriate time.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, I have a question I would direct to the Honourable the Minister without portfolio because it refers to a centennial project in western Manitoba. Is the Minister planning to hold a meeting with a large delegation of councillors and Reeves and aldermen and other interested people from western Manitoba in connection with this project?

HON. PHILIP PETURSSON (Minister of Cultural Affairs)(Wellington): Mr. Speaker, I don't believe I have the information that would at all be satisfactory to the member.

MR. MCGILL: Mr. Speaker, identify this as the Keystone Centre.

MR. SCHREYER: I believe that in the circumstances the member could repeat the entirety of his question.

MR. MCGILL: Mr. Speaker, I'd be very glad to. I was asking the Minister if he planned to hold a meeting with a large delegation of people from western Manitoba, Reeves, councillors and aldermen and other interested people, in connection with the Keystone Centre project.

MR. PETURSSON: Mr. Speaker, if reference is to a delegation coming into Winnipeg, I at this moment do not know of it; but if such a delegation were to come to the city then I would be happy to meet with them.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. LEONARD A. BARKMAN (La Verendrye): Mr. Speaker, before the Orders of the Day are proceeded with I'd like to direct a question to the Minister of Tourism and Recreation. I rise not only to announce that Falcon Lake is in my new constituency but refer to it as one of the provincial parks. My question to the Minister is this: Is this government considering the discontinuation of fees now charged for entering into provincial parks, referring to all provincial parks?

HON. PETER BURTONIAK (Minister of Tourism & Recreation)(Dauphin): Mr. Speaker, I'll have to take that as notice.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Speaker, yesterday the Honourable Member for Ste. Rose asked a question of me in connection with the possibilities of the granting of self-government to the townsite of Churchill, and I would like to indicate at this time the answer to him.

At the present time there is a thorough study being made in respect to the nature and the extent of future Federal involvement in the Churchill area - the feasibility of integrating the isolated communities of Fort Churchill, Akudlik, Dene Village, the Flats, with the present Churchill townsite, the capital input necessary to accomplish this integration, the fiscal structure that would result from the community integration, the feasibility of establishing local municipal government in the restructured community, and the government hopes that the inter-governmental studies and discussions now in progress will ultimately lead to the establishment of a fiscal-like viable unit of local government at Churchill.

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

MR. MOLGAT: Mr. Speaker, I thank the Minister for his statement. Could he tell me who is conducting the study and is this a continuation of the Murray V. Jones study, the report of which was tabled in the House last year.

MR. PAWLEY: Mr. Speaker, I could give an answer at this time but I believe in the interests of accuracy I should take this as notice.

MR. SCHREYER: Mr. Speaker, I would like to reply to a question that was asked by some honourable member a couple of days ago relative to the question as to when the Air Policy Committee would be convened, when a meeting would be held. I believe that notices have been sent by the Department of Industry and Commerce to all those who have been involved and interested in the past. But just to inform honourable members who may wish to attend, the meeting has been called for 4:30 this afternoon, Room 254.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, I'd like to direct a question to the Honourable First Minister. It arises out of a sponsorship of an editorial statement in the current issue of Canadian Dimension Magazine. Can the Minister tell the House whether the Province of Manitoba is considering employing Professor Melville Watkins in any capacity?

MR. SCHREYER: Mr. Speaker, there has been consideration but to my knowledge no determination.

MR. SHERMAN: Mr. Speaker, can the First Minister tell the House what capacity is being considered in connection with Professor Watkins' possible employment?

MR. SCHREYER: Mr. Speaker, when a decision is made in this regard that reply can be given. I might add that hypothetically speaking that if he were employed it would be to make use of his expertise that he acquired before and during his study that he conducted for the Federal Liberal Government during the time of Walter Gordon.

MR. SHERMAN: A supplementary, Mr. Speaker. Can the First Minister then tell the House how he would reconcile the need and the desire for American capital in this province and his government's possible intent in that direction with the position espoused by Professor Watkins where American investment capital is concerned?

MR. SCHREYER: Mr. Speaker, that question is really more on the academic plain since no decision has been made although I could inform the honourable member that it would be a case of drawing a distinction as between direct equity investment capital from outside sources and loan capital and what proportions there should ideally be between the two.

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSON (Morris): A supplementary question. Would it be the intention of the First Minister to employ Professor Watkins before the presentation of the budget?

MR. SCHREYER: My Honourable friend knows what difficulty that can cause.

MR. SPEAKER: The Member for Brandon West.

MR. MCGILL: Mr. Speaker, I would direct this to the Honourable the First Minister. Does he recall writing a letter to a Keystone group in Brandon suggesting that a preliminary discussion be held and that the Honourable the Minister without Portfolio would call such a meeting?

MR. SCHREYER: Mr. Speaker, I would have to refresh my memory on the matter. I merely say at this time that I do recall communication with this group, or representatives of this group, and I recall suggesting that a meeting should be arranged, but I can't swear to it that the initiative was left with the group or whether it was adopted by us. In any case, I will check and inform the honourable member tomorrow.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, before the Orders of the Day I'd like to direct a question to the Honourable Minister of Mines and Natural Resources. Is it the intention of the government to follow the recommendations of the Honourable Member from Crescentwood as stated in the "Canadian Dimension" by increasing the royalties on the International Nickel Company and other mining companies in this province?

HON. LEONARD S. EVANS (Minister of Mines and Natural Resources) (Brandon East): The honourable member should know the standard answer to this. This is a matter for policy consideration, and when a policy decision is made he will be informed and members of this House will be informed.

MR. SPEAKER: Has the honourable member a supplementary question?

MR. MCKENZIE: I'm sorry I didn't get the answer, Mr. Speaker.

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

MR. G. JOHNSTON (Portage la Prairie): Mr. Speaker, my question is for the Honourable

(MR. G. JOHNSTON cont'd.) Minister of Finance. In view of the denial of the former Minister of Finance, Mr. Gurney Evans, where he denies removing any official departmental files, and in view of the fact that he also denies having any official files placed with the archivist, could he confirm or deny this denial, is the first question - confirm the veracity of it I should say.

The second question is, will he now be able to answer the Order for Return with regard to that?

HON. SAUL CHERNIACK, Q.C. (Minister of Finance)(St. Johns): Mr. Speaker, since I am not familiar with the denial I can neither confirm nor deny the denial. I don't think I stated that official departmental files were removed. All I said was that in the office of the Minister and in the office of the Minister's secretary were certain depository places for files and that they were empty, and when I enquired about that I was informed that those files had been removed to the Provincial Archivist. I don't think I stated that I knew what they were because in fact I don't know what they were. But I did indicate that one of the files I inquired about relating to the Manitoba Telephone System submission or summary of some kind of a certain particular nature was not available to me according to my secretary, and was presumed to be in the control of the Provincial Archivist and that I could obtain same if I first obtained the consent of the former Minister of Finance. Now the honourable member has been kind enough to send a press clipping, which I haven't seen, and which of course I will read because I don't want to challenge the integrity of Mr. Gurney Evans, my predecessor. That doesn't mean I buy his judgement, but I don't know just what was put away and certainly I did state yesterday, quite clearly, that I understood him to say that those files were his personal files. And I don't challenge his statement because I don't know.

MR. SPEAKER The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I wish to direct my question to the Honourable Minister without Portfolio. Some while back there was publicity given to private citizens in Manitoba making contributions to unveil a placque or a statue of our Gracious Queen Elizabeth when she visits Manitoba next summer. My question is, where will this statue be placed; can the Minister give us some more information; and will it be of dignity and importance?

MR. PETURSSON: Mr. Speaker, it seems that members are asking questions that I do not have the information on. I do not at this point know where such a statue would be set up or erected, if there were to be such a statue.

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

MR. MOLGAT: Mr. Speaker, mine was a supplementary question to the Minister of Finance in answer to the question of my leader. Would he consider the documents that he was searching for in his office to be an official document?

MR. CHERNIACK: I'd have to see it in order to pass comment. I might say while I'm on my feet and it's indirectly in reply to the Member for Ste. Rose but an extension of my reply to the Honourable the House Leader of the Liberal Party, that this clipping which he sent over to me quotes me as saying that I didn't have any correspondence on the Southern Indian Lake controversy before July 15th this year. I don't believe I referred in any way to the subject matter of what I didn't have because I kept repeating that I don't know what I didn't have. This article says "Mr. Evans said files in the Minister's office are personal. These were removed when Mr. Evans vacated the office." That's exactly what I reported to this House. I was informed that he considered the files to be personal and that he had indeed removed them. That's all I said.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, I wonder if I could direct one more question to the Honourable the First Minister, and it arises again out of proposals in the current issue of Canadian Dimension - and I ask it just because I'm afraid that the martini glasses may be shaking on Broadway Avenue this afternoon. I would like the First Minister if he could to tell the House where he and his government stand on the proposal in Canadian Dimension by the Honourable Member for Crescentwood, that the Monarch Life Assurance Company and the Great West Life Assurance Company may have to be nationalized.

MR. SCHREYER: Mr. Speaker, obviously for the sake of balance I should - the honourable member is reading Canadian Dimension - I should start a subscription to William Buckley Juniors magazine, whatever it is - National Review. I really can't answer the question part of that except to say that there's been no policy determination in that respect.

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

MR. MOLGAT: De I gather from the First Minister's reply that the matter is under consideration, however?

MR. SPEAKER: Orders of the Day.

HON. AL. MACKLING (Attorney-General)(St. James): Mr. Speaker, before the Orders of the Day the Honourable Member from Portage la Prairie asked me yesterday about a newspaper report dealing with the decision of Magistrate MacDonald. I've had an opportunity to read the photo copy of the newspaper report. It appears that the decision of the magistrate will be subject to an appeal, and in a sense that it would be sub judice. However, I might say that the press report is not entirely accurate. The reference to the Highway Traffic Act doesn't appear to be completely accurate. The charges were laid pursuant to the Federal legislation, which in turn incorporates the provisions of the Highway Traffic Act to the Federal legislation. There is a difference of opinion as to the interpretation of the provisions of the Highway Traffic Act, so that's how the litigation arose. So the matter is still before the courts, so to speak, and subject to the outcome of that we will have an interest in it.

MR. SPEAKER: The Honourable Minister of Health and Social Services.

HON. SIDNEY GREEN (Minister of Health and Social Services)(Inkster): Mr. Speaker, yesterday I was asked a question with regard to the question of doctors in Manitoba, I have the answer for the honourable members who asked.

As at April 1st, 1969, all doctors registered with College of Physicians and Surgeons - this includes some retired, others in government service, etcetera: opted-out 372; opted-in 922.

Then follows the statistics for physicians in active practice who had MMS accounts prior to April 1st: opted-out 335; opted-in 593. Since April 1st, 1969, 37 doctors have opted in. Figures now become: opted-out 298; opted-in 630. Specifically with reference to Brandon, there are now 10 doctors in the Plan and 49 outside of the Plan.

ORDERS OF THE DAY

MR. SPEAKER: Orders of the Day. Address for Papers. The Honourable Member for Lakeside.

MR. PAULLEY: Mr. Speaker, if I may, I believe that the Addresses for Papers would be properly considered on Friday, and may I suggest that you go to second readings.

MR. SPEAKER: I believe I'm referring to the last one, if I may draw that to the attention of the Honourable House Leader.

MR. PAULLEY: It stood, I believe, Mr. Speaker, it was stood to Friday. That was my understanding. Maybe the Clerk can clarify that.

MR. SPEAKER: It doesn't appear that way in the Order Paper so this is the reason why I called it.

MR. SIDNEY SPIVAK (River Heights): Mr. Speaker, on a point of order. I believe the honourable member did stand it until Friday. I think the Hansard will verify it.

GOVERNMENT BILLS

MR. SPEAKER: Adjourned Debates on second readings on the proposed motion of the Honourable the First Minister. The Honourable Leader of the Official Opposition.

MR. WALTER WEIR (Minnedosa): Mr. Speaker, in rising to say a few words about Bill No. 25, the Ombudsman Act, like the First Minister I think that a long discussion is probably not required as a result of the very lengthy discussions there's been over the years. So I'd like to just confine my comments to a couple of points made by the First Minister in his introduction. That is in the area where he indicated that in all of the areas where there were changes in the bill that was presented at the last Session, that they were really to lessen the instructions on the ombudsman, rather than to restrict them and I agree that this is the case. I see that he indicates that should it be found that they're too broad then it would be possible to restrict them. Of course this is an area of judgment that from time to time we'll have differences of opinion on between various sides of the House as to whether it is wise to provide in the areas required the full jurisdiction with the option of extending where it's justified and considered the right thing to do, as opposed to opening up beyond that point to areas where there is some question as to whether it's wise or whether it's not. I don't propose to object to the judgment of my honourable friends in terms of the area that they believe should be available to

(MR. WEIR cont'd.) the ombudsman. I think our judgment was that it would have been wiser to do it the other way.

One of the things that I hope won't occur, and I'm not suggesting that it should, is where ministerial judgments do come within the purview of the ombudsman, and committees of cabinet don't, and I would hope that this wouldn't over a period of years develop into an area where ministers fail to take the discretionary powers that was theirs and seek out the assistance of the committee of cabinet which wouldn't be accessed to the ombudsman, thus delaying the process of government which I think we all know is slow enough as it is. I would hope that this wouldn't be a tendency. I'm not by this suggestion trying to indicate that it will but I see that there is an opening there where this could be a possibility.

The other point that the First Minister made was the decision that was made by the Government to include in this the appointment of the ombudsman by the Legislature on recommendation from the Executive Council; and I have no quarrel with this either. I agree with the First Minister, Mr. Speaker, that partisan bias is something that should be kept out of this appointment. But may I suggest to the First Minister that there's only one way of doing this and that is by having essentially a unanimous vote of the House, that partisan bias because of a difference of opinion in the House would be much more difficult than it would be if there were some question of the actions of the government outside of the House. I can tell him that I would be prepared from our group to have discussions with varying candidates if he chooses. As a matter of fact, if he chooses to ask me, Mr. Speaker, I would be prepared to give him a suggestion that he might consider of an individual that I think is worthy of consideration. -- (Interjection) --

MR. CHERNIACK: I have been

MR. WEIR: I'm sorry I don't really consider that you qualify, Mr. Minister of Finance. I'm sorry to have to say that. I'd rather have kept that to myself but with having been prompted I have to say that I think that you wouldn't qualify under the terms that would be required in the appointment of this position. But I do feel that it would be absolutely necessary if the political bias - the partisan bias - is to be kept out of that appointment, that the varying groups in this House agree with the capacity and the ability of the person that is required. Because failing that, the position of this individual who is appointed by a majority of the House or by any percentage of the House with strong opinions held on the other side would not enhance the psychological position of the ombudsman in terms of the performance of his duties. As a matter of fact, as a result of making the Legislature, all of the members of the House a party to the decision, I think that it's extremely important that we would have a unanimous, if possible, agreement to the appointment of the person who is to carry out this function.

So I join with the First Minister in saying that I think that general indications of principle are accepted by the members of the House, and I think that all members of the House are interested in seeing the office developed in such a manner that it will make a very significant contribution in the lives of the people of Manitoba.

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

MR. MOLGAT: Mr. Speaker, I beg to move, seconded by the Honourable the Member for La Verendrye that the debate be adjourned.

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

MR. SPEAKER: The proposed motion of the Honourable the Minister of Mines and Natural Resources. The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, the bill before us is The Fisheries Act, and I note from the agenda that the Honourable Minister of Municipal Affairs is in charge, yet when we see the sponsor of the bill it's the Honourable Minister of Agriculture. Maybe he could explain just why this came about; at least I'm unaware that he did explain it in his introductory remarks.

The bill naturally is complementary to the Federal legislation which was passed earlier this year, and I think members of this House should really take a look at the Federal legislation in order to be fully informed as to what we are doing with our provincial bill and with the provincial legislation that we intend to bring in. Bill C-148 was passed by the Federal House and I think it supersedes in many ways our legislation, at least it stated in our bill that where the two will be in conflict that the Federal Act prevails; and most likely this also will apply to the regulations that will later on be brought in under this legislation.

I also note from the Federal bill that the provinces will be called upon to pay for the cost of incorporation and the establishment of this new corporation that is being set up, and that

(MR. FROESE cont'd.) under a certain clause of their bill that they intend that this will be self-sufficient, a corporation that will sustain itself, and that they're not obligating themselves to any of the costs that will result. I feel that if the Federal Government is going to bring in legislation of this type they should be part and party to such costs and not just farm these off to the provinces. In fact, I would like to hear from the Minister just what is the cost of establishing this corporation and also the lending agency that will be coming into existence with it.

The matter of the lending agency is rather vague in both of these bills. No name is given to this corporation or it is not mentioned what agency will be used under this legislation. We know that the borrowing powers under the Federal Act and the Provincial Act call for lending from the banks but it doesn't necessarily mean that when loans will be made to fishermen and co-operatives that this will be the case. Then too, it just applies to fishermen and co-operatives and I was wondering why not other corporations, why do we just limit it to the individual fisherman and co-operatives of fishermen.

I am also interested in the matter of the clauses where equipment, and I imagine this also applies to plants that are presently in operation that might find themselves in a position where they're redundant, where they will no longer be put to use, that the government under this legislation provides that these will be bought up, and I'm just wondering whether the Minister can give us some idea as to what the total cost will be of buying up this equipment. There is a time limit stated for that purpose and I think we should have some idea as to what is involved. In what terms of figures are we speaking of? Is it a few thousand dollars, is it hundreds of thousands, or does it even go into the millions? Surely enough, if much of the present equipment and the present plants are almost obsolete, are we going to pay them their proper values? Who is going to make the assessment of the equipment of these plants that are going to be purchased? I think these are matters that we should be concerned with and that we should have some idea of as to what is going to happen. Naturally, if there are going to be a number that will be out of work as a result, too, has a survey been made as to the number of people that will be unemployed as a result of bringing in this legislation and setting up this Fisheries Act and the corporation that is presently established under the Federal legislation? Because we know that there are many fishermen during the course of a year at present that make their livelihood, -- not only make their livelihood, some are making good money in this venture and in this occupation of fishing -- and I sure hope that they will not be harmed as a result, because I note from the Federal Bill that the corporation's duties and powers are listed there and that they have exclusive right to market, trade fish, both interprovincially and export. I feel that we are giving them rather wide powers, in my opinion far too wide, because this leaves no room for the individual or for any smaller corporations to exercise and do business in this area. This means that we're shutting off and letting ourselves be contained completely within the province and I am not prepared to support this type of legislation.

They maintain that under the objectives here that their purpose is to marketing fish in an orderly manner. I always maintain that the word used here, "orderly", is a misnomer because we know that this means compulsory marketing, compulsory marketing under this new board, and that the only place that you can sell for interprovincial trading or export is through this corporation.

The second item mentioned under "Objectives" is "increasing returns to fishermen". This I put a big question mark behind, because up until this date I have yet to see where as a result of marketing boards people are gaining because my opinion is that the people are the losers as a result, because of the large overhead of such corporations and the undoing of competition. I always feel that marketing boards are the haven for the lazy man, because there's no competition, the trade, the volume has to come to them, they don't have to make any effort in order to get the volume to come their way. It's just natural, it has to come their way. I feel that this is not healthy in itself, that we need competition; competition should always be there in order to maintain and retain a healthy organization. Because under our Bill, section (9)(b) states: "No person shall purchase or agree to purchase fish in the province for delivery within the province unless the fish is purchased from the corporation or an agent of the corporation." Everything has to go through the corporation. This means that a lot of our people who, I take it, who buy and sell frozen fish during the winter months and are making a livelihood out of this, they will be prevented from doing so, or at least they will have to buy through the corporation. We find that where we have marketing boards that the market, the difference between what

(MR. FROESE cont'd.) these people could normally buy the product for from the original sources and once it goes through the marketing board, what they have to pay at that point is so large, and therefore I feel that I cannot support this legislation on that ground; because we know the farmer, the producer in Manitoba buying grain from the Wheat Board in order to use as feed, the difference from what the farmer gets at the elevator and what the elevator companies then charge if they are going to sell some of that product, and the difference is enormous. And yet what does the farmer realize? He doesn't realize very much of that difference.

We also know that this is the case of the honey producers, a terrific overhead, and that the price that the producer gets for his honey is just about half of what the retail trade is selling it for. I'm leary about this marketing corporation that we're setting up for the marketing of fish, that the same thing will happen here, that the overhead will be so large and that inactivity because of no competition, inactivity will set in and that the fishermen will be less well off than they are today and -- (Interjection) . . . oh yeah, it is possible, I'm sure of that, because I know of a good many fishermen who make quite a few thousand dollars during the winter months doing fishing, and I'm just wondering what they will do once this marketing board goes into operation.

We note from both the bills that advisory committees are going to be set up under both the corporation and our provincial legislation. The federal one intends to, or proposes a 15-man advisory committee; our provincial one a six-man committee, and in my opinion these committees will be very ineffective because the only time they will meet is on the recommendation of the corporation board and then only those matters that are referred by the board to this committee will be under discussion. So from past experiences of other committees of this type I expect very little to come out of it.

Another matter I wish to draw to the Minister's attention, this has to do with the matter of appeals. Appeals are left to a large degree for the regulations, that is as to the time in which the appeals may be made. I think this should be in the Act. The appeals should not only be going to the Minister as is proposed under our legislation, but I think they should have the right to go to the courts, because any Minister is almost obligated, at least to a certain extent, to defend his employees. I don't think this is quite proper to have appeals set up in this way and I certainly would propose that the system of appeals be changed and brought completely in under the Act.

There are other sections that I do not go along with completely, or at least I feel should be amended. The matter of seizure of fish or fish product, could result very easily in damage to the goods, and if they're not properly cared for during seizure this could mean that there could be very substantial damage. I think there should be something more in the Act to make sure that damage of this type will not result, and if it does result that the government or the corporation would recompense.

At first when I glanced at our legislation under Section 10, the saving clauses, under (a) it mentions: "A producer may sell or agree to sell fish caught in the province directly to a consumer in the province." This is one loophole in which at least a producer can sell to a consumer. But I think this too is very limited because if it's in any larger amounts there will be licensing going on and I'm not just sure what stipulations will be required for anyone to obtain a license, and that this clause, saving clause might not really mean what we're saying in the legislation.

Then, too, since other provinces will be passing legislation of a similar type I take it in order to come under this federal marketing corporation, is our legislation conforming to theirs or will the provinces more or less have the same type of legislation that we are proposing here in Manitoba? Maybe the Minister could brief us on this matter.

And since the legislation is retroactive, at least certain parts of it, does this mean that there already is a contract in operation between the Manitoba Government and the Federal Corporation? And if so, could we have the details of it or could we have it tabled, because I'd be interested in seeing just what type of contracts are being drawn and under what obligations we are placing ourselves in making agreements with the Federal Marketing Corporation.

Mr. Speaker, these were some of the points that I thought I would like to draw to the attention of honourable members. I have never been very favourable to marketing boards as such, because I don't feel that they operate satisfactorily. I always feel because there's no competition that they're lax in their duties. We know what the situation is in Canada presently in connection with wheat, where we have large amounts on hand, where markets were dwindling

(MR. FROESE cont'd.) and just fading away, and that our agency wasn't doing anything or hardly anything about it. We know the reports that were made earlier this year in this House, where some 26 African countries had been dealing and taking Canadian wheat, and within two years this market had dropped from 26 million to nil. I'm wondering whether we're not going to do a disservice to the people rather than a service through this legislation, and that instead of allowing them to sell and to retain some markets that we will by this legislation be preventing them from selling their fish and their fish products on the open market, and thereby probably doing them a disfavour rather than a favour.

I'll just briefly glance through whether I've hit most of the points that I was going to make. In connection with the matter of lending money to fishermen, could we hear from the Honourable Minister whether our Agriculture and Development Act, I think that is the new name of it, is that going to be used for the purpose of extending loans to fishermen, or are we setting up a new agency under this Act to assist fishermen? I'm not opposed to assisting these people, certainly not by any means; if we can help them I think we should do so, but I would like to have this thing clear in my mind just what agencies we are going to use and whether a new agency is being established and if so under what name.

Mr. Speaker, I think those were the main points that I had to make. There might be some other matters that I would dwell on at a later time when we deal with the Bill in committee. Thank you.

MR. EVANS: question? Did I understand him correctly at the beginning of his speech that he said he was puzzled when he saw the name of the Minister of Municipal Affairs is sponsoring the Bill, when he understood that it was under the Minister of Agriculture? Is that your statement?

MR. FROESE: The Orders of the Day show the Minister of Municipal Affairs as the -- oh no, the Minister of Natural Resources -- I'm corrected -- as being the sponsor, and yet on the Bill itself it says the Minister of Agriculture.

MR. EVANS: The Bill has been introduced by myself and the Fisheries Branch is in the Department of Mines and Natural Resources.

MR. FROESE: How come the sponsor is named as the Minister of Agriculture then on the bill?

MR. EVANS: Whereabouts is this?

MR. FROESE: On the bill itself. The sponsor is mentioned here as the Minister of Agriculture, Mr. Uskiw.

MR. EVANS: Well there must be a typographical error.

MR. SPEAKER: The question has been called. All those The Honourable Member for Ste. Rose.

MR. MOLGAT: Mr. Speaker, I listened to the Honourable the Member for Rhineland with a good deal of interest because I know his views on the question of marketing boards and I must say that if there were some other method whereby we could do a better job for the fishermen in Manitoba than a compulsory marketing board I would be very interested in looking at other methods, because I don't like compulsion either and I recognize that in order to make this particular board work there has to be a fair degree of compulsion. I'm opposed to that compulsion. But when I look at the fishing industry and I look at the problems that have gone on over the years I feel that I have to support this bill. The Federal Government proceeded to have a very thorough inquiry into the fishing industry in Manitoba. Mr. McIvor who had been involved in the Wheat Board conducted that inquiry. He went right into the local areas, talked to the fishermen. I made it a point to attend some of those meetings and wherever I went I must say that I had the same reaction from the fishermen, and that is that they were prepared to give this a try. I can't say that there was absolutely overwhelming mad approval about the idea, that this was something nevertheless that they were prepared to attempt. Because they were not satisfied with the way the industry was being conducted. They are not satisfied at the pricing, at the difficulties that constantly arose, some of which were beyond the control of anything. So I think that this is an attempt to do something in an important industry in Manitoba and deserves our support. I'm prepared to vote for the bill and give this marketing board a fair try. That doesn't mean that I won't be back here in this House opposing certain aspects of it at a later date or even proposing that it be abandoned if I find that it doesn't suit the purposes for which it's designed. But the state of the industry is such that I think that this attempt is worth it.

The freshwater fish industry is an important one to Manitoba, in fact of all the provinces

(MR. MOLGAT cont'd.) in Canada except possibly some along the Great Lakes but certainly in the western provinces we are the key freshwater fish province. I think this is recognized by the Federal Government as well in establishing here at the University of Manitoba a very major federal research body in the freshwater fish industry. This particular research institute that's at the University of Manitoba, a \$7 1/2 million institute, is a recognition of the importance of the industry. Now I think we have an obligation within the field in which we operate provincially of doing whatever we can to put this industry where its marketing structures can do the proper job.

Now I would hope, Mr. Speaker, that there will be a very definite effort made in the field of marketing. I know great strides have been made in the past by private industry in the field of packaging. Certainly when you look at the developments which the industry located largely here has come along on the packaging end, great steps have been taken. But I think much more can be done particularly within our own province insofar as the sale of freshwater fish. Here we are the biggest producer of freshwater fish and the consumption locally is actually very small. I think that we should make a very definite effort to promote more use of freshwater fish within Manitoba. This is an area where I think the Department of Industry and Commerce can perform a very useful function. I'm very disappointed when I travel through Manitoba and go into our many restaurants and I find that our Manitoba freshwater fish is only rarely featured on the menus. I remember at the time of the Centennial in 1967 when we were receiving in Manitoba many people, for example, the canoe group that came through and went from one end of Canada to the other and when they were received in my constituency, in a fishing area, they were served turkey. Now I have no objections whatever to promoting the turkey industry but it seemed to me that here we were, a canoe group travelling on a Manitoba lake in an area where there is fish produced, in fact at that particular time there was a surplus of pickerel or yellows as they're known in the trade, in Manitoba and yet they were not served to people. I think it's sometimes a weakness on our part of not recognizing some of our assets and we have here in the freshwater fish industry a very major asset. I think we could capitalize much more on it and I don't blame our restaurant industry for it. I know the problems involved in storage, getting fresh fish and so on. But it seems to me that here's an area where the new board has a particular function to perform - and it's a sales function. It's something that would be distinctive to Manitoba. When you look at the appendix to the bill and you see the vast variety of fish that we do produce, there is here I think a real potential for greater development within Manitoba, greater sales within Manitoba, a better return to our own fishermen and the development of our industry that much further.

MR. SPEAKER: Are you ready for the question? The Honourable the Minister of Mines and Natural Resources.

MR. EVANS: Mr. Speaker, I would move, seconded by the Minister of Finance, that the debate be adjourned.

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

MR. SPEAKER: The proposed motion of the Honourable Minister of Municipal Affairs. The Honourable Member for La Verendrye.

MR. BARKMAN: Mr. Speaker, I adjourned this debate simply to take a look at it. I hadn't found time before this and it's so short I didn't take this long, but in the meantime I think there are a few points that I would like to mention or perhaps question of the Minister. I believe there are basically three principles involved and of course the first one is the payment from reserve for the Centennial of 1970. Much could be said about our Centennial I'm sure, quite a bit has been said about our Centennial during the Throne Speech debate and I don't intend to go into that part of the -- it isn't really in the bill but it's for the Centennial of course. This will give the municipalities the power to levy four mills on each dollar of equalized assessed value of property, any municipality. This I think is what we had to have in 1966 and it was quite appropriate and we must have it and I think we look forward in many municipalities in expending these four mills to that community. I'm just wondering perhaps while this legislation will more than likely pass because I for one am certainly not getting up to oppose it, perhaps we should change this legislation slightly and also allow this to take place after our Centennial is passed.

I'm thinking of certain communities that will be celebrating their own 100 years, basically thinking now of perhaps the Mennonite Museum. In 1974 they intend to celebrate their 100th birthday and if this law stayed on the statutes we wouldn't have to perhaps during that year ask

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(MR. BARKMAN cont'd.) for the four mills again. I'm sure there are many communities that alike have a hundredth birthday coming up in their communities. So that I believe is one of the principles and there's no question as to supporting it. The other one seems to be a very simple one; basically a director may now sign instead of an auditor or replace the signature of an auditor. I believe this is commendable and I'm sure that there's no fault with that.

The third principle involved, I think, the local improvement grants, is a little bit confusing to me. I realize that this now resolves the conflict between perhaps two principles of local improvement taxes not being able to be charged by a municipality before and of course the new idea that a grant is supposed to be given in lieu of taxes. I guess there must be reasons why a grant is preferable to the regular taxes. I'm sure that it would look odd if we asked all our taxpayers to send in their taxes in grants and I wonder if the Minister would care to elaborate perhaps why does this government or any government prefer a grant instead of the regular taxes. I think perhaps I know the answer but I think I'd rather hear it from the Minister.

On this bill, while it is perhaps a piecemeal bill and sometimes piecemeal bills are necessary, I realize this especially with the 1970 Centennial coming up, I sincerely hope that our efforts will continue while we have one more bill and one more and there have been several. We had Bill 75 and others in the last session. I hope we will continue to push, that the committee to be set up on revising the Municipal Act will certainly not be discouraged or certainly not be held up because of us having to pass one bill after another because I think this committee that will work on the revised Municipal Act should be working already or at least as soon as possible, so I rise only to mention these few points but support the bill.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, just a few brief words. I rise not to oppose the bill, in fact I might have some questions at the committee stage. But just before I sit down I certainly would appreciate if bills of this nature, amending bills, would have clauses on the opposite page just telling us what the particular section will do through its amendment. In some years or in some bills this is done yet in others we find it is not done. I think this simplifies matters so much. Otherwise all the members that want to do a thorough job on this should actually go back to the statutes and compare each section and find out what that particular amendment will actually do. Therefore I would appreciate if in the future bills of this type, amending bills, that come into this House that this be done.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. MOLGAT: Is the Minister closing the debate, Mr. Speaker?

MR. PAWLEY: Not if the honourable member would like to deal further with the bill.

MR. MOLGAT: I just want to make sure members of the House do know that he is closing debate for one thing. But I also would like to speak very briefly on the point made by my colleague, the Member for La Verendrye constituency regarding the question of grants in lieu of taxes. Now there may have been some historical reason why this was so but I wonder now is there any real point in the provincial government persisting in a policy of paying a grant to a municipality. Why not simply let the provincial property in the municipality be assessed in the same way exactly as all other property and pay its taxes in whatever proportion to the assessment the same as any other taxpayer. After all the province does decide to collect a sales tax from the municipalities, it doesn't exempt them, it doesn't exempt municipalities from whatever other taxes are being paid. So why not simply have the same condition on the other basis? Let them pay whatever taxes are due on their property within a municipality as per the assessment.

I could see in years past where the assessment was locally controlled that the province might have some concern because a good local assessor taking care of local interests in a proper way could certainly make the load on his other constituents very favourable by assessing the provincial property very high. But now with the assessments basically controlled by the province in any case, with assessments equalized across the province, is it not possible to simply have the province as a taxpayer, then whatever municipalities have provincial property would receive whatever is properly coming to them in the same way as they do from their regular other resident taxpayers.

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Mr. Speaker, I rise at this time because what the Member for Ste. Rose has stated does cause some concern to me, in a very minor sense, because it poses a danger if such a program were established that there is the possibility

(MR. GRAHAM cont'd.) that the provincial government in establishing provincial buildings throughout the province might be concerned with the tax situation in various municipalities and this might influence the location of some of their structures. This would cause a great deal of concern to me and I'm sure to many other municipal bodies. I wonder if it wouldn't lead to considerable jockeying in this field just for the purpose of obtaining provincial structures which would no doubt have some benefit to the municipal corporations involved. And I just throw it out as a question which I think has some merit to be considered.

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

MR. JACK HARDY (St. Vital): Thank you, Mr. Speaker. I only rise to support the comments of the Honourable Member for Ste. Rose and to some degree those of the Honourable Member from Birtle-Russell. But it does bring up a problem insofar as the local levels of government are concerned as it applies to I say the Manitoba Hydro, the M.T.S. and the G.L.C.C. It almost places the - it does as a matter of fact place the provincial government in a preferential position insofar as the local government is concerned. My question is: on what basis are grants in lieu of taxes made at the present time?

MR. SPEAKER: The Honourable Member for Charleswood.

MR. MOUG: Mr. Speaker, I just want to make a comment, I don't want to get into a municipal debate. It seems to me everybody standing up here has some connection with a municipality. But at the present it's not the most equitable way that it could be, because if you were to take the University of Manitoba and place it within the City of Winnipeg, although the mill rate of the two municipalities are the same, the grant in lieu of taxes would be doubled within the City of Winnipeg as to what it is in Fort Garry.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, it's not my intention to take up the time of the House in debating this question either, but I would like to get on the record, have myself placed on the record as supporting the comments made by the Honourable Member for Ste. Rose and, before him, the Honourable Member for La Verendrye. While in no way differing in principle and in philosophic approach from that of the Honourable Member for Birtle-Russell, my colleague, who I think raised a very cogent point in this connection, like my colleague the Member for St. Vital I feel that the grants-in-lieu-of-taxes formula is highly inequitable and its application leaves considerable to be desired, and as a representative for one constituency that is host to a major provincial enterprise and thereby does qualify for a grant in lieu of taxes, I think I know whereof I speak in the area of inequity and the area of illogic.

The formula needs examination. It needs updating. It needs modernization. Hopefully, it's being reviewed at the present time. I understand that the provincial-municipal tax structure committee is looking into the conditions and the requirements of the grants-in-lieu-of-taxes formula with a view to correcting some of the inequities and irregularities that exist throughout the province, so I wait with anticipation and hope that those inequities will be eliminated, and that a constituency like mine will be compensated more fairly for the taxes that it gives up for a provincial capital investment like the University of Manitoba.

MR. SPEAKER: Are you ready for the question? The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Speaker, I appreciate the comments of the members opposite, and I would like to mention that the system in respect to grants in lieu of taxes was recommended by the Michener Report, so in view of the recommendations of this report, it will be necessary now for this government to take a very thorough look at the whole area prior to making any decision as to whether any departure is required.

I have a certain amount of sympathy and concern for the areas covered by my honourable friends. I would point out that assessment, for example, although it is a provincial matter, the mill rate does vary from municipality to municipality and this is one of the reasons that the earlier committee had made the recommendation that it did in the early '60s. I would like to assure the members, however, that I recognize concern in respect to this matter, that once the Session is over that this, along with the many other areas that we are covering, will be very thoroughly looked into.

The Honourable Member for La Verendrye had indicated the committee dealing with the revised Municipal Act, and I do trust and do hope that we'll be able to make fast progress in this regard - the municipalities are demanding rapid progress - and that at the next Session it will be able to introduce to the province the entire new Municipal Act so that we will be able

(MR. PAWLEY cont'd.) to deal with matters much more clearly and systematically than we have in the past.

The Honourable Member also for La Verendrye raises an interesting point in connection with carrying on the provisions in respect to Section 436-C in respect to such items as the Mennonite Museum and the monies that may be required by the municipality to support this particular centennial in 1974, and I'd like to assure the member that proper consideration will be given to this constructive suggestion as well.

At the present time I would ask the members to support the second reading of this bill, with the clear understanding that a very deep study will be made in respect to the items mentioned.

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

..... Continued on next page.

MR. SPEAKER: The Proposed Motion of the Honourable the Minister of Consumer and Corporate Affairs. The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, I ask the indulgence of the House once again in having this matter stand.

MR. SPEAKER: Does the honourable member have leave? (Agreed.) The Proposed Motion of the Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, may I ask if the honourable member would permit me to speak on this matter and leave this to stand in his name.

MR. SHERMAN: Yes indeed, Mr. Speaker.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, members of the House who have been here prior to this Session may well understand the impatience with which I have awaited an opportunity to speak on this bill, which I'm sure they know I believe to be of the utmost importance and urgency for the benefit of the people of Manitoba, and may I commence my remarks by appealing to the honourable member who is holding the debate that he proceed as quickly as possible so that there be no great delay in completing second reading of the bill so that it could go into Law Amendments as soon as the Law Amendments Committee is ready to deal with it, because we can expect that there will be some representation that is to be made to the Law Amendments Committee and that it may take some time. Frankly, I don't expect that in Law Amendments Committee this bill should take terribly much time because the various matters covered in the bill have been traversed time and again by committee after committee. Opinions have been expressed. There's not been much new the last time it was dealt with by way of hearings, and hopefully, the persons on both sides of any question involved in the bill will confine themselves in appearing before Law Amendments to the specifics which, as I indicate, have been dealt with time and time again, so that I hope that the honourable member will be able to proceed with the debate quite soon.

Might I have the indulgence of members to permit me to recount some of the history of this bill. I must tell them that they will find repeated histories of this bill from year to year for the last period of time, because I have had occasions in previous years to review the history to that date, and I know that the easiest thing would be for me to refer to pages in Hansard in each of the years and then just add on what is the preceding year, but since there are members - a large number of members of this House - who are not familiar with consumer protection debates in the past, and since I fear they may not take the trouble to go back to those references in Hansard which I could give them, I would like to recap the progress, or let me say the lack of progress, that the concept and the principles of this bill has had in this Legislative Assembly for a number of years.

I've had occasion to point out, Mr. Speaker, that the first time I ran for election as a member of the Legislative Assembly was in 1962, at which time consumer protection legislation was a major plank in our platform. In April of 1964, our group presented a motion asking for certain types of consumer protection legislation, and at that time the government of the day rejected it, the member who spoke of the backbencher, who was the only government spokesman on that, saying that it wasn't necessary, consumers could look after themselves and they should not have any problems, dealers should not have problems posed to them with which they could not cope. But there was sufficient demand on the part of the people of Manitoba so that the then premier of Manitoba, Premier Roblin, appointed a committee which he called his own committee. It was made up of people outside of the House who investigated consumer credit problems, who met in June of 1964, who presented an interim report in the fall of 1964, who presented a second interim report in February of 1965, and who presented their final report in 1965 some time after that. And that committee went into a long list of recommendations some of which, but few of which were dealt with by the government of the day. But subsequent to that there was another commission established by the then government which was known as the Tallin Commission, dealing particularly with real property mortgage loan transactions. Its report was brought in in February of 1965 and it made a number of recommendations and indicated certain procedures that should be followed. And again, several were accepted but most were not.

Subsequent to that and after a change in a ministry - the ministry responsible - and I frankly don't recall who the predecessor was but I give full credit to the man who became Provincial-Secretary and therefore charged with this matter, the former member for River Heights, the former Provincial-Secretary Mr. Maitland Steinkopf, who became somewhat intrigued by the debate that had gone on before and who evinced a definite interest in those

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(MR. CHERNIACK cont'd.)... matters which we were debating in the House in connection with the problems of consumer credit and consumer protection. And finally, with his guidance of course, because he spoke for the government who was in control, a consumer credit committee was established and it then started to sit. It consisted of members of the Legislature and it sat and heard a large number of reports and a large number of briefs and it, having commenced its proceedings, continued them for some period of time until the government, under a new Provincial-Secretary, Mr. Stewart McLean, brought in a White Paper on Citizens' Remedies, on a Code of Citizens' Remedies. And that paper seemed to us to be the beginning of some real progress because until that time there was talk. At first there was a negative attitude, then the attitude became more warm, and then with that paper we thought that we would be making a great deal of progress.

And then the White Paper itself was referred to the Committee on Statutory Regulations, and that Committee was called upon to deal with the matters referred to in that White Paper, the Citizens' Remedies Code. And, Mr. Speaker, we found that the committee wasn't meeting. Of course, one of the reasons it wasn't meeting was that it wasn't called, and it couldn't very well meet if it wasn't called.

On March 9, 1967, Mr. Speaker, I reviewed at great length - and I hope I will not become so enthused about the subject to speak at great length today - but I spoke at great length on March 9, 1967, dealing with the background and pleading with the government to make a major step in the direction of legislation, and at that time, Mr. Speaker, I had occasion to refer to the amount of material that I had accumulated in the preceding years dealing with the questions, the problems of consumer protection, and a couple of my colleagues brought the material into the House so that members who were not aware of the amount of material there was, would know about it. And Mr. Speaker, it stood two feet high of material that I alone had accumulated on this question, and of course there was even more material available. And at that time I pleaded on behalf of our party, and on behalf of myself the citizens of Manitoba, that progress should be made. That, Mr. Speaker, was two years and some months ago. And when we had a motion before us - the resolution on which I was speaking on that occasion was a motion that was referring this White Paper to the special committee - I introduced an amendment to the motion saying that the recommendations in the White Paper should not be referred to Committee but should be introduced by the government at the then Session. And the government rejected it, and the then Provincial-Secretary stated, and I quote from page 1533 of the 1967 Hansard: "to remind members that 'it is better to travel hopefully than to arrive,' " and that was the attitude of the government at that time, "It is better to travel hopefully than to arrive."

That's why, Mr. Speaker, I am happy to be present at the arrival of the occasion when we are dealing with a comprehensive code. I'm happy that there are new members of the Legislature present at the time of the arrival of that period that was discussed by the former the Provincial-Secretary, and of course I'm happy that because of the change in numbers and designations of the persons that are now members of the Legislature it is possible to come in and bring to fruition years and years of legislative study of work that was done by preceding members of the Legislature, to come to the stage where we now have a bill which starts a program which is so vital for us.

I might indicate, Mr. Speaker, that after my amendment failed and this matter was referred to Statutory Regulations Committee it dealt again; it employed a lawyer; it employed two lawyers and had full-time use of one of the senior civil servants, to actually start drafting the bill, and back in 1968, by the '68 Session, there was a draft bill available which had a great deal of content in it which was very similar to the bill before us now. And we said, "Let's get it done," and the government continued to drag its feet through the 1968 session, drag its feet without really too much justifiable explanation for the delays that were occasioned. And that went right through 1968 and again the matter was referred to Statutory Regulations Committee and, as I recall it, that committee met once -- well, it may have met for a few days dealing with other matters, but barely met on the question of consumer protection, and when we started the previous session in this year of the last session of that Legislative Assembly, we had barely met on this particular matter. However, by that time the then Minister in charge, who's already named the Minister of Consumer Affairs - he didn't have a bill but he had a name - and he said, "It's in the works. All I need is" I'm quoting now a private statement made by him to me -- "It's in the works. All I need is for the lawyers to have it finally ready."

And on a day which may bring back memories to honourable members, May 22, 1969 -

(MR. CHERNIACK cont'd.) . . . and I have before me the Orders of the Day for that day and I should report to those members who were not present on that day that the Order Paper was not dealt with; the Order Paper was ignored as was all the rest of the legislation that was then before the House - as I recall it, the Honourable Member for Ste. Rose was about to make some sort of statement and didn't get very far because he was interrupted, but on that day, had he been permitted to make his statement, and I'm sure it wouldn't have been a lengthy one, then there would have been the introduction of the Consumers Protection Act by leave, to have been introduced by the Honourable Mr. Carroll. It's on that memorable day that this bill appeared for first reading, or rather for introduction, and it, of course, with all the rest of these bills - and honourable members might be interested in getting a copy of the Orders of the Day for that day because if they got a copy of Hansard for that day it wouldn't take them long to read it, but there's a good deal of interesting material in that particular Orders of the Day and I don't propose to lend it to anybody. I propose to treasure it - that was the day when the government of that day was finally prepared to bring in a bill on consumer protection.

From 1962, to my personal recollection, until May 22, 1969, the government dragged its feet, but in the interval there had been a great deal of study given to the subject; there had been a great deal of debate; and I recall the counsel who was employed, and who I believe is still employed, the one who my honourable friend from River Heights said was working actively for him during his campaign, the one who also used certain descriptive words of that government, "deception", "deceit", some other unkind word, had informed the committee that, having started his work with the committee, he had not really believed in all of the implications involved in the Act but by the time we had come to the conclusion of the Committee's hearings and debate, he had become convinced that this was an important Act and one with which he concurred completely. And I quote him, not from a private conversation, but from a statement made during a meeting of that committee: And we found by that time that we were all ready to go; the government was ready to go; and that was a tremendous stride forward on the part of that government, but it has fallen on us to be the ones to introduce the bill, which I expect will be passed and which I really expect will be accepted, I would think, unanimously by this House as being a bill prepared originally by a committee in which the former government, the Conservative Party, had majority representation, a bill which was made ready for first reading by the Conservative Government of the last time, a bill which we have now brought forward as part of the clean-up that this session is, in the main, of those matters which were left hanging. And this bill, Mr. Speaker, I think is one of the important bills of 1969, and I'm happy that it was possible to bring it in in 1969. I'm happy that my honourable colleague the Minister who introduced the bill is able to present it and to request support for it, and I look for -- and he has of course described in some detail the nature of it and the benefits to be derived therefrom it for the people of Manitoba.

One brief note. It now remains to be seen whether the complexion of the Conservative Party has changed in relation to this bill because I think the Conservative Party now is about half - represented by approximately half of its people being new people. Whether they will in some way be able to prevail, or want to prevail on the former members of the Legislature representing the Conservative Party to change their attitude, I don't know. I would sincerely hope that they would not want to, because I think that they, too, and I mean the Conservative Party, took pride in having participated in the development of the bill that we have before us. I would think that, although I have accused them as a group of participating in delay in bringing it forward, that they still believe in the principles involved, and it's of course the principles that we're dealing with in second reading. So that I would ask very much, Mr. Speaker, that the debate continue in an active way rather than be stood over, and I know incidentally, and I don't want any imputation of any motives on my part to be made against the Honourable Member for Fort Garry; I know from what he told me that the reason for the delay is that it is a very full, comprehensive bill and that he is studying it, so that I certainly accept the fact that he wants to give it a proper review and one which it deserves, so I hope that it is not interpreted that I've been critical in any way for the delay but I would like very much that we should continue the debate so that we could quickly give the bill second reading and be able to refer it to Law Amendments Committee.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I wish to make my contribution on this bill now.

MR. SPIVAK: With permission, I'd like to ask a question of the honourable member who

(MR. SPIVAK cont'd.)... has just spoken. I wonder if he'd indicate to the House whether the New Democratic Party has changed any of the wording of the bill that has been introduced, from the previous bill that was prepared by the previous government.

MR. CHERNIACK: Mr. Speaker, I am not responsible for having brought the bill here. I cannot take the responsibility for confirming or otherwise the bill. If he will wait a moment -- I can only state that there may have been some changes. I don't know to what extent they affect it. I'm sure that the Honourable Minister, in closing debate, would be able to point that out if he hasn't indeed already done so, but I'm not capable of answering that question.

MR. PATRICK: Mr. Speaker, I know the Honourable Member for Fort Garry has the bill adjourned, and I wonder if I'd have permission to make my contribution at this time.

Mr. Speaker, I want to thank the former speaker for reviewing the consumer legislation, how it came to the House through a Private Members' Resolution some years ago, and I wish to thank him for it. Listening to him, it's not too hard to be convinced that the former government or administration has definitely dragged its feet as far as consumer legislation was concerned. I feel that it's timely and I do rise to support the legislation because when law lags behind the needs of society we can expect ugly consequences. I know that just the other morning I heard on the "By-line" where, out in the country, where some people or a company sold, a stucco company sold a contract to a family, collected \$300.00, and the contractor never came back the next two weeks, and this certain family, low income people or old age people, were certainly concerned, and the contractor never came back, and this just happened a couple of weeks ago here in Manitoba. So, Mr. Speaker, I feel that this legislation is timely and it's probably long overdue.

My contribution may be very small because it is a very large bill - it's some 70 pages - and I know that a great many hours of study have gone into it. We've had many committees of the House from all Parties working on this for the past three years and from 1962 to 1969, and perhaps now we'll finally receive some legislation.

Mr. Speaker, in an area of consumer protection, I feel it's in no other area that's so evident as among the poor people, who are usually taken. The exploitation of these people by unscrupulous and fly-by-night operators is one of the great misfortunes in this country, because these are the people who can least afford to pay the unconscionable prices that usually they have to pay, and I'm sure the members of this House are familiar with the Tallin Commission and its report in 1965. I think the report in itself was a good indication that we needed this legislation and need it soon.

Mr. Speaker, I know that the first concern of many business people in respect of this legislation is going to be how will it affect their operations and their businesses. I know, and I'm sure that experience after this legislation is enforced for some time, experience will prove that ethical business will probably gain, will have much to gain from this type of legislation, because I think no-one suffers more from widespread dishonesty in the marketplace than the ethical and the reliable businessman, so I feel that the business community is going to welcome this legislation and is going to appreciate it, but I know that the first interest is that they are going to be concerned how it's going to affect their operations and their businesses.

Mr. Speaker, in supporting this legislation, the first concern that I have - does this legislation go far enough? Not only do shady hucksters destroy confidence in the business community generally, but for every consumer cheated, a good businessman is cheated as well. I welcome the principle of establishing the Consumer Protection Bureaus. I think this Bureau will probably be the most important matter in the whole consumer legislation, because I think this is the area where people will be able to use the Consumer Protection Bureaus by using a telephone, laying a complaint, and where the complaint can be immediately investigated, proper action taken immediately by the Attorney-General. So I feel by having the Consumer Protection Bureaus where people can lay their complaint is very important.

But I am somewhat concerned, Mr. Speaker, will the Attorney-General have enough powers under this legislation to issue Cease and Desist Orders in case of individuals that are not practising proper business ethics? Can this person be stopped immediately, or the Attorney-General will lay a charge and the same person continue to fleece the people, and I know that the charge can be laid against him but in the meantime for the next two weeks before he's brought to trial or to court, he can fleece another 25 or 30 families, and I feel that in this area that the Attorney-General must have sufficient and wide powers.

I also appreciate that every door-to-door salesman will have to be licensed and bonded,

(MR. PATRICK cont'd.)... but if we examine the bill closely we find it looks to certainty in individual agreements, and does not go far enough into such things as fair market practices, fair advertising. We have such things as false advertising today and I think this should be looked at. We have referral selling, which I feel should be outlawed as well, where you're asked to give 25 or 30 names and from these names if a sale can be made then you're going to receive a credit on a purchase that you've made of \$25.00 or \$50.00, whatever it may be. I do not believe that referral selling is an ideal way to do business. I know that it's outlawed in many of the states across the line in their consumer protection legislation, and I would like to see the Minister take this into consideration as well as false advertising.

And we have such things as "Going Out of Business Sales" which we see almost on the avenue in many areas where the merchant is going out of business continually for year in and year out, so I think this could be looked at as well.

There is such a thing as "Term Wholesale" used by many merchants and I just wonder if the term "wholesale" itself is not deceptive. Is it really a wholesale house or is it not? And this is another area that I think the Minister must look at and give some consideration because really, the legislation looks more into certainty in agreements and not so much in other areas, and I'd like to see the Minister take this into consideration.

The other point that I would like to make at this time is such things as "Fire Sales". We have again, many businesses have continually Fire Sales advertising merchandise which has been destroyed or smoked and is sold at discounted prices, and I think this is an area that the consumer protection legislation can investigate as well.

I think that we have enough experience in this area from such things as people are forced into contracts, such as the aluminum siding which was pointed out in the Tallin Commission in 1965. We have encyclopedias where you're told that you don't have to pay anything as long as you have the encyclopedia placed in your home where people can see it, but you're billed every year for the booklet that you're supposed to buy you signed in the contract as keeping your encyclopedias up to date, and through this method you're probably paying three times as much than you would if you wanted to buy one in a store in a proper way.

You have such things as fire alarm systems that are sold to many old people, and they are told that give us ten names and if we make a sale we'll allow a certain credit against your purchase which is called a referral sale of some kind. We have vacuum cleaners, false advertising such as loss leaders where when you arrive at the store the product has been all sold out and they'll have to sell you something different which is probably twice as expensive. We have such things as mailing letters to customers or mailing samples. I know in many cases that people feel that once you've received a sample, received a carton, that you have to pay for it and they're first to pay for it. Many of these samples are -- I'm referring particularly to older people and I feel that there should be some legislation in this respect. I know that we can't do anything as far as the post office itself is concerned because it is a federal matter and in the federal jurisdiction. But I think that we've had enough experience in this area, Mr. Speaker, in the province here itself. If anyone cares to read the Tallin Report it will give you some indication of what has gone on in this province which not too many in this House and no one out of this House would have ever believed went on as far as unethical business practices.

I know that some members in the House may say that we have already consumer protection or will have consumer protection legislation by the Federal Government but, Mr. Speaker, I think that the real area where we are concerned is right here in the province because this is where the protection is needed because this is the area where the people are. I appreciate and I feel that we need provincial consumer protection and I would agree with the bill in itself. The points I'm making, I just wonder if these areas are covered in the bill itself.

Once again I'd like to point out that I feel the Attorney-General should have wide powers to bring action against deceptive operators who fleece the public and then move on. I would like to offer the following suggestions, Mr. Speaker. No. 1, that conditional sales, lien notes or chattel mortgages should be registered. It is not in the bill at the present time. I know if any article is purchased a purchaser has no way of knowing if there is any lien against the article purchased. I'm making reference to used articles, automobiles, boats or motorcycles and objects of that type. I know that a fraud charge can be laid against the seller but it does not help the purchaser in this instance.

I make reference to a case just recently about a week ago where a man sold a car and told the purchaser it was paid for and there was some \$2,000 outstanding against it and this is the

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(MR. PATRICK cont'd.)... type of legislation that we require. So my recommendation would be that conditional sales, lien notes, chattel mortgages should be registered. I know it is in the consumer protection legislation in Ontario and I understand it is not a costly operation. There's a \$2.00 or \$3.00 charge for checking into these chattel liens so I cannot see why the Minister would not be able to take this into consideration. The present bill makes no provisions in this respect.

Mr. Speaker, the other point I wish to make. This is new legislation in this province and I feel that the consumer protection bureau itself should do a certain amount of education, to prepare material for distribution and even probably provide speakers for certain clubs or church organizations and other clubs in the community. So I feel that there will be a great amount of education required not only through publication and printing and advertising but as well as through speakers and I would like to see that the Minister would undertake in this other area.

My third point, Mr. Speaker, would be that I feel a cheated consumer should be compensated in some small way. I know that in many instances it would not allow because there isn't sufficient financing to do this but if there was a method of combination penalty and restitution where you take the profits away from the swindlers and return partial of the profits to the cheated consumer. I know that in some jurisdictions this provision is in their legislation and it is carried out where the culprits assets may be used and confiscated if necessary to reimburse the victimized person. So these are the points that I wish to make to the Honourable Minister at the present time. I know that there may be at first great concern on the part of the businessmen but I feel the ethical business community will more than welcome this legislation because he's going to be protected to just as great an extent as the ordinary individual that has been cheated. So these are the points, Mr. Speaker, that I wish to make at the present time.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I rose earlier after the Minister of Finance spoke because I was a little dismayed by what had taken place in his address to this particular bill. He rose and gave us a short lecture on how we should not in any way oppose this bill and then he took about ten to fifteen minutes to stand there and preen his feathers and tell us all the very fine things he had done since 1962, and when he was all finished and was asked by a member on this side of the House whether or not there was any difference in this bill and the bill that was presented last spring, in the wording, he did not know.

I'd like to suggest to the members across the way and the Honourable Minister of Finance, who was suggesting that perhaps the people on this side of the House might have a changed attitude with the change in the faces that had taken place on this side of the House, I'd like to prevail on the people in the backbenches on the other side of the House that they might in turn prevail on their front benchers from digging back and preening their feathers and saying what they did, what, when and how they really brought all this about. In actual fact the final analysis shows very little detailed knowledge of whether or not the bill is in fact the same or not as the one that was presented in the previous House.

The honourable member, the Minister of Finance, sounded alarmingly like the same old sour self that sat on this side of the House, and his contribution to the debate, after his admonition to us not to stall it, said exactly nothing. I'd like to in turn say back to him that unless he has something specific to contribute to it, rather than coming back and regaling about the fact of whether or not somebody did something when, adds very little to the debate itself. We're quite prepared to look at the bill as it is, a bill presented to us by the Honourable the Minister of Consumer Affairs, look at it objectively and bring it back without going through this very unnecessary process. -- (Interjection) -- How much time did I take? Not fifteen minutes.

MR. SPEAKER: The Honourable Member for Roblin.

MR. McKENZIE: Mr. Speaker, I would like to cast a few comments to the Honourable Minister of Consumer Affairs re this legislation, the Consumer Protection Bill No. 12, and as a small businessman I have views that I would like to personally express.

My first comment I think would be, Mr. Minister, that the consumer protection, while necessary to a great extent, I think it shouldn't be designed so as to discriminate and to legislate against a businessman such as myself, because as a small businessman I consider myself as being part of the life blood of the economy of the country. It's a sort of a free and democratic land in which we live in Canada and Manitoba and I doubt, you know, that there is room for all the socialistic ideas that are legislated in this bill because I can see some of it giving me problems as a small businessman. I think if the government, you know, could some place along the

(MR. McKENZIE cont'd.) . . . line take a look at this stage of it or possibly at a later stage of the bill. And I would very humbly submit a couple of the sections that I'm referring to. On Page 3, Section 1, Retail Sale - the word "retail sale" in there - it would appear to me that there is a sort of an omission in there. The one that comes to my mind real quick is Section 3 there where it excepts the sale of farm implements but it doesn't except the sales or hire purchases of vehicles or trailers within the meaning of the Highway Traffic Act.

MR. RUSSELL DOERN (Elmwood): Mr. Speaker, on a point of order, I believe the member is discussing the bill in specific detail and should be discussing it in principle only.

MR. SPEAKER: Well, if the honourable member is using this as an example to expound on a point of principle, which I assume the honourable member is doing, the honourable member may continue.

MR. McKENZIE: Thank you, Mr. Speaker. I was just drawing to the attention of the House some of the things that had come to my attention. On Page 32, 49 (1) there, "Leave Required for Seizure" is another section that I don't seem to thoroughly understand and I would maybe get some clarification from the Minister on it. After the 75 percent of the contract is paid the buyer may stop payment and the seller may not repossess without a Court Order, if I understand it. I submit that this is, you know, sort of ridiculous in one way. It's inconceivable I think in any democracy that any government should wish to contribute by legislation to encourage a consumer to default on payment.

And Section 53 on Page 1 there, "no right to sue after seizure", I think possibly that maybe the Minister could clarify this section for me there. I think it's rather unfair this section to automobile dealers. I think many abuses of an automobile can be cited, and to protect the consumer in the way that it is protected in this bill, if he's been guilty of an abuse of the vehicle and then to deliberately defraud against the seller, I would humbly submit it may be not the best way to legislate it. What makes it so difficult for those in things like this to -- that are in business to keep alive.

And then lastly, Mr. Speaker, if I may, on Part VII, Section 60 (b), "The Direct Sellers" there. I wonder if the Minister would be kind enough to explain that section to me. I look at it that motor dealers are exempt from the four days cooling-off period by this section, and my only question would be, as I mentioned previously there, should the same provision be included in the section on Page 3 of the bill. Thank you, Mr. Speaker.

MR. SPEAKER: The proposed motion of the Honourable the Minister of Finance, Bill No. 22. The Honourable Member for Rhineland. I'm sorry. Was it the intention of the Honourable Member for Emerson to speak on Bill No. 12?

MR. CHERNIACK: Mr. Speaker, I might indicate that I enquired from the Honourable Member from Rhineland and he stated he was not ready to speak today and that he would be tomorrow. It occurs to me, however, that I'm sure he wouldn't mind if any other honourable member would want to speak today. Otherwise, may I suggest it stand.

MR. SPEAKER: (Agreed.) The proposed motion of the Honourable Minister of Finance, Bill No. 23. The Honourable the House Leader of the Liberal Party.

MR. MOLGAT: Mr. Speaker, I believe that my Leader had adjourned this for me in my absence, and with the permission of the House I'd be prepared to speak now and this would -- he is not seeking any further standing.

Mr. Speaker, it's with great pleasure that I see this bill before us after having tried for eight years to convince my honourable friends to the right that it was a good thing to bring in a Provincial Auditor in the same way as a Federal Auditor. I recognize that they had proceeded to the point of bringing the bill before us at the last session. It was deposited on our desks on the 29th of April and never heard from after. However, it's now before us and, as far as I can judge, in exactly the same form as the previous bill.

By and large, Mr. Speaker, it seems to me that the bill does establish the position of a Provincial Auditor in the same independent capacity as the Auditor-General in Ottawa, which was really the position that I was seeking to have established in Manitoba in the resolutions that I have introduced in the House in past years. I hasten to repeat that at no time were any of my comments in the past or now a criticism of the existing office or the individuals who were in the office of Comptroller-General in Manitoba. The situation was simply that the responsibility of the Comptroller-General was not that of an outside or independent auditor. He had a pre-audit function and not a post-audit function. Nor did the Comptroller-General make a report to the House in the same way as the Auditor-General in Ottawa does. And so, Mr. Speaker, I think that the bill does finally establish in Manitoba a very worthwhile office. How it will work will

(MR. MOLGAT cont'd.)... obviously depend on the individual himself who is chosen to fulfill this function.

The responsibilities that he has as listed here in the bill I think are sufficiently broad to permit him to pursue as thorough an audit as he wishes and to make as complete a report to the House as he wishes. Without wanting to refer clause by clause, I think one section that should be noted is that in the report to the Assembly which the Auditor-General must make every year, he has certain specific matters which he must report on, and then finally the broad clause (f), to such matters as he desires to bring to the attention of the Assembly. And I think that this is the operative clause. It gives him all the breadth that is required and I hasten to add that this was in the previous bill as well, that it was a broad responsibility that was given to him.

So I think that he is equipped here with the rights and the responsibility and the possibility of doing the job that we envisaged as necessary. His isn't a job of going about witch hunting or pursuing people. I think a perfectly proper job as government gets ever and ever bigger, and this is of making sure that the taxes that we collect are spent, insofar as we can ascertain, in the best way possible and that any possibilities of abuse or of mismanagement or of simply mis-spending, not necessarily by fraud, but simply by improper decisions is looked into, brought to the attention of the House and action taken. And I think that this is very important when you look at the size of government expenditures. When you consider that the province, the government of this province is the biggest employer in Manitoba, the biggest spender of money in Manitoba, then there's an obligation to see to it that insofar as we can it is properly spent.

I note with interest, Mr. Speaker, however, a feature here regarding the suspension of the Auditor-General, and that is that upon the written advice of the majority of a committee - and this committee consists of the President of the Executive Council, the recognized leaders of the members belonging to the several political parties in opposition, the Lieutenant-Governor-in-Council - so presumably for this particular purpose the Cabinet is to include in it my honourable friend the Leader of the Opposition, my colleague, my leader, as members of Cabinet for the purpose of deciding whether or not the Auditor-General should be suspended in between Sessions. This is an interesting course and I think we might look, Mr. Speaker, at another bill that is before us on which I'll be speaking when it comes up the next time, the Ombudsman Bill, to see whether or not we shouldn't consider a similar approach there or some variations in both bills to recognize the state of the House and to make sure that if they are to be independent individuals, as we want them to be, that they can in fact not be removed by a government who might for the time being have a larger majority than the two-thirds which is in the bill. Maybe we should be looking at it. Not being able to remove one of these individuals without the approval of, let us say, all of the parties in the House, a majority of all of the parties, or some kind of an arrangement whereby should it happen in Manitoba - and God forbid that it would - but one might never know, we could end up at some stage in a situation like the Government of Alberta which had such an overwhelming majority that really a two-thirds majority in the House meant nothing; it was simply a government decision. And maybe this particular section which involves a decision, not by government alone but by other parties as well, might be an approach which we could consider for both functions, that of Auditor-General and that of Ombudsman.

So, Mr. Speaker, I suggest that we might look here to this clause. I don't know if exactly the wording that we have here is the right one, but we might look at something along like this to ensure the independence of the Auditor-General, the independence of the Ombudsman, regardless of the size of the government majority in the House by making sure that the opposition, which has a proper function in our system of government, would have to be part and parcel of that position. Mr. Speaker, I think the bill is a good one. I compliment my honourable friends to my right who drafted it in the first place - be it eight years late - I compliment them for finally doing it and the present government for proceeding with it in its form.

MR. SPEAKER: Are you ready for the question? The Honourable the Leader of the Official Opposition.

MR. WEIR: Well, Mr. Speaker, be it eight years late or 14 years late, depending on what your point of view might be, because, Mr. Speaker, our honourable friend was a member of a government at one stage of the game too. But be that as it may, I just wanted to stand to say that the bill has the support of our group in the House. In the matter of the point raised by the Member for Ste. Rose about the method of removal in between sessions, I stand to be corrected, and I know that the Minister of Finance doesn't need any help from me, but I think it's just copied out of the present Treasury Act and it is the present means of removing the Comptroller-General.

(MR. WEIR cont'd.) . . . in between sessions. It's my recollection and I stand to be corrected if I'm wrong, but I believe in terms of it that is where the method of removal in between sessions came from.

So I didn't really stand, Mr. Speaker, to get into that debate, I just merely wanted to indicate that it has the support of this group in the House.

MR. SPEAKER: Are you ready for the question? The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I want to assure the Honourable the Leader of the Official Opposition that I need all the help I can get and I appreciate the help he has given me, because the fact is I am not in a position to confirm the statement he made that this is identical to the Treasury Act and I appreciate the information he has given. I would welcome any other advice he wishes to give me and he knows that I will accept it sincerely and either carry it out or otherwise as I judge it right, but nevertheless I do appreciate any advice.

Speaking specifically to the remarks of the Honourable Member for Ste. Rose, I of course agree with the remarks he made about the fact that this bill is worthwhile and the fact that the government of the last session did prepare it, and did prepare it with an attitude of wanting to bring out the best of what can be done for the protection of the Legislature. The only point that he made as comparing the suspension rights with those of the Ombudsman is of course interesting. It occurs to me however that the Auditor will be the servant of the Legislature. He will be that person who must report to the Legislature and to the members of the legislature, and I think that the Ombudsman is in a somewhat different capacity but rather one appointed by the Legislature for the protection of the individual citizen of Manitoba who requires his assistance and I'm not sure that one should equate them in the same way and therefore deal with them in the same way. But having said that, I don't think there's anything more to be said.

I should inform honourable members that as I know sometimes happens in between first reading and final reading suggestions are made for changes, I want to report to the House that a request has been received from the -- well, an amendment has been suggested through the Legislative Counsel that would -- and I give that information now so that honourable members would know -- that would provide for authority to delegate, that is the delegation of authority by the Provincial Auditor may be made to any person employed under him in regard to any duty, act or function that he is required to do other than making the report to the Assembly of course. But certainly he will not be able to do all the work himself and will have to have the power to delegate. So that at Law Amendments I would propose this amendment for consideration by the committee.

I want to deal with questions asked by the Honourable Member for Rhineland and I have a memo on it and I'll read it as quickly as I can so that it will be on record so that he can review it, because I did want to be in a position to answer the questions that he raised when he spoke on this bill.

Firstly, the Provincial Auditor and each member of his staff is bonded under the master policy that covers every person in the employ of the Provincial Government. The coverage thereunder is for \$1 million and is for any and all loss including cost, charges, etc., which may result from any default, malfeasance, misfeasance, nonfeasance, dishonesty or neglect of duty.

Secondly, reference was made to reports to the Minister that shall be made at least once a year. Under the provisions of the Treasury Act the Comptroller-General was called upon to report to the Minister upon the completion of an audit, either interim or final. This requirement resulted in reports being filed in which there were no matters to be drawn to the attention of the Minister. The new proposed legislation would allow the Provincial Auditor to report on the interim audit only when there are matters that should be brought to the attention of the Minister, subject to the proviso that in any case the Provincial Auditor shall make a report at least once a year upon each examination and auditor form. Such annual report could well indicate that there are no matters to be brought to the attention of the Minister.

Thirdly, reference has been made regarding the audit of the receipt and payment of public monies that are not part of the Consolidated Fund. This is designed to charge the Provincial Auditor with the responsibility for audit of all Crown agencies, etc., where the legislation governing such bodies does not provide for the appointment of an auditor other than the Provincial Auditor. This provision therefore eliminates the possibility of any Crown agency operating without audit.

The honourable member also asked a question about special warrants, and it is indicated to me that this is a similar provision that has been in the Treasury Act calling for the inclusion

(MR. CHERNIACK cont'd.) . . . of a list of special warrants in the Public Accounts. Honourable members may be interested in knowing, Mr. Speaker, that it is my proposal that when I file the supplementary estimates I will also review, give the additional information as to the special warrants that have been issued in this fiscal year from the time of the last session unto the present session so that that information will become available to the members of the House.

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

MR. CHERNIACK: Mr. Speaker, I beg to move, seconded by the Honourable Minister of Transportation, 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 Elmwood in the Chair.

COMMITTEE OF SUPPLY

MR. CHAIRMAN: We're dealing with the Department of Transportation on Page 26 of your estimates. Resolution No. 98, (1)(a). The Honourable Member for Churchill.

MR. BEARD: Mr. Chairman, I don't think you'd want to see us leave the Minister's estimates until we'd had a second review of transportation in respect of northern Manitoba. And on the offset I would like to, along with I believe all northern Manitobans, extend again congratulations to my MLA for his present appointment as Minister of Transportation.

We also congratulate this government on their policy to integrate northern, central and southern Manitoba with a progressive road policy and I believe this is one of the themes that will follow through on my address. I think it's needed to point out to the people in this House requirements to catch up with the type of service that is becoming more and more evident in the north, and the non-existence of roads particularly is showing up as time passes.

I support the Member from Lakeside who so ably pointed out the many strides that government has in the past taken to look after the needs of southern Manitoba, and I was listening intently when he talked about the 60-odd millions of dollars used to build the Floodway to protect Metro Winnipeg. I was also interested in the 4,000 miles of market roads in southern municipalities that were taken over on a 100 percent provincial cost program. He also pointed out that all Manitobans paid for the takeover costs of municipal southern drainage programs, the provincial-federal cost-sharing of the Trans Canada Highway through southern Manitoba and the multi-million dollar freeways between Portage and Winnipeg, the provincial road system to complement Birds Hill Park, multi-million dollar perimeter road systems around southern communities, the Greater Winnipeg cloverleaves, the rural road systems covering each and every community in southern Manitoba, the Shellmouth \$9 million project, the \$14 million diversion which now will be up to 20 millions of dollars he tells me.

These are all fine contributions to southern priorities from past government and we in the north recognize that different areas of the province require this injection of public moneys. But, Mr. Chairman, I point out that the north also needs roads to travel. Northern roads prepare the way for new productive resource industries, multi-million dollar costs and multi-million dollar revenues. Roads are a first amongst government services if the resources are to be developed for the benefit of all Manitobans.

I suggest for one thing that the Minister should approach the C. P. R. and the C. N. R. and say to them we want to continue the road from Grand Rapids north to Thompson, how about joining in with us and have a project in which they can bring a spur line from Grand Rapids north to Thompson. And my what a wonderful thing this would be for all of northern Manitoba. It would be the first time that railroads could contribute in some respect to the building of roads and also a complementary program as far as the province is concerned. It would do a great deal towards lowering the freight rates between the large distribution centre in Winnipeg and the Thompson area in the north, and indeed all areas in the north, because I do point out that this highway, when completed, will bring the areas of Winnipeg and the farm areas that much closer to Port Churchill where the facilities can be imported and used to import and export products and it would help to open up an area in central Manitoba which I'm sure the Interlake area would appreciate. It would give new areas for tourism and recreation and certainly I think it would be a compliment to not only Thompson but to all areas in the central and northern parts of this province. Certainly it was overlooked many years ago and possibly they were right at that time, but today more and more it proves that we have to open up the centre part of our

(MR. BEARD cont'd.)... province if we're going to get anywhere. I think it would be a giant step forward toward linking of course Lynn Lake to our community of roads in southern Manitoba.

I agree with the Minister on his policy respecting the use of native hand labour in developing the first part of the Lynn Lake Highway. It's a wonderful program. I think the philosophy is excellent and shows an intelligent understanding of the needs required to gain the confidence of northern Indians in their communities. I trust this type of programming will be accelerated as time passes and will be picked up by other department of this government.

But Mr. Chairman, in talking about Lynn Lake I think this is where the love-in between my MLA and I come to a stop, because I am concerned that there would be an announcement of a Lynn Lake highway and the area in which it would link up with the rest of Manitoba without prior consultation. I point out that this road program itself once again has passed one of the most lucrative mining areas that has been announced today, and I am talking about Ruttan Lake and the Rusty Lake area, in which there is about a 16 mile difference, and when you're talking about roads and road constructions, with costs of up to \$100,000 a mile, then this is quite a bit of money. But I think that bureaucracy at this time has taken over in respect to the Lynn Lake highway and they have announced it without due consideration to the people which they intend to serve.

I note that in years past, when they were going to by-pass a town with a multi-million dollar highway - perimeter highway system - they consulted with that town, whether it was Portage la Prairie or whether it was Minnedosa or whether it was many of the other areas, and there was a consultation and there was careful, careful communication between government and the people that were going to have to use this type of service. I think that the Minister is aware that Lynn Lake people have no desire to go to Thompson, just as Thompson people do not want to tour the rest of the province to get to Winnipeg. And this is the problem that they have had with the Thompson highway in the past, that we have had to go 750 miles to get to a point where we could have cut out 200 miles. Whether it was built at that time for political expediency, I don't know. I presume, and I must presume that there was some pressure put by the many towns along No. 10 highway, but that is past history and we can't do anything about that except rectify it by building this corridor down through central Manitoba.

Some members have been worried about the number of fatal accidents on highways and such on, and I think when they are asking for these figures that they might consider the number of fatal accidents between Gillam and any other point, or between Ilford or Churchill, or in fact Lynn Lake, because this is the priority in my mind itself, the fact that these places are not serviced by a road, and it just stands to reason that if there must be a priority, then it must be an area that does not have a road communication, and so when people start to consider where governments should spend money, I think they must take into consideration the fact that certainly a location, particularly Lynn Lake, as old and established a community as it is, of the many dollars that it has contributed and the employees contributed to the treasury bench, not only this province but of Canada as a whole, then certainly that road is prepaid. That road has been paid off long ago and this community is still waiting to receive the results of that prepayment.

I believe that each northern road produces new raw material, new resources, new tax dollars, not only from the gas but from the resources that are developed because the road is there. And if I have to go back again, I point out the fact that the first 40-odd miles of the Thompson Highway has produced more for the revenues of this province and of Canada than any other highway that has been built in the province of Manitoba. Every northern road I think will prove that it is a revenue-bearing road.

Now I turn to regional air transportation, and I had hoped that possibly the Private Members' bill would come up before we had to consider this under the Minister's expenditures, but I will touch on it lightly. I would like to tell the House that I would rather leave the nuts and bolts of air transportation until we can get into a Private Members' bill where there can be a debate on this.

Regional air carrier services, as far as I'm concerned, have never provided proper, adequate service in northern Manitoba, nor has it done it at a reasonable cost, because this cost is over 24 percent more than what it is costing you people to travel between Winnipeg and Toronto, or wherever it may be, and you're travelling on first class jet service. We're managing to stumble along on antiquated equipment in many cases that certainly the costs that we're paying deserves better treatment. In fact, the Minister and I went home on the same plane Friday. We arrived there fine and dandy but he said, "Well I'll take off. I'm too smart - I

(MR. BEARD cont'd.)... didn't check any baggage; I'm just going to go on. I've got it in my hands." And I unfortunately found how true it was. It had taken us what - two hours to get there, and it took me one hour to get my baggage, and this is regional air carrier service - TransAir - who are today applying for a franchise to service Toronto, and they're trying to compete against national franchises such as the CPR and Air Canada, and they've placed before us, or before the Department of Transport, the board, a request for that type of service. I'm sure that if this comes about, then all we can see in the future is the deterioration of the already antiquated equipment that we do have at present, because I can't foresee where Manitoba's TransAir is going to be able to get enough money to compete against the national services offered by Air Canada and CP, and also inject into the northern services the money that is required to provide equipment that would give the north what they rightly deserve.

I believe that we have to look into this very carefully and, as I said, I would like to come back to this a little later on, but I say to TransAir today that if they want to expand and compete against national services, then certainly they should be leaving regional air services to somebody else, because they haven't been able to do the job in the north and now they want to try to get out and do something, find money for service that they have said time and time again, "unfortunately we would give you except that we don't have the money to buy the equipment."

Each year, their passenger service grows and their service in and out of these areas has grown, but they've used the money unwisely and I chastise today the people in Manitoba, the financial houses in Manitoba, for not being able to see far enough ahead to invest in a company like this and keep the TransAir office in Manitoba, because we have been living under the problems of Eastern Canadian ownership in the west for years. Now it has stretched to northern development, and unless we can keep the home office close at home and the directors of that home office close to home, then we're going to be in a problem.

I would also say at this time that I'm not too happy with charter services. I think that in the north charter services should have to compete for their portion of the money that's needed. New charters are opposed for the sake of keeping out of opposition. I would like to leave the remainder of this candid opinion in this respect until we get into into this northern transportation resolution, because just saying half a thing is unfair to the services that are being offered and to the companies that are operating in Manitoba. But I do warn them that as far as I'm concerned, if they're going to provide charter service in northern Manitoba, their offices should be in northern Manitoba, and if regional carrier services are going to look after northern Manitoba, then they should be at least in Winnipeg. At least.

As far as the Mauro Commission goes, I follow the recommendation. I suggest that we follow the recommendations of this Commission and many of the problems will take care of themselves. I believe the Mauro Commission on Transportation has set this government targets for many years to come. It is a challenge to all Manitobans. It's a return for all Manitobans. It's an assured future for all Manitobans, and I believe it will be good for all of Manitoba. Thank you, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for The Pas.

MR. RON McBRYDE (The Pas): Mr. Chairman, I'd like to make a few comments on the budget of the Department of Transportation. First of all, I'd like to say that not very many people in the north were unhappy with the appointment of the present Minister of Transportation. In fact, I know of no one who was unhappy with this appointment.

My main reason for rising on this occasion was to address myself to the comments made by the Honourable Member from Lakeside, who isn't here, but who I suppose could read my comments in Hansard. The Minister proposed, or told us of his proposal and his plans to assist the Indian people of Nelson House to obtain employment through a contract with the Department of Transportation. The Honourable Member from Lakeside indicated at that time that this was nothing new, really; that the government had done this in the past. They had done a similar thing in the clearing of the Grand Rapids forebay. When the Honourable Member from Lakeside said this, certain comments of my constituents in regards to clearing of the Grand Rapids forebay came back to me, so this morning I had to run to the library and see what the situation really was.

In the clearing of the Grand Rapids forebay, the prime contract for clearing this bush was given to Drake Construction and to Patricia Transportation. They were paid \$165.00 to \$185.00, depending on how long they took, to clear the bush or for brushing, as we call it, per acre - that's per acre. The Indian people on this project - the prime contractors were paid \$165.00

(MR. BEARD cont'd.) . . . to \$185.00, the Indian people were paid \$75.00 to \$85.00. Besides this, the Indian people on that particular contract had to buy all their supplies and food from the contractors at high rates. I would suggest to you that the approach taken by the new Minister of Transportation is quite different. He offered a contract directly to the people of Nelson House, whereas the past method of doing this could really amount to nothing more than exploitation of the Indian population. I'm glad to see that we have taken a new approach. Thank you.

MR. CHAIRMAN: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, the short words that we had from the Member from The Pas are quite enlightening. I, too, was a little concerned about the statement of the Minister that this is a drastic departure from the old system. Now I haven't had the opportunity of going to the library to check out what the Member for The Pas has stated, but through recollection - and I may be wrong in this - through personal recollection I can remember the clearing of Provincial Trunk Highway No. 83 through the Madge Lake area in the Duck Mountains, and if memory serves me correctly, a program somewhat similar to what the Minister is suggesting here was used at that time. This was back in the late '50s; I'm not even positive of the particular year that it happened.

But this was not the main reason why I rose at this time. The comment that the Minister made - and I want to give him credit for it - that probably the former Minister knew more about highways than he did, it's always a pleasure to hear a member give credit where credit is due, and I would like to take this opportunity of giving the Minister credit at this particular time. I was also very pleased to see that the Minister had given a lot of credit to his civil service, and in the Department of Transportation there are many engineers, there are many administration people, who have dedicated much of their life to producing for Manitoba a system of transportation which is constantly improving for the betterment of the province and the people.

The Minister also has stated, here and previously, his concern for northern transportation, and I also have stated on previous occasions my concern for northern transportation. But what does interest me at this time is not what the Minister has said but what the Minister has not said. Now we know that one of the most comprehensive studies on northern transportation and problems of the north has been tabled, the Mauro report. We have had the Honourable First Minister state that he is thoroughly in agreement with the Mauro report and we have had the Minister of Transportation in effect say that he is not in agreement with the Mauro report because the Mauro report. . . .

HON. JOSEPH P. BOROWSKI (Minister of Transportation)(Thompson): Mr. Chairman, on a point of order, I never said any such thing.

MR. GRAHAM: If the Minister would permit, I said the Minister in effect has said this, because he has mentioned road transportation only and has not mentioned air transportation which was the first priority of the Mauro report. In effect, the Minister of Transportation is placing road transportation ahead of air transportation. Now this does concern me because I'm wondering if there is a conflict of interests between the Minister of Transportation and the First Minister because I have great concern over the Mauro report, and airfield construction and air transportation in the north, as stated in the Mauro report, should be of first concern.

I would like to know if the Minister of Transportation has made serious representations to the Federal Government to in effect say, let's get on our horses and get something done here with airfield construction in the north. I would like to know whether the Provincial Government is prepared to participate on joint ventures in this field because I am sure that he is maybe far more aware than I am of the difficulties that exist in certain airfields in the north, and I would ask the Minister if he is making constant or continuous representation to Ottawa on this particular question of airfield expansion covering the north.

Now I admire him for his program on road construction, though we know that road construction is very costly. The Mauro report with their figures have indicated that airfield construction covers a wider area, that it's more versatile, and that with less money more people can be given a service; whereas in the road construction program much money has to be spent to build one road to one particular locality. And this concerns me, because if this is going to be the problem or the program of the Minister and a road system is going to be built only to Thompson and Lynn Lake, are we then going to come to the conclusion that it's only going to be Thompson and Lynn Lake that will get service in the future in the north? Is this the only area of Manitoba in the north that needs development? Is this the only area where there are mineral deposits to be developed? I would like some of these questions answered by the Minister of Transportation.

(MR. GRAHAM cont'd.)

Now there's one other point with regard to the road program that is outlined by the Minister, and I agree that it's a program that was established by the former administration, and I stated this concern of mine previously in the Throne Speech debate, and this is the question of priorities. There are many communities who have waited patiently for years for the establishment of priorities, or because of the establishment of priorities these communities have waited patiently for years for the building of roads.

In my own particular constituency there is one municipality, and this is the municipality of Rosburn, which only this past year for the first time in history that hard surfaced highway is being built in that municipality. These people have waited for years patiently, sometimes impatiently, while Provincial Trunk Highway No. 45 has been built on a priority system whereby they'll build a certain portion every year, and the servicing of that road is still not completed. Here again the priority system has established that certain sections will be done each year, but the highway is not completed as yet. I would ask the Minister to consider these areas in his programs for next year to see that the completion of this road is carried out, because it seems rather foolish to me to have, say, 70 miles of a highway and 50 miles paved and a short section in the centre not paved, and I would urge the Minister to ensure that this program and the priorities that were established are carried forward and these programs are completed, because these people have waited patiently for many years and it would be very disturbing to them and to myself if these programs were disregarded or abandoned.

Now, Mr. Chairman, the member for Lakeside yesterday raised a very important point. In his suggestions to the Minister of Transportation that if a costly program for northern transportation is urgently needed, that it has been established in the past that these programs can be carried out without any detrimental effect to existing programs, and I would urge the Minister to use every influence that he has with the rest of his colleagues to ensure that such a program is carried out because there are many people in this province and I am sure that the majority of these people look forward eagerly to a program of northern development, but at the same time they would not wish to see present programs abandoned if it is not in their interest.

So with these few words, Mr. Chairman, I feel that I have made a small contribution to the debate on these estimates.

MR. CHAIRMAN: Committee rise and report. Call in the Speaker.

Mr. Speaker, the Committee of Supply wishes to report progress and asks leave to sit again.

IN SESSION

MR. DOERN: Mr. Speaker, I move, seconded by the Honourable Member from Kildonan, 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 5.30 and I declare the House adjourned, and it will stand adjourned until 2.30 tomorrow afternoon.