

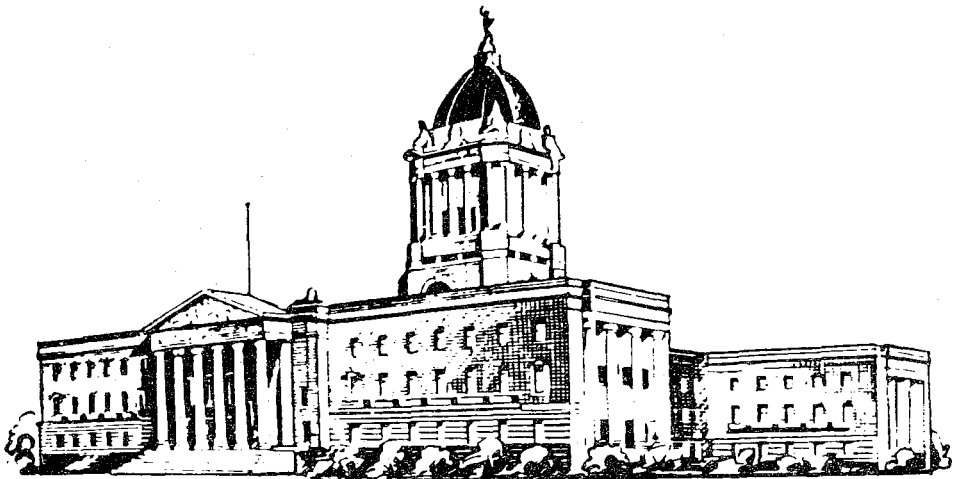


Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

Speaker

The Honourable Ben Hanuschak



Vol. XVII No. 92 2:30 p.m., Thursday, May 28th, 1970. Second Session, 29th Legislature.

ELECTORAL DIVISION	NAME	ADDRESS
ARTHUR	J. Douglas Watt	Reston, Manitoba
ASSINIBOIA	Steve Patrick	10 Red Robin Place, Winnipeg 12
BIRTLE-RUSSELL	Harry E. Graham	Binscarth, Manitoba
BRANDON EAST	Hon. Leonard S. Evans	Legislative Bldg., Winnipeg 1
BRANDON WEST	Edward McGill	2228 Princess Ave., Brandon, Man.
BURROWS	Hon. Ben Hanuschak	11 Aster Ave., Winnipeg 17
CHARLESWOOD	Arthur Moug	29 Willow Ridge Rd., Winnipeg 20
CHURCHILL	Gordon Wilbert Beard	148 Riverside Drive, Thompson, Man.
CRESCENTWOOD	Cy Gonick	115 Kingsway, Winnipeg 9
DAUPHIN	Hon. Peter Burtniak	Legislative Bldg., Winnipeg 1
ELMWOOD	Russell J. Doern	705 - 33 Kennedy St., Winnipeg 1
EMERSON	Gabriel Girard	25 Lomond Blvd., St. Boniface 6
FLIN FLON	Thomas Barrow	Cranberry Portage, Manitoba
FORT GARRY	L. R. (Bud) Sherman	86 Niagara St., Winnipeg 9
FORT ROUGE	Mrs. Inez Trueman	179 Oxford St., Winnipeg 9
GIMLI	John C. Gottfried	44 - 3rd Ave., Gimli, Man.
GLADSTONE	James Robert Ferguson	Gladstone, Manitoba
INKSTER	Hon. Sidney Green, Q.C.	Legislative Bldg., Winnipeg 1
KILDONAN	Peter Fox	627 Prince Rupert Ave., Winnipeg 15
LAC DU BONNET	Hon. Sam Uskiw	Legislative Bldg., Winnipeg 1
LAKESIDE	Harry J. Enns	Woodlands, Manitoba
LA VERENDRYE	Leonard A. Barkman	Box 130, Steinbach, Man.
LOGAN	William Jenkins	1287 Alexander Ave., Winnipeg 3
MINNEDOSA	Walter Weir	Room 250, Legislative Bldg., Winnipeg 1
MORRIS	Warner H. Jorgenson	Box 185, Morris, Man.
OSBORNE	Ian Turnbull	284 Wildwood Park, Winnipeg 19
PEMBINA	George Henderson	Manitou, Manitoba
POINT DOUGLAS	Donald Malinowski	361 Burrows Ave., Winnipeg 4
PORTAGE LA PRAIRIE	Gordon E. Johnston	Room 248, Legislative Bldg., Winnipeg 1
RADISSON	Harry Shafransky	4 Maplehurst Rd., St. Boniface 6
RHINELAND	Jacob M. Froese	Box 40, Winkler, Manitoba
RIEL	Donald W. Craik	2 River Lane, Winnipeg 8
RIVER HEIGHTS	Sidney Spivak, Q.C.	1516 Mathers Bay, West, Winnipeg 9
ROBLIN	J. Wally McKenzie	Inglis, Manitoba
ROCK LAKE	Henry J. Einarson	Glenboro, Manitoba
ROSSMERE	Hon. Ed. Schreyer	Legislative Bldg., Winnipeg 1
RUPERTSLAND	Jean Allard	602 - 245 Provencher Ave., St. Boniface 6
ST. BONIFACE	Laurent L. Desjardins	357 Des Meurons St., St. Boniface 6
ST. GEORGE	William Uruski	Box 629, Arborg, Manitoba
ST. JAMES	Hon. A. H. Mackling, Q.C.	Legislative Bldg., Winnipeg 1
ST. JOHNS	Hon. Saul Cherniack, Q.C.	Legislative Bldg., Winnipeg 1
ST. MATTHEWS	Wally Johannson	15 - 500 Burnell St., Winnipeg 10
ST. VITAL	J. A. Hardy	11 Glenlawn Ave., Winnipeg 8
STE. ROSE	Gildas Molgat	463 Kingston Crescent, Winnipeg 8
SELKIRK	Hon. Howard Pawley	Legislative Bldg., Winnipeg 1
SEVEN OAKS	Hon. Saul A. Miller	Legislative Bldg., Winnipeg 1
SOURIS-KILLARNEY	Earl McKellar	Nesbitt, Manitoba
SPRINGFIELD	Hon. Rene E. Toupin	Legislative Bldg., Winnipeg 1
STURGEON CREEK	Frank Johnston	310 Overdale St., Winnipeg 12
SWAN RIVER	James H. Bilton	Swan River, Manitoba
THE PAS	Ron McBryde	531 Greenacres Blvd., Winnipeg 12
THOMPSON	Hon. Joseph P. Borowski	Legislative Bldg., Winnipeg 1
TRANSCONA	Hon. Russell Paulley	Legislative Bldg., Winnipeg 1
VIRDEN	Morris McGregor	Kenton, Manitoba
WELLINGTON	Hon. Philip Petursson	Legislative Bldg., Winnipeg 1
WINNIPEG CENTRE	J. R. (Bud) Boyce	777 Winnipeg Ave., Winnipeg 3
WOLSELEY	Leonard H. Claydon	116½ Sherbrook St., Winnipeg 1

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Thursday, May 27, 1970

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. The Honourable Minister of Youth and Education.

INTRODUCTION OF BILLS

HON. SAUL A. MILLER (Minister of Youth and Education)(Seven Oaks): Mr. Speaker, I beg leave to have this matter stand. (Agreed)

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs)(Selkirk) introduced Bill No. 110, an Act to amend the Housing and Renewal Corporation Act.

HON. RUSSELL PAULLEY (Minister of Labour)(Transcona) introduced Bill No. 116, an Act to amend The Civil Service Superannuation Act. (Recommended by His Honour the Lieutenant-Governor); and Bill No. 117, an Act to amend The Employment Standards Act.

MR. LEONARD A. BARKMAN (La Verendrye) in the absence of the Honourable Member for Ste. Rose introduced Bill No. 114, an Act to amend The Legislative Assembly Act (2).

STATEMENT

MR. SPEAKER: At this point I wish to announce to the House, and I understand that this has been agreed to by both sides, that the House remain adjourned next Friday, June 5th to allow honourable members to participate in the ceremony at the International Peace Garden.

MR. PAULLEY: That is my understanding, Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: I also wish to direct the attention of honourable members to the gallery where we have with us 27 Grade 8 students of the Norway House School. These students are under the direction of Mr. and Mrs. Litz. This school is located in the constituency of the Honourable Member for Rupertsland. And 40 Grade 8 students of the Earl Grey school. These students are under the direction of Mr. Bernard. This school is located in the constituency of the Honourable Member for Crescentwood.

Also in the gallery there are 43 grade 6 students of the Hasting School hosting students from the Opasqua School, from The Pas. The Hasting School students are under the direction of Mrs. Colbert and are from the constituency of the Honourable Member for Riel. The Opasqua School is in the constituency of the Honourable Member for The Pas. And 68 Grade 7 students of the River Heights Junior High school. These students are under the direction of Mrs. Rusen. This school is located in the constituency of the Honourable Member for River Heights. And 40 Grade 10 and 11 students of the Steinbach Bible School. These students are under the direction of Mr. Kroeker. This school is located in the constituency of the Honourable Member for La Verendrye.

On behalf of the honourable members of the Legislative Assembly we welcome you here this afternoon.

The Honourable Member for Wolseley.

ORAL QUESTION PERIOD

MR. LEONARD H. CLAYDON (Wolseley): Mr. Speaker, I have a question for the Minister of Government Services. In view of the fact that the IODE Provincial Command is located in the Auditorium with the City Command, and in view of the fact that they have received notice to vacate by the end of May, would the Minister tell us if the government is doing anything to assist the IODE in finding alternative accommodations.

MR. PAULLEY: Yes, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, before the Orders of the Day, I wonder if the Minister of Labour could confirm or otherwise that out of 800 steam fitters in the Steam Fitters Union in Manitoba, that 300 are now unemployed?

MR. PAULLEY: No, Mr. Speaker.

MR. CRAIK: Mr. Speaker, a further question regarding the construction industry to, I presume, the Minister of Labour. Can he give us any indication on the state of the construction

(MR. CRAIK cont'd) industry for the summer period particularly with relation to housing starts?

MR. PAULLEY: No, Mr. Speaker.

MR. CRAIK: A subsequent question, Mr. Speaker. Would the Minister undertake to advise the House on the construction situation, particularly in relation to housing starts and unemployment in the construction industry?

MR. PAULLEY: If I can obtain the information, yes, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): Mr. Speaker, I should like to direct my question to the Minister of Health and Social Development and ask him if in view of the rather alarming report in the Tribune about mercury content in wheat, if his department is conducting any research to determine how much of Manitoba's wheat is contaminated by mercury content?

HON. RENE E. TOUPIN (Minister of Health and Social Services)(Springfield): Mr. Speaker, I'll take his question as notice.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I have a question for the Minister of Mines and Natural Resources. I see he's not in his seat. Perhaps I can direct it to the Minister of Municipal Affairs because he has been interested in this topic. Has the Fish Marketing Board provided the Government of Manitoba with any figures or statements showing that it is uneconomic to establish the fish processing plant in Selkirk?

MR. PAWLEY: Mr. Speaker, because this matter does pertain to the Minister of Mines and Natural Resources, I will take the question as notice so that he may properly deal with it.

MR. SPEAKER: The Honourable Attorney-General.

HON. AL MACKLING, Q. C. (Attorney-General)(St. James): Mr. Speaker, the other day the Honourable Member from La Verendrye asked me a question in respect to the operations of the Liquor Control Store at Falcon Lake and I have the information today. I'm advised that it was not sufficiently viable to keep this liquor store open at Falcon Lake in that it was only open from May through September and it meant the cost of sending and accommodating a staff during that period but the bulk of the sales occurred only during July and August. In addition, as most honourable members know, the Ontario Government has a liquor outlet very close in this proximity. It was considered that by opening a Vendor rather than a store itself, the Commission could supply the same service, making more revenue and offering approximately the same variety of brands as previously. Sales for the five month period last year were approximately \$72,000.00. The Falcon Lake Drugs is the Vendor in that area and the further information I have is that the Vendor will provide nine hours per week more in opening hours than was provided in previous summers so that there will be more accommodation for the public and there will be an additional profit resulting.

MR. BARKMAN: A supplementary question, Mr. Speaker. I wonder if the Honourable Minister could tell me if it is legal for the Manitoba people to get their liquor across the border from Ontario to Manitoba?

MR. MACKLING: I don't think it's proper for me to give a legal opinion on this matter. My own personal observation would be that I don't think the honourable member would be arrested if he were to do that.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I wish to direct my question to the First Minister. It's the same one I posed to the Minister of Municipal Affairs. Has the Fish Marketing Board provided the Government of Manitoba with any figures or statements showing that it is uneconomic to establish the fish processing plant in Selkirk?

HON. ED. SCHREYER (Premier)(Rossmere): Mr. Speaker, I understand that the question has been taken as notice which I regard as proper procedure. The answer will be provided in due course.

MR. PATRICK: Mr. Speaker, I have another question, a subsequent question. Has the Government of Manitoba made any studies respecting cost and benefit of locating the fish processing plant in Selkirk?

MR. SCHREYER: I believe that's a fact.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, a supplementary question. Would the Minister table that study?

MR. SCHREYER: I believe a similar request was made a few days ago and is under advisement by the Minister.

MR. MACKLING: Mr. Speaker, my honourable colleague, who is also a brother in Law, has indicated to me -- (Interjection) -- No, I have lots of brothers in law - has indicated to me and this may well be right, that if the honourable member was going to consume the liquor in Ottawa that would be a different matter. However, if he were going to bring it back for consumption here I would advise him to consult his own solicitor.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. BUD SHERMAN (Fort Garry): Mr. Speaker, I'd like to direct a question to the Honourable First Minister and ask him whether the province has discussed with officials of the City of Winnipeg any initiatives for obtaining the 1978 British Commonwealth Games for Winnipeg or for this province?

MR. SCHREYER: There have been no formal discussions to my knowledge, Mr. Speaker.

MR. SHERMAN: Well, could I ask a supplementary, Mr. Speaker, and I ask the First Minister whether it's his intention or his government's intention to undertake any initiatives in that direction.

MR. SCHREYER: Mr. Speaker, the matter I'm sure will be considered between appropriate representatives of the Government of Manitoba and the City of Winnipeg at some future date.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I'd like to direct a question to the Honourable Minister of Transportation. Has the Minister received any requests by municipalities that certain provincial roads be turned back to the municipality?

HON. JOSEPH P. BOROWSKI (Minister of Transportation)(Thompson): Mr. Speaker, I receive those requests periodically.

MR. FROESE: A supplementary question then. Is favourable consideration being given to this and will certain roads be turned back?

MR. BOROWSKI: No favourable consideration has been given.

MR. SPEAKER: Orders of the Day. The Honourable Member for Roblin.

ORDERS OF THE DAY - MOTIONS FOR PAPERS

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, I move, seconded by the Honourable Member for Swan River that an Order of this House do issue for a Return showing: 1. The number of complaints received by the Superintendent of Insurance during the period January 1st, 1968 to December 31st, 1969, in the following categories: automobile; life; fire; and other.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Minister of Finance.

HON. SAUL CHERNIACK, Q.C. (Minister of Finance)(St. John's): Mr. Speaker, I would like this to be stood for the next Private Members' Day.

MR. SPEAKER: Stood till Friday. Committee of the Whole House?

MR. PAULLEY: Yes, Mr. Speaker, would you call that order. The Honourable the Attorney-General would move the motion.

MR. MACKLING: Mr. Speaker, I move, seconded by the Honourable Minister of Health and Social Development that Mr. Speaker do now leave the Chair and the House resolve itself into Committee of the Whole to consider the following Bills: Bills No. 15, . . .

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

COMMITTEE OF THE WHOLE HOUSE

MR. CHAIRMAN: (Sections 1 to 6 of Bill 15 were read section by section and passed.)

MR. MACKLING: . . . unless there are objections on particular sections, this is a fairly long Bill, could we go page by page? (Agreed)

MR. CHAIRMAN: (Pages 2 to 21 were each read and passed.) Did the Attorney-General point out the amendment?

MR. MACKLING: Oh, pardon me, that's section 22, I'm sorry.

MR. CHAIRMAN: (Pages 22 to 35 were read and passed.) Page 36 . . .

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: Page 36. I would move that Section 289, subsection (2) be deleted from the bill. In moving the amendment I would like to briefly make some comments. I did touch on the section when we were in Law Amendments Committee, and I feel that we're giving too much authority, too much leeway to loan companies and too much borrowing powers, when we take a look at what some of the other financial organizations can do in the way of borrowing and then relend that same money to other organizations and people, they are much more restricted.

A few years ago this House amended the Companies Act and increased the borrowing powers from 12 1/2 to 15 times the amount of its unimpaired paid up share capital in reserve that they may borrow. Now we have another request to increase it from 15 to 20 times. I think we're going too far in this direction, at least if we compare it with some other legislation that is before us. I would refer honourable members to Bill No. 37, which is the new Credit Unions Act that was just tabled the other day and we find the borrowing powers for credit unions under the new act will be the same as under the previous act, that if a board or a credit union passes a resolution they can borrow 25 percent of their share capital in reserve. Upon the endorsement of the annual meeting by a certain majority they can increase that to 50 percent. That is the restriction that we're placing on credit unions. And compare that with the Companies Act, we find that the Companies Act will give them 40 times the power that we're extending to credit unions in connection with borrowing. Credit unions will only be allowed to borrow 2.5 percent of the amount that a loan company can borrow. Mr. Chairman, this is too big a differentiation and I certainly will not go along with it.

For these many years we've urged members of the government side when they were in opposition defending the small people against the loan sharks. Now we find that they're in office and they're going to give them even much greater power than they had before. We know what loan companies are charging, and we also know that certain finance companies are being owned by the bank. If the banks refuse them a loan they send them to the loan company and in this way they can charge double the rates of interest if they so desire, and this is what's going to happen. We're going to have, and we already have, further restrictions being placed on the people of this province and this country by the banks. Loans are harder to get, and this will mean that more people will have to go to the loan companies which come under this particular Companies Act. Therefore I maintain that we're giving these people, these companies too much rope and I for one will not go along with it. I feel that if we're going to extend this privilege to the loan companies certainly we should be willing to do much more to the credit unions of this province which are people-owned institutions, which are owned by the people, to supply themselves with the necessary cash and with the necessary loan facilities that they are able to bring about through that type of organization. I take exception to the differentiation and the discrimination actually what it amounts to that this government is putting on the credit union movement as compared to the loan companies.

MR. CHAIRMAN: The Honourable Minister of Health.

MR. TOUPIN: Mr. Chairman I'd like to ask this question of the Honourable Member for Rhineland: Don't you think that the maximum allowable under the Credit Unions Act which is 50 percent of your share capital savings and the surpluses of the society is somewhat low; and don't you agree - in my second question - that so far as 289 (2) is concerned this is subject to the approval of the Minister and there is a stipulation there "which shall not be given unless recommended in writing by the superintendent."

MR. CHAIRMAN: Does the Member for Rhineland have his motion written out for the clerk?

MR. FROESE: Yes. In answer to the question put by the Honourable Minister of Health, certainly we know that there is a condition in the Companies Act in this section which requires the recommendation of the superintendent, but we have yet to hear that any recommendations or any requests have been denied so far in committee, no suggestion was ever made that requests had been denied or that they were not acceded to, so I only take it that whenever a request is made that they're being given.

Then too, we find under the Credit Unions Act, which he referred to as well, that from here on the share capital of credit unions will be reduced very very substantially. What the new act proposes is one share per member and one share is \$5.00; so in the credit union, the one I've been representing for many years which has a membership of over 5,000 with assets over \$9 million and who had a share capital of roughly 8 million up till now, will only be

(MR. FROESE cont'd) allowed to have 25,000 of share capital. It's peanuts, it's a very small amount, and certainly we're placing the Board of Directors in a credit union in a very very poor situation when they're robbed of the financial support of an organization which they have to administer.

MR. TOUPIN: Mr. Chairman, I'm sorry, I would just like to make a statement on the comments made by the Honourable Member for Rhineland. You are right when you say that the proposed amendment to the Credit Unions Act will limit the shares of the credit unions; but when we say the borrowing power of a credit union is 50 percent of the share capital savings and surpluses of the society, this includes even the term deposits that will be considered as an asset for the - well, not an asset - well yes, an asset of all the societies - 50 percent of the shares whether there's \$5.00 or \$25.00 savings, and surpluses of the society. But the question that I asked, don't you feel that the amount allowable under the Credit Unions Act is much too limited now?

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. CHERNIACK: No, I want to ask something and the Honourable Member for Rhineland could deal with both. The honourable member did in his main speech refer to the discrimination, and I'm asking whether he would be satisfied if the Credit Union Act or bill that's before us will in due course be amended to give it similar rights. Is it the rights he objects to or the fact that there is a discrepancy between the two; and it's not acceptable only because of discrimination would the correction in his mind be in the Credit Union Bill rather than here? Secondly, I heard him say that there's no report that any requests to the superintendent have been denied. I wasn't at committee but I'd like to know if the question was asked whether or not they had been denied and whether the question that was asked whether or not they had been approved, because the honourable member makes an assumption that since they were not told that there were any denied then everyone must have been approved, and I don't know the answer, I'd like to know if he does.

MR. FROESE: I put certain questions to the Minister at the time that I moved that motion. I don't know whether I posed a particular question whether any had been denied or so, I don't recall. Maybe the -- the Attorney-General says no, so I take his word for it that I didn't. But I did raise the question about allowing the loan companies to borrow that much when we were denying those very rights from the credit unions.

I will accept the Finance Minister's suggestion to amend the Credit Unions Act; but I think what we need in the Credit Unions Act much more is to revert back to the provisions in the old act whereby the credit unions can retain that share capital, because they're being put in a very vulnerable position by reducing the share capital to the extent that the Act proposes. I certainly will oppose it very very strongly when we get to second reading and discussing it in committee as well. Certainly the differentiation that we are making between the two bills and between the authority that is given to the two types of financial institutions is much too wide.

MR. CHAIRMAN: The Honourable Attorney-General.

MR. MACKLING: Mr. Chairman, when the honourable member raised the question in committee, I indicated at that time information that I had that really the section, the amendment that is suggested, was one that had been included in a number of suggestions that had been made and prepared for amendment at a previous sitting but the legislation died on the Order Paper when the House was dissolved. But the fact of the matter is that what this intends to do, the intent of this legislation is to put loan companies in Manitoba in a position to compete on the same terms as loan companies in other jurisdictions. Now I indicated to the honourable member that the Federal Government has already made this permissive legislation and the Province of Alberta has already done so. Now it seems to me in an area like this my honourable member would suggest we're damned if we do and we're damned if we don't. He would criticize if loan companies here I think, or lending institutions here were frustrated from competing favourably, including credit unions, and I think that the argument that he makes in respect to credit unions is an argument to be made when we're dealing with credit union legislation. But I think if he wants to be fair then lending institutions comparable within the province with lending institutions elsewhere in other jurisdictions should reasonably have the same provisions. Now this legislation isn't a carte blanche. When he reads the section he will know it; that it's still 12 1/2 times, unless it's agreed to in writing by the superintendent, and further that it is subject to the approval of the Minister. Now there's ample safeguard here;

(MR. MACKLING cont'd) there's ample precedent in the other jurisdictions and when we're dealing with credit union lending flexibility then we deal with that when we're dealing with credit union legislation. It seems to me that we ought not to be suggesting we discriminate against one section when we're dealing with that whole area of their operation.

MR. FROESE: Mr. Chairman, I still maintain that we are discriminating whether we want to call it that or not. I certainly would not take exception if we left our legislation in connection with The Companies Act, particularly this section, as it is, even though we don't go along with other provinces in extending them the same privileges that other provinces do. I feel we are giving them too much power and . . .

MR. MACKLING: Is the government of Alberta wrong?

MR. FROESE: Yes, in this case, definitely. I'm able to think on my own and I certainly will put forward propositions in this House that I feel that are right, therefore I will not be guided by other administrations and matters where I feel that they're not doing the proper thing. So when I made this suggestion and this motion that this be deleted, I mean it.

MR. CHAIRMAN: The Honourable Minister of Transportation.

MR. BOROWSKI: I would just like to say a couple of words on this. You will recall I did vote with the Member for Rhineland in Law Amendments. It's seldom that I agree with his funny money philosophy but in this particular case I did because I remember all too well what happened to the shareholders of Prudential and Atlantic Acceptance, and they're still suffering as a result of the collapse. I don't think that you can compare these companies to banks and give them the same type of privileges because they simply aren't controlled and don't have the record that the banks have.

However, when I supported the Member for Rhineland I didn't have the bill in front of me and didn't realize that there was two safeguards built into the Act, and one that it has to have the approval of the Minister, and then the second safeguard is, "which shall not be given unless recommended by a superintendent". So we have two safeguards built in here and because of that I'm sorry that I'm going to have to abandon the Member for Rhineland.

MR. FROESE: Mr. Chairman, I am sorry that the Honourable Minister is not going to support me in my amendment that I am proposing. I recall, too, some of the discussion that did go on in committee and that they mentioned that banks were authorized to lend 14 times and they were comparing it to the 20 times as is stipulated in this section. Mr. Chairman, there is a vast difference between the two financial institutions. The loan companies such as we're talking about under this Act, they have to borrow from the banks. Banks on the other hand, they create this credit; they don't have to borrow it, they create it; so that there is a very very large difference and is something that we cannot compare at all in my opinion. So that when we're restricting these loan companies we're restricting them from borrowing from the banks in order to multiply and increase their capital or the means with which they advance the various loans.

MR. CHAIRMAN: The proposed motion of the Honourable Member for Rhineland that Section 289 (2) be deleted.

MR. CHAIRMAN put the question on the amendment and after a voice vote declared the motion lost.

MR. FROESE: I don't know if I could get support, but I certainly would like a division.

MR. CHAIRMAN: Does the member have support? -- (Interjection) -- Yes, that would qualify. Call in the members. On the proposed motion of the Honourable Member for Rhineland that Section 289(2) of Bill 15 be deleted.

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

YEAS: 6; NAYS: 40.

MR. CHAIRMAN: It appears that it's defeated.

Section 289 (2) -- passed. -- (Interjection) -- Oh sorry we're going by page then.

(The balance of Bill No. 15 and Sections 1 and 2 of Bill 18 were read and passed.)

MR. CHERNACK: Mr. Chairman, is there any objection to this being done page by page?

MR. WALTER WEIR (Leader of the Opposition)(Minnedosa): No, Mr. Chairman, not from us.

MR. CHAIRMAN: Page by page? (Agreed)

MR. CHAIRMAN: Page 1--passed; page 2--passed; . . . The Honourable Minister of Cultural Affairs.

HON. PHILIP PETURSSON (Minister of Cultural Affairs)(Wellington): On Page 2 in Section 2 at the top the term "Minister" in two instances appears to me to be used in a different

(MR. PETURSSON cont'd) context than what is set out in the definition. The definition reads "Minister means the member of the Executive Council designated by the Lieutenant-Governor-in-Council as the Minister charged with the administration of the Act." In that Section 2 on who may solemnize marriages, it says "if duly authorized as herein, provided a person 21 years of age or more who is a Minister, a clergyman, a rabbi" and so on. It appears to me that the definition does not apply, that definition for a minister does not apply in this particular context.

MR. CHAIRMAN: Will the Minister of Finance answer that?

MR. CHERNIACK: I'm just wondering if there's question of a capital "M" missing somewhere.

MR. PETURSSON: There are no capital "M's" shown anywhere.

MR. CHERNIACK: I'm just wondering, this is a new thought, but since the Chairman noticed that I was standing and speculating about it, it just occurs to me that possibly a capital "M" appears in the Act when they refer to the Minister of Government, and I'm wondering if this would be an occasion to call in the Legislative Council.

MR. CHAIRMAN: I really don't wish to disrupt the member's thought but it would seem that in this instance it is referring to religious persons rabbi, clergyman, minister, I cannot . . . The Honourable Minister of Labour.

MR. PAULLEY: I wonder whether it would serve the purpose - and I appreciate the remarks of the Honourable Minister of Cultural Affairs - whether it would be acceptable with the inclusion of the words "who is" following the word "minister", that is "a minister who is a clergyman." Now I don't know if there's a difference between a minister who is a clergyman and otherwise. This might be the solution by a simple amendment, although as my honourable friend, the Minister of Finance, indicates it may be advisable just to hold this for the time being until Legislative Council is here.

MR. CHAIRMAN: . . . Legislative Council. I might direct . . .

MR. PAULLEY: But I do make that suggestion, "a minister who is a clergyman". I think that's a general . . .

MR. CHAIRMAN: On Page 1 there is a definition under 2(d) and that the minister, small "m", does refer to a member of the Executive Council so the Minister of Cultural Affairs would seem to have a good point there. Should we proceed to another bill or hold it?

MR. PAULLEY: I wonder, Mr. Chairman, whether we might hold Bill 18 just for the time being and go on to Bill 24 pending the arrival of Legislative Council.

MR. CHAIRMAN: Bill 24. Is that agreed? (Agreed) The Honourable Member for La Verendrye.

MR. BARKMAN: Mr. Chairman, before you go on, on the same bill, Bill 18 on top of Page 2, it might be just as easy now to mention that perhaps the person 21 years of age would now be 18, would it not?

MR. PAULLEY: No, I suggest that could be changed, or would be changed when the Age of Majority Bill comes in. I would imagine that that bill may supersede this bill and I would suggest that arrangements might be made - that might be the order of the day. In any event, possibly my honourable friend the Member for La Verendrye could ask Legislative Council when he does arrive.

MR. CHAIRMAN: (Bill 24 was read section by section and passed,) (Sections 1 to 5 of Bill 32 were read and passed.) The Honourable Member for Morris.

MR. JORGENSON: You stated that there was one section, subsection 3 of section 2 "as amended" passed? I didn't hear any amendment from anybody. I was wondering just what you meant.

MR. CHAIRMAN: I am not clear on your question.

MR. JORGENSON: When you were going through the list I think you said subsection 2, section 3 "as amended"; was there an amendment proposed or . . . ?

MR. CHAIRMAN: I was attempting to refer to Section 2 and the portion of it which reads "subsection (1) of Section 3 amended" and then referring to that section.

(The balance of Bill 32 was read section by section and passed.)

MR. CHERNIACK: Mr. Chairman, go back to Bill 18.

MR. CHAIRMAN: Bill 18, an Act to amend the Marriage Act. The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Chairman, I've had an opportunity to speak to the Legislative Council who according to our rules cannot speak to the committee apparently, so I will indicate

(MR. CHERNIACK cont'd) what I understood him to say, and at least I know I'll get a nod or a shake of the head if I don't properly interpret what I understood him to say. He informs me that this is an amendment to the present Act, that this point that has been raised by the Honourable Minister of Cultural Affairs is in the present Act and has been all along, where the word "minister" is used in two different contexts and assumes two different meanings. He says there's never been any trouble about it because according to his interpretation - and I don't know, is that in the interpretation of the Statutes Act? - the definition is to be given the meaning in the context in which it appears. He is satisfied that the context in which it appears makes the clear distinction as between a minister of the Crown and a minister of the church or a minister of religion, and we asked him quickly whether it would be possible to make a quick change of clarification because it was suggested and he said, "oh no, because that would mean going through the entire existing statute, not just the amending one but the existing one." He feels that there is no real problem created and that it would be a rather large task to bring in all the amendments that would be required if he accepted my suggestion which was to put a capital "M" for one to distinguish it from the other. He didn't object to my suggestion but he did say that that would be a very large task.

So that my own suggestion, Mr. Chairman, is that we approve it as it is bearing in mind that the Legislative Counsel has heard of the problem and has considered it and possibly for the next session he may come up with some suggestion or otherwise; but I rely, as I think this committee can, on his assurance that firstly, it has never created a problem, it's been in the Act for a long time; secondly, he is satisfied that the context determines the correct definition -- and he's finally nodding his head, he hasn't nodded it until now -- so I better sit down while I'm ahead.

MR. CHAIRMAN: Page 2-passed; The Honourable Minister of Cultural Affairs.

MR. PETURSSON: The Legislative Counsel also suggested that where the word "minister" is used with "the" in front of it, that is "the minister" rather than as in the passage to which I referred "a minister" that that would indicate that it is "the minister" of the Crown. But on Page 5 in Section 12 where it is suggested that the words "the Lieutenant-Governor-in-Council" be deleted and the word "minister" be substituted, we don't have that indication that it is "the minister" but it could be "minister" without any further reference as to what his office is. Whether that would be minister of religion or "the" minister.

MR. CHAIRMAN: The Minister of Labour.

MR. PAULLEY: I suggest to my honourable colleague in that context that within the jurisdiction of the Lieutenant-Governor and the purpose here is to delegate from the Lieutenant-Governor to a Minister of the Crown rather than the Lieutenant-Governor-in-Council through Order-in-Council, so I don't think there's any problem there.

MR. CHAIRMAN: (The balance of Bill 18; Bill 35; and Sections 1 to 14 of Bill 40 were read section by section and passed.) The Honourable Member for Rhineland.

MR. FROESE: Under 15, the section dealing with tariff of fees, is this a new power that we're delegating to the Executive Government Organization Branch? The other question I have is, does this mean that from here on any new Bills that may be passed could delegate the matter of fees and the taxing powers? Does it mean that this will no longer be required in Bills separately and that the power is all vested in the Lieutenant-Governor-in-Council by this Bill?

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Chairman, the honourable member will note that The Provincial Secretary's Act is being repealed and the Legislative Counsel informs me that Section 15 is identical with the section appearing in The Provincial Secretary's Act which of course will be repealed by this Act, and therefore there's absolutely no change from the present.

MR. FROESE: Mr. Chairman, I thank the Minister because I have The Provincial Secretary's Act before me with that particular section and it has different wording, and I was just wondering whether there was any real difference involved between the two sections.

MR. CHERNIACK: I am informed by the Legislative Counsel the answer to that is no, there is none.

MR. CHAIRMAN: (The balance of Bill 40 and Bills 41, 42 and 51 were read section by section and passed.) Bill No. 54 -- The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Chairman, I just perhaps want some clarification and maybe the Minister can explain at this time. It has to do with provision (1) of Section 36 of the Bill

(MR. PATRICK cont'd) where the section is repealed or deleted, and I could quote the part that's deleted . . .

MR. CHAIRMAN: Is the member referring to Page 6?

MR. PATRICK: I'm referring to Page 1.

MR. CHAIRMAN: Page 1.

MR. PATRICK: Yes, that section that's deleted, so if it is deleted that's the one that there's no appeal. Decisions of the Board or of the Commission are final and there's no appeal, so if this is so and it is deleted from the Act, does it mean, or is it still possible to appeal somewhere? This is my question. For instance, if the Commission does take a licence away from somebody, can this person appeal to someone? And I want to put this question. What will the appeal procedure be? It's all very well to take Section 32 out of the Act, but what has been put in to provide a reasonable procedure for appeal. Would the appellant have to take some extraordinary measures to the courts? Is it very complicated and expensive, or will there be some reasonable procedure for taking appeal from decisions or the acts of the commission or the licensing board. This is the question I would like to know.

I would also like to know if there is an appeal procedure in this present Bill that's amending the Act. Would this prevent, or would it prevent a complaint to the Ombudsman, because as I understand under The Ombudsman Act, Section 18, I believe, of the Ombudsman Act indicates that the Ombudsman is not authorized to investigate a complaint where there is a right of appeal for objection or a right to apply for a review on the merits of the case by the courts. So this is a very important point, Mr. Chairman, in this whole thing.

This Bill also goes on to indicate that in a very special case the Ombudsman could still hear the complaints but, generally speaking, it prevents the Ombudsman hearing a complaint where there is a right of appeal. So if we are removing Section 36 from the Act and if that means there is going to be a right of appeal, will this permit complaints, or allow complaints still to be taken to the Ombudsman, because, as you know, in the Ombudsman Act it definitely states if there is a place or provision for appeal you cannot take a matter before the Ombudsman. So I would at this time like the Minister to explain before we proceed.

MR. CHAIRMAN: The Honourable Attorney-General.

MR. MACKLING: Well, I thought that the honourable member was dealing with subsection (3), or section 3 of the Bill, but that doesn't deal with the matter that he was talking about. Subsection (3) deals with the repealing of subsection (1) of section 36, and subsection (1) of section 36 deals with meetings of the Board, annual meetings and sittings of the Board. I think the subject matter he wanted to deal with was in respect to section 2. If that's so, then I'll just -- I'll deal with that. The present section now places all licences under the jurisdiction of the Licensing Board and the repeal and substitutions will place suppliers to the Commission under the jurisdiction of the Commission, which deals with them anyway, but leaves licencees who serve members of the public under the Licensing Board as has been the normal practice. That's the explanation that I have. It's really a rather technical thing.

MR. PATRICK: . . . not repealing the section and I'll quote the section that I believe you're repealing: "Every action, order or decision of the Commission as to any matter or thing in respect of which any power, authority or discretion is conferred on the Commission under the Act is final and not subject to appeal". Is this not the part that you're taking out of the present Act?

MR. MACKLING: Let me just look. I'll just look at the Act as it now reads. You're dealing with 35, section 35 in the Act as it now is, and Section 2 of the Bill. Do I understand you correctly? Maybe you have the old Act or . . .

MR. PATRICK: I haven't got the old Act in front of me, no.

MR. MACKLING: The Revised Statutes?

MR. PATRICK: Yes.

MR. MACKLING: As I indicated, my notes, I think, provide the answer that the repeal and substitution would place suppliers to the Commission under the jurisdiction of the Commission which deals with them anyway. It leaves the licensee who serve members of the public under the Licensing Board as had been the normal practice.

MR. PATRICK: So, Mr. Chairman, the decision of the Board is still final; there's no appeal. Is that correct?

MR. MACKLING: It's the same as it was before.

MR. PATRICK: The same as it was before?

MR. MACKLING: All it does, as I indicated, was -- (Interjection) -- Oh no it hasn't been changed at all.

MR. CHAIRMAN: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Chairman, I feel there perhaps should be an appeal, because I wonder -- maybe the Minister can give us his opinion why there shouldn't be, but in my own opinion I think that we are dealing with such important issues and important measures, maybe it shouldn't be the decision of the Board to cancel somebody's establishment or licence for establishment or close any operation; perhaps maybe a fine or some other measures could be taken instead of using the liquor as a tool to, you know, do the policing. Maybe the Minister can explain.

MR. MACKLING: Well, Mr. Chairman, the whole purport of the licensing provisions under the Act is to provide a control over the manner in which licensed beverages are sold to the public. If the control over the licensing and the control over licensed premises is taken away from the Commission then you destroy the basis for the maintenance of a body of authority dealing with the licenses. The whole spirit of the Act as established by the former Bracken Enquiry Commission was that dispensation of liquor has to be very closely and properly controlled and it's recognized not as a right to anyone to be able to get the authority to sell liquor, it's a privilege that is accorded to anyone providing they satisfy the requirements of the Act and can satisfy the Commission as to their ability to conform to all the requirements and standards that are provided by the Act and as interpreted by the Commission. Now that's the whole sum and substance of the principles that underlie the Act.

If you want to amend those sections, you can take away the whole basis of the Act and it's just not as simple as that. It's not a matter for the courts to expand on a question of right; it's a privilege that is granted, it's not a right; it's not a right that you and I have to have a license; it's a privilege that we can have if we subscribe to the standards as laid down. Now it may be that, you know, one day we're going to say that it shouldn't be a privilege any more, it should be a right; but the whole intent of the Act as it's now constituted is that it is a privilege. Now it may be that one day, and I've indicated when I talked in this House on some aspects of liquor legislation, it may be that the whole Act should become the study of a legislative committee or at least some body to decide whether or not any of the basic principles in the Act should now be reviewed; but it is a basic principle of the Act that the Commission shall grant licenses and there will be no appeal to a higher body in respect to that licensing which is a privilege.

MR. PATRICK: Mr. Chairman, the point that I wish to raise at this time, I don't think any legislation is good legislation where there's no course for appeal. I feel there must be appeal; I'm sure that the Minister will agree with me in that respect that there should be some appeal. If he feels that there should be some more study undertaken in respect to the Liquor Act I would hope that he will in due course do so, because I think it's an area that we have to look at. In my own personal opinion, I think that there should be an appeal in respect to decisions of the Board or the Commission.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, on this point, I'm not too familiar with the Liquor Act as such, but I had a party approach me the other day who had applied for a license and a hearing was held and they were refused a license. This puts this particular party in a very bad position financially and also because he's invested considerable monies in renovating his premises. I feel that this should be a right to get this license and that only if they do not abide by certain rules that they then be denied. In this particular case, too, they're right next to the highway and this is where the tourist trade is passing by and they've renovated their premises and actually built new premises with the expectation that this would be granted, that this would be just a matter of course, and now they find that it's being denied. I'm certainly going to see the Minister later on privately on this. This was just referred to me the other day and I feel that this should not be denied in this case. I'm not sure whether there is proper appeal in the Act for such people.

MR. CHAIRMAN: The Honourable Member for Emerson.

MR. GABRIEL GIRARD (Emerson): Mr. Chairman, I wish to agree with the Member for Assiniboia that there is definitely room for somebody to look after appeals in this case. I would like to point out to the Minister also that I would be very sympathetic to his idea that it might well be time to review the entire principle of the Act and consider the advisability of

(MR. GIRARD cont'd) having this as a right rather than a privilege.

I'd like to indicate also that we are in some parts of Manitoba facing fairly serious problems in that we have small areas, small towns with depopulating situations. Predictions are that in the next ten years or so 80 percent of our population will be in Winnipeg. They must come from somewhere, and what happens is invariably they make smaller towns smaller. The sad situation is that a person who has invested considerable sums of money, compelled very frequently by the dictates of the Commission, compelled by the dictates of a Commission to renovate, and sometimes dictated in a rather callous way without considering business potential and so on. Coupled with that, you find situations where premises are given an extension of so many years, that is that within so many years if you don't renovate in a rather lavish way your permit will simply be cancelled. A person in that position is unable to invest the - or it's uneconomical rather to invest the necessary amount to bring about the renovations recommended and that same person is put in a position where he is unable to sell the premise because of this clause that is attached to his permit, and I think that there is room for consideration in that area, room for appeal and room for a little more humanistic approach, that is more humanistic than is now taken by the Commission.

MR. MACKLING: Well, Mr. Chairman, as I indicated in my remarks to my honourable friend from Assiniboia, I didn't intend at this stage to make too long a dissertation as to the principles involved and embodied in the Act as it now stands, but nevertheless they are there and I've indicated that it's my view that in light of the considerable change in our society and the considerable variation in attitudes from generation to generation, it's been a very lengthy period of time since the Act has undergone major revision, and there's no question in my mind, but some of the matters which were enshrined as very hard principles within the present Act, and as administered by the Commission, could usefully be reviewed.

But I want to assure my honourable friend from Emerson that the working of the Act and the principles that were embodied in the Act by commissions over the years since the Act was revised pursuant to the Bracken Liquor Enquiry Commission has brought about a fundamental improvement in facilities in Manitoba. There's no question that facilities received a substantial upgrading by virtue of a technique whereby the Commission insisted on improvements being made in facilities, particularly when they exchanged hands, so that although it's been the subject of complaint and so on by individuals who have been affected in a buy-sell relationship from time to time, the over-all result for the people of Manitoba has been a very good one. There are bound to be people who feel the pinch and feel the inconvenience of the administration of hard principles within an Act, but the Act, as I understand it, was specifically loaded to give the administrators of liquor control in Manitoba the necessary power to enforce substantial standards in liquor control.

Now it may well be that some of my honourable friends say, you know, this is too harsh, it's too extreme, but I say at this stage that there is no major change in principle involved in this bill. This is basically a housekeeping measure. There is a private member's bill that is before you in second reading, and some of those amendments have some substantial changes, brings up some substantial changes to some of the principles embodied in the Act as amended by this bill. As I've indicated, I think that if even any measure of those amendments in the private member's bill are adopted, whether in toto or in part, I think that it will be incumbent upon government very soon to review the whole tenor of the Liquor Control Act with a view to determining whether or not the principles of operation that are vested in the Act now ought to be varied in any way, shape or form. But I want to assure you that from my understanding of how these principles and how the techniques have worked, they have worked to the substantial advantage of the people of Manitoba. They may be, as I've indicated, very harsh, or seem harsh or extreme for some individuals who are directly affected, but over all it's done a very good job.

MR. CHAIRMAN: The Honourable Member for Emerson.

MR. GIRARD: I might have been better advised to address the remarks I made rather to the Minister in the hope that this is not resulting in a change of the Act but rather - and not necessarily a change in the term of reference of the Commission - but rather if he could exercise his influence on the Commission so that economic climate be a consideration in their decision on regulating the renovations required.

MR. MACKLING: Well, Mr. Chairman, I must indicate to my honourable friend that I don't think that it's incumbent upon the Minister who merely reports for the Liquor Control

(MR. MACKLING cont'd) Commission to advise the Commission as to how they must interpret the Act, and I say that that isn't my understanding of what I, as the Minister who reports for the Commission, ought to do. I have made it a point of avoiding questions of interpretation of the Act for the Commission. I think that would be highly improper for me, to suggest that in certain areas they should be stronger or weaker in applying principles of the Act. That's something for that Commission to do, and if there's a change in the Act then that's something for which we collectively are responsible for. But so far as the interpretation of the Act is concerned, I'm not going to suggest to the Commission that, you know, in some circumstances they tread more heavily or more lightly or anything like that. That, I think, would be highly improper for me.

THE CHAIRMAN: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Well, Mr. Chairman, in listening to this debate, I'd just like to make a few comments. I want to say that having had some experience in dealing with the Liquor Commission and the Act, I think that, as the Minister stated, we have come a long way to improve the laws, our liquor laws of the Province of Manitoba. I wouldn't want to see them downgraded, but the point I think that the Honourable Member for Assiniboia was making, I don't think he has any quarrel with the way the legislation is at the present time.

And one other thing I want to point out at this time is that the experience that we've had in recent months with the Liquor Commission and the Chairman of the Board in the case of what has happened to some independent people, I think that's one thing, but I think that what the member here is asking for is the right of appeal in case of a decision having been made. In my opinion, if I understand it correctly, I believe that's the argument.

MR. MACKLING: No, Mr. Chairman, I think that there have been instances where individual licencees, or would-be licencees have felt that the provisions of the Act, or the standards which the Commission over the years has seen as necessary under the principles of the Act, have been too restrictive in the minds of applicants or in the minds of those who are licencees, and they rebel against the strictures of the Act. Now, I've indicated -- well this is a fact, because the major case -- and we spent a good deal of time on it here recently -- was the case of a licencee who said that their licence had been taken away and had been taken away unfairly, but the fact of the matter is that that licencee was rebelling against acceptance of certain standards which the Act, and the Commission in interpreting that Act, had insisted upon with every other licencee. That particular licencee said, "these restrictions we can't live with" -- and maybe they could, maybe they can't, but they were able to live with those restrictions or those qualifications in another location -- but they were rebelling and saying the Act must be changed or the Commission must accept a different policy in order that we operate. The fact of the matter is that the Commission, interpreting the legislation as it now stands, was doing nothing different than what's been going on for years.

Now I suggest that if the standards in the Act are to be changed, then you and I and all of us collectively will make those changes, but it's not really going into the merits of the whole Act to suggest that you can open it up by allowing some other organization, some other body, a court, to make decisions fundamentally that have to be made by this Legislature. The fundamental decisions that have to be made are whether or not certain strictures in respect to the permission of the sale of alcoholic beverages are to be made. It's not something that we ought to delegate to the courts or to some other body, it's something for which this Legislature is responsible. The previous Legislature had seen fit to embody a restriction on licensing and dispensation of alcoholic beverages in accordance with that Act, and so it's not just a matter of just making some slight change in the working of the Commission, there's a fundamental principle involved that we can't just delegate. I trust that that explains a bit more fully the reason why I don't readily agree that some small change should be made here.

MR. CHAIRMAN: The Member for Rhineland. Just before the member continues, it seems to be that discussion is revolving around Section 39 -- is that so? -- which is not being amended and consequently it would seem to me that some of the discussion is not in order.

MR. FROESE: Well, certainly it doesn't matter whether we are amending it or not, it's certainly in order to discuss it.

MR. CHAIRMAN: Well, under what terms would you be discussing it?

MR. FROESE: It opens up the whole Liquor Act when we discuss an amending bill.

MR. CHAIRMAN: The Minister of Finance. The whole bill is not . . .

MR. CHERNIACK: The House Leader has asked me to look after the store from this side and frankly I don't feel that I am competent really to discuss this issue, but it does occur to me that since you're doing it either section by section or page by page, then unless a member brings in a motion to insert a clause or delete a clause, then there's no subject before you until you reach the stage "bill be reported," then it seems to me that could be discussed. And really looking across to the Leader of the Official Opposition because I would appreciate his viewpoint, it's just occurred to me that my suggestion is right.

MR. WEIR: Well, Mr. Chairman, my impression of the rules would be that the Minister of Finance is technically correct. At this stage of our discussions we've been in the habit where the goodwill is such that we are going page by page, and essentially, talking about broader principles, as long as we just discuss it once, I don't think it really matters at which point we discuss it, whether it be at this stage of the game or whether it be at "bill be reported." Technically, I would think that the suggestion you made would be the accurate one, but with the mood and the spirit that we have at third reading on relatively non-controversial subjects, I think experience would dictate that we've allowed it almost wherever it seemed most advantageous.

MR. CHERNIACK: Mr. Chairman, in the same vein, may I suggest that when this discussion ends, then the next time it may start again, I may well ask that you not accept it for further discussion.

MR. CHAIRMAN: I would simply remind members that we started out - the Member for Assiniboia started out on Section 3 and that referred to section 36 of the Liquor Act, and somehow or other we have shifted on to Section 39 and I do not feel that a discussion on Section 39 is in order. There's a certain latitude of course in our discussions, but the entire Liquor Act is not in fact being discussed but only these amendments or changes in the Act in Bill 54, so I do not think a wide-ranging discussion would be valuable at this time.

MR. FROESE: Mr. Chairman, the Member for Assiniboia questioned certain sections. The Attorney-General then got up and Section 2 was discussed. The questions that I'm discussing right now has to do with Section 2, which has the control over certain licences, and I question them in connection with a request that was made for a licence and that had been denied. This is the very point that I was discussing. I certainly maintain, Mr. Speaker, that I'm quite in order in discussing this point because this was a request for a new licence and these people had not only renovated but are putting up new premises. They felt that they had done everything, met all the requirements, and now they find that they are denied a licence. This is why I raise the matter and the complaint, and I do feel that in situations of this kind that greater consideration be given and that they not just receive a cold shoulder, that they receive a proper hearing. Certainly I would advise this party to request a re-hearing, as is mentioned in this particular section, and therefore I brought it to the attention of the Minister in the first place.

MR. MACKLING: Well, Mr. Chairman, I hesitate to reply to that because I don't want to extend debate unnecessarily, but the fact of the matter is that the Commission is there to interpret the Act, to consider applications in accordance with the principles of the Act, and take all factors into consideration. No one has the right to demand that simply because they intend to build a hotel or put up a place where they think that they can usefully dispense liquor that they have a right to dispense liquor, because in some circumstances there's someone who has been accorded a licence who's made substantial investment, and if there was a proliferation of licences in a certain area then the existing licencees would be terribly unhappy.

So I can't panic at the thought that perhaps the Board in some instances has denied a licence. I would reject out of hand the suggestion that the Board hasn't properly considered the applications that have come before them. I think that the Board is acting within the spirit and the principle of the Act, and if a particular applicant is denied, I'm sure that there are valid reasons for it. I don't have anything to do with the applications that come before the Liquor Control Commission. I have no right to rescind or to change decisions of that Licensing Board. I am not a Court of Appeal. It's an executive act. They can re-apply immediately, and if they feel that for any reason that the licensing authority is following any principle which is wrong or there's some malice or some ill-will, they certainly can go to the Ombudsman and that's one of the reasons why the Ombudsman was appointed. But so far as an appeal to the Minister, I certainly don't interfere in any way, shape or form with the work of the Liquor Licensing Board, not at all.

MR. FROESE: The Member for Assiniboia raised the matter of whether there were proper appeal sections in the Act and whether the machinery was there to make appeals. This is I think where the discussion came from.

MR. EINARSON: Mr. Chairman, if I may direct a question to the Minister. Is he saying that the Chairman of the Liquor Commission is not responsible to the Attorney-General? Just to clarify that point.

MR. MACKLING: Mr. Chairman, the Chairman of the Liquor Control Commission reports to the Attorney-General. In the event that the Chairman of the Liquor Control Commission for some reason or other, or the Liquor Control Licencing Board, are apparently doing things which are completely wrong and not in accordance with the Act, then it's within the purview of the Lieutenant-Governor-in-Council to replace the Chairman or members of the Board, but the Chairman and the members of the board are not accountable day by day of the executive decisions they make. I am not an overseer of the particular things they do. I report for the Commission.

MR. CHAIRMAN: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Chairman, I think that we would have been off this bill quite some time ago if the Minister would answer if there are any machinery or any mechanics for an appeal. -- (Interjection) -- There's not.

MR. MACKLING: I indicated, Mr. Chairman, some many minutes ago, that there is no change in the present Act. The Act before us, Bill 54, makes no change in fundamental principles of the Act, of the existing Act, and one of the fundamental principles of the existing Act is that a licence is a privilege that is granted by executive act by the Liquor Control Commission and its Licensing Board.

MR. CHAIRMAN: The Honourable Member from Morris.

MR. JORGENSON: Mr. Chairman, I do believe that there is a point here that the Minister should consider. Very often the application for a licence that appears before the Board is on the recommendation of an inspector, and as the Member for Emerson has pointed out, there are occasions where the inspectors seem to think that in some of the rural parts of Manitoba that they require veritable Taj Mahals in order to serve beer and wine. I am not opposed to the Liquor Control Board maintaining certain standards of cleanliness and regulations that comply with the Department of Health, etc. But I know of one occasion where specifications were laid out, the owner had complied with them, and when the inspector came out the second time he found several other little things that hadn't been contained in the original specifications and asked that they be complied with, and when he came back the third time, again there were further specifications and he continues to use his authority as a person who is going to tell the hotel owner just how much money he is going to spend before he can get a licence. It seems to me that they take a delight in abusing that privilege they have as inspectors. I think the point that was made by the Member for Emerson was simply that a little bit of common sense be used in the determination as to what constitutes proper compliance with the regulations, and particularly in some of the outlying areas of this province.

MR. MACKLING: Mr. Chairman, I think that one of the criteria that I accept wholeheartedly is that the persons who exercise authority ought to exercise that authority with a full use of their God-given common sense, and I assume that over the years this has been the practice. I would also assume that from time to time human beings what they are can make mistakes. I don't think we live in a perfect society, and if one of the honourable members were to tell me that at one stage at some time some person in authority seemed to exercise that authority in an unreasonable manner, I would say that's probable, but it's certainly - it's certainly, Mr. Chairman, not the wish, the will or the pleasure of the Liquor Control Commission, that the Act, or the interpretation of the Act or the policy that the Liquor Control Commission follows, works with any discriminatory effect on any persons, that the Act and the provisions are determined and applied in a fair and reasonable manner to all persons.

I've indicated - and I don't know whether the Honourable Member from Morris was in the House when I was commenting on the fundamental principles on the Act and how they had been interpreted to maintain and in some cases to provide an upgrading of facilities - but as I've indicated in the course of the discussion, the Act and the principles that are enshrined in it have had the result that throughout Manitoba we have very high standards. Now in some instances, as I've indicated, there may be people who feel that an inspector or the Licencing Board are too demanding in their requests, and it may be, it may be that that has occurred

(MR. MACKLING cont'd) from time to time. I wouldn't say that that's impossible, but certainly the intent of the present Liquor Control Commission and the Licensing Board is not to discriminate in any way, shape or form against individuals but to maintain the highest possible standards in keeping with the fundamental principles of the Act.

MR. JORGENSEN: The one way that this could be ensured then is the right of appeal, and this is simply the suggestion that was made by the Honourable Member for Assiniboia. Now the problem is that the only course of appeal that the owner of a premise has today is to the same inspector who turned him down in the first place, and if there was an opportunity to appeal to someone other than the same person who was judge and jury, then I think the matter would be resolved.

MR. MACKLING: No, Mr. Chairman, the appeal isn't to the same person. The inspector interprets what he sees and there is a report, and then the individual licensee appears before the Licensing Board and so the Licensing Board determines on applications, renewals and so on, not the licence inspector. He does a factual, fact-finding job, observing and making comments, but the applicant himself, or the licensee himself does appear and present his case and argue his case before the Licensing Board. The inspector isn't the judge and jury alone, not at all.

MR. JORGENSEN: . . . with his recommendation.

MR. MACKLING: Well, they take that into consideration.

MR. CHAIRMAN: (Bills Nos. 54, 57, 58, and Sections 1 and 2 of Bill No. 59 were read section by section and passed.) The Honourable Member for Rhineland.

MR. FROESE: Was Section 1 not also amended?

MR. CHAIRMAN: I don't have any amendments. The Minister of Youth and Education.

MR. FROESE: I think the Minister amended Section 1 by deleting school in the (d)(1) Section.

MR. MILLER: Section 2.

MR. CHAIRMAN: Are you referring to Section 2 (9)(1)? I said "as amended." (The balance of Bill No. 59 and Bill No. 60 were read section by section and passed.) BILL NO. 69, Section 1 -- The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, on Section 1, I do not want to propose an amendment, but I just want an assurance that bound copies of the regulations will be made available to all members. Here it says "will be available". I don't think "available" is what we want as far as members are concerned; I think we want to have them definite. -- (Interjection) -- That's 1 (a)(b).

MR. MACKLING: Mr. Chairman, there's no change contemplated here in any of the proceedings or any provisions that had existed heretofore. On the contrary, in respect to making Regulations available, I've indicated that it's announced policy that ~~the~~ Regulations will be revised and consolidated in the manner in which the Revised Statutes were, and far from frustrating the search of Regulations, we will make it much easier. But there's no change. The amendments that are sought here don't make any change in the supply of Regulations to previous members.

MR. CHAIRMAN: (The balance of Bill 69, and Bills 27 and 28 were read section by section and passed.)

MR. PAULLEY: Committee rise and report.

MR. CHAIRMAN: Committee rise. Call in the Speaker. Mr. Speaker, the Committee has considered Bills Nos. 15, 18, 24, 32, 35, 40, 41, 42, 51, 54, 57, 58, 59, 60, 69, 27 and 28 and wish to report the same without amendment.

IN SESSION

MR. RUSSELL DOERN (Eimwood): Mr. Speaker, I move, seconded by the Honourable Member for Kildonan that the Report of the Committee be received.

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

BILLS NOS. 15, 18 and 24 were each read a third time and passed.

MR. PAULLEY: Mr. Speaker, on behalf of the Honourable Minister of Mines and Natural Resources, I beg to move, seconded by the Honourable Minister of Health and Social Development, that Bill No. 32, an Act to amend The Predator Control act, be now read a third time and passed.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I question whether it's in order to do this without leave.

MR. PAULLEY: It's not required, Mr. Speaker.

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

BILLS NOS. 35, 40, 41, 42, 51, 54, 57, 58, 59, 60, 69, 27 and 28 were each read a third time and passed.

. Continued on next page

MR. PAULLEY: Mr. Speaker, I understand from a request made that the Honourable the Minister of Transportation would like to make a short statement on a matter I'm sure of interest to all of the members of the House. I wonder if he may have leave to do so.

MR. WEIR: Agreed, Mr. Speaker.

MR. GORDON E. JOHNSTON (Portage La Prairie): Agreed.

MR. SPEAKER: The Honourable Minister of Transportation.

MR. BOROWSKI: Mr. Speaker, I just received a phone call from the Vice-President of the CNR informing me that the order to reclose old Highway 59 has been suspended until June 29th.

MR. PAULLEY: I wonder, Mr. Speaker, whether you would now start calling the adjourned debates on second readings, starting with Bill No. 17.

GOVERNMENT BILLS

MR. SPEAKER: The proposed motion of the Honourable Minister of Mines and Natural Resources, Bill No. 17. The Honourable Member for Brandon West.

MR. WEIR: Mr. Speaker, Bill No. 17 was adjourned by my colleague the Member for Brandon West on my behalf, and I'm now prepared to proceed if I have the permission of the House. (Agreed)

Mr. Speaker, this Bill has one good feature for which I think we can all be grateful, and that is that it strips off the sheep's clothing from the NDP government and makes it clear for all of those who are not wilfully blind that the NDP government is mobilizing the province's own resources to create state corporations to drive out private enterprise.

This Bill, if passed, provides the NDP government with absolute and unchallenged power to establish state control of natural resources in Manitoba. The Bill gives the NDP Cabinet blanket authority firstly, to set up state corporations to compete with and to drive out private enterprise that is engaged in producing, processing or distributing anything which comes from forests, land or stream. Secondly, it provides authority to provide unlimited public financing for these corporations with or without security. Thirdly, authority to turn over any part of the resources of the province to these state corporations at whatever price and on whatever terms they choose. Fourthly, authority to exclude their operations from the provisions of any statute, any statute regulating the disposal of provincial property and any provision of the Companies Act. Fifthly, authority to dispose of these state corporations, or shares in them, to any person or anybody that they choose.

It is significant that these purposes are to be achieved in the field of natural resources development, Mr. Speaker, a field in which much of Manitoba's future economic growth must lie. The NDP Cabinet is asking for blanket power to ensure that the business of developing these resources in Manitoba shall be taken out of the hands of responsible businessmen and placed in the hands of politicians. The radical left wing of the NDP Party has won. It has provided us with this Bill along with the Automobile Insurance Bill. By no pretense can this Bill be regarded as an act compatible with private enterprise.

In Part II of the Manitoba Development Fund Act, the government already has power to develop any industrial enterprise that is urgently required for economic development in Manitoba or any region of it where private industry is not ready to proceed with such development, Such a development would be supervised by the Manitoba Development Fund. A special report must be made concerning its establishment by the Fund to the Legislature forthwith and an Annual Report must be made annually to the Legislature about the development of such projects.

Part II of the Manitoba Development Fund Act, Mr. Speaker, also allows the government to achieve a mixed enterprise system and to share in the costs and the rewards of bringing higher yields to the resource base of Manitoba. The government, under Part II of the Manitoba Development Fund Act, has power to either take a full equity position or to share an equity position with private enterprise in those areas where needed.

This Bill, however, sweeps away all such restrictions. The NDP Cabinet can establish its state corporations whether required for the economic development of Manitoba or not, whether private enterprise is capable of doing the work or not, or in fact, Mr. Speaker, is already fully and effectively doing the job. The Bill allows state corporations to be established where the inevitable result is to drive out efficient private corporations already established, without compensation, by forcing them to compete on completely unequal terms. There is no limitation on this power to compete with existing firms; there is no limitation on the power of

(MR. WEIR cont'd.) the NDP Cabinet to allocate natural resources to these newly created corporations; there is no limitation on the power of the NDP Cabinet to withdraw from the Minister of Finance the funds necessary to bankrupt any embarrassing competition from the private sector. It does not outlaw private investment, Mr. Speaker, but then this isn't really necessary because it makes private investment impractical.

Any one of the advantages that the state corporation has under Bill 17 would be adequate to destroy existing competing private companies or to deter a company from investing or expanding in this field. In combination however, Mr. Speaker, these several advantages that state corporations would have are overwhelmingly weighted against any private investment in resource development industries. Few rational businessmen would be prepared to take the long-term risks involved in natural resource development in such circumstances. Without investment, existing firms will not grow. New firms will not be established and existing firms will be threatened with unfair competition by the state whose taxes they pay. This Bill constitutes a blank cheque for the overnight establishment of doctrinaire Socialization.

Let's have a look at it, Mr. Speaker, the kinds of enterprises that we can expect under this Socialist charter. It empowers the Lieutenant-Governor-in-Council to establish firms - and I quote: "To carry on all forms of the business of growing, winning, harvesting, processing and marketing natural resources or any of the products thereof."

The government, under these powers, can establish state farms to raise any crop or any kind of livestock and can compete with private farmers like the state farms in Eastern Europe.

In the field of forestry, state corporations can be established to compete with loggers, or to enter such enterprises as box-making, chipboard manufacturing, production and treating of posts, poles or any other timber products.

The bill authorizes the NDP Cabinet to go into the mining business completely unaffected by the requirements of the Mines Act or Regulations, or any of the other requirements that they fasten upon private enterprise.

A considerable amount of private capital has been invested in Manitoba in growing wild rice. This Bill would empower the government to proceed to produce wild rice in competition with the people who already conducted research and established the industry with their own money.

The first commercial fish farms are being established in Manitoba this year. The Crown can establish a corporation under Bill 17 to enter the fish farming business in competition with these fish farmers as they see fit.

The government can establish feed mills, lumber yards, mill works, canneries, flour mills, shoe factories, clothing or fur businesses, bakeries, breweries, farms, abattoirs, butcher shops and warehouses - and yes, Mr. Speaker, if they stick with the natural resource field, retail stores. The list can be extended almost endlessly and applies not only to natural resources but to products of them and the harvesting, processing and marketing of them.

Let us now consider the other kind of competition that those who operate any of these businesses in Manitoba, let alone a business contemplating establishing in Manitoba, must face.

First, they must face an existence where the NDP Cabinet may establish beside them a state corporation in direct competition with their own business. Where they have to struggle and strain to get any equity capital, their competitor has unlimited access, either to revenues raised by the taxes they pay or to monies raised on the credit of the Province of Manitoba. If they wish to raise public capital, they must comply with the requirements of the government established Securities Commission and compete for equity capital at a time when the cost of raising equity capital is almost impossible at any price. The manager of their state competitor can sit in his office, call to the Minister of Finance and say; Hey Saul, send me over another million. Private business must borrow money and pay high rates of interest, mortgage their plant and equipment and in many cases even their own homes. They must assign their life insurance. The state competitor can borrow money with or without security under the Bill, with or without interest from the province itself. Where they risk their investment of money, time and energy in the success of their business, the state competitor is run by people who may not have to risk a dollar of their own in the success of the enterprise and they are unaffected whether the state corporation makes money or not.

If private businesses depend on research and training, they will have to foot much of the cost of such training and research as well as the cost of training of management and technical personnel. These costs must be set out in their financial statements. The state's competition

(MR. WEIR cont'd.) under the bill can receive these as a gift of the province or of another state corporation and none of these would be reflected in its statements.

Another stacking of the deck, Mr. Speaker, against private corporations is provided in the Bill where it authorizes the government, notwithstanding the provisions of any other Act, to transfer to a company, on such terms and conditions as the Lieutenant-Governor-in-Council, the Cabinet may determine, any property of the government, real or personal. On the one hand the government forces the private businessman to follow all the rules and regulations that the government establishes for that purpose and exacts dues, taxes and royalties. On the other hand, the state corporation can be given anything that the government may own at any price, at any terms, free of any of these restrictions. A simple Order-in-Council is all that is required to give the state corporation any land or any goods that the government owns. The state corporation could also have access to priority treatment in supplying all of the requirements not only of the government but all of the other state-owned corporations.

If this Bill is passed and becomes law, almost every businessman in Manitoba involved in the production and distribution of goods can be subjected to competition from state corporations. How can private enterprise compete against a state corporation which is able to obtain equity capital in virtually unlimited amounts at little or no cost, with no personal risk involved; in competition with, Mr. Speaker, a state corporation which can borrow money at little, or under the Bill even no cost, with or without security, can acquire material goods or land on completely unequal terms and with possible access to a closed market of the government and the other state corporations.

In voting for this Bill, this Legislature will be asked to vote for the elimination of the private enterprise system for the overnight establishment of state control in Manitoba. The availability of private capital for resource development will simply disappear, along with the managerial and technical talents of the people who have made the standard of living in private enterprise countries the highest in the world. These resources - capital, technology and managerial skills - will not vanish altogether, Mr. Speaker, just in Manitoba. This is what the NDP government must be seeking.

Mr. Speaker, this government only came to power because it promised the people of Manitoba that there would be no sweeping and unnecessary changes; that the government would only go into state ownership when it was necessary to do so and that the private enterprise could carry on with assurance wherever it was making a worthwhile contribution. Radical voices were heard from time to time in the wings saying that anything that was worthwhile should be taken over by the state and only those businesses be left that were not worth taking over. These, we were told, were only the mutterings of an ineffectual minority. The people of Manitoba were lulled into a false sense of security, Mr. Speaker, by these assurances. Bill 17 makes it clear how completely the people of Manitoba have been misled.

This government has no mandate from the people of Manitoba to drive out responsible businessmen from developing the natural resources of our province. This government was not given a mandate to set up state corporations to compete with private enterprise and to drive them out of business without compensation. This government was not given a mandate to use without restriction the revenues and credit of this province to finance state corporations with or without security on any terms. This government was not given a mandate to make one law under which private enterprise operates and discard all rules and regulations respecting state corporations. This government was not given a mandate to turn over the resources of the province, whether of land or of goods or of materials, to state corporations on any terms that the Cabinet may choose. This government was not given a mandate to dispose of such state corporations on any terms they may choose. This government was not given a mandate to squander either the tax revenues or the resources of the province at the command of the bureaucrats. This government was not given a mandate from the people to operate without reporting to or being under the supervision of this Legislature.

If this government has any sense of fairness or honesty, it should admit that it has misled the people of Manitoba and make clear to them the real purposes for which Bill 17 is to be passed. If the people of Manitoba are prepared to vote for the extinction of private enterprise, the replacement of private enterprise, private business by state bureaucrats and turn over the direction of business to the NDP Cabinet, then Mr. Speaker, let this Bill pass. Mr. Speaker, the NDP government has misled the people of Manitoba and I challenge them to explain fairly and fully to the people of Manitoba what they're trying to do under it, what Bill 17 is all about,

(MR. WEIR cont'd.) and then go to the people and ask the people to decide whether they want to remain free men or to have every minute of their lives planned, run and dominated by politicians and bureaucrats.

From time to time we have been asked on this side how we were going to vote. If from what I have said already it isn't clear, my colleagues and myself intend to do everything that we can to see that this Bill is not passed.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Chairman . . .

MR. GORDON W. BEARD (Churchill): I'd like to ask the member a question if he doesn't mind.

MR. SPEAKER: The Honourable Member for Churchill.

MR. BEARD: I was quite interested in his remarks, Mr. Speaker, and I would wonder if in his mind he could relate this to Bill 111 - was it? - the Commissioner of Northern Affairs Act where the Commissioner was given all rights and privileges of dealing with all powers, rights, privileges and duties, including the power to make by-laws, that a municipality has within its boundaries and such on.

MR. WEIR: Mr. Speaker, I don't mind answering the question but it's really -- I think the question would be in order if it related to an explanation of my remarks on this Bill. Frankly, other members of our caucus have been following the Northern Commissioner's Bill, and I haven't followed it that closely personally, so I am not in a position to answer the detailed question on that basis.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, one of the benefits we have from the fact that the Honourable the Leader of the Official Opposition speaks seldom is that when he speaks he speaks with force and with real preparation, and I'm sorry to say that I was not able to prepare myself for taking my feet at this moment but will try in any event to deal with some of the matters he raised without that opportunity that I would have liked to have had. Still, I feel that we should not let his address pass by lightly today without some comments.

I harken back some ten months or so to the time when the Honourable the then Premier was apparently so reluctant to give up the reins of government, when it took some period of time for the change to take place. In my own mind I believe that it was not that he thought that he had a right to continue to lead the government but rather that he thought that the government in his hands was so much more secure than in the hands of the New Democratic Party, and I'm sure that he was twisting and turning and trying somehow to figure out a way, not for him to stay in office because he's not the kind of person that would want to insist on staying in office when the people had rejected him, but rather twisting and turning somehow to see to it that the New Democratic Party should not.

MR. WEIR: I wonder, Mr. Speaker, what these remarks have to do with the principle of Bill 17?

MR. CHERNIACK: I think the Honourable the Leader of the Official Opposition should have enough confidence in me to know that I am coming to the relationship, because I feel, Mr. Speaker, that this shows that the opinion, which I'm sure all members of the Conservative Party have, that the powers that are given to them will be used well, but the same powers given to the New Democratic Party would be abused, misused and dangerous. Because I don't believe that there is anything in this bill which is any different, or gives to this government any different power than was contained or is contained at the moment in the powers of government, or than which the previous government could have done without this bill. I have grave doubts really as to whether this bill is that necessary, but I support the mover of the Bill in saying that it is well to have it on the statutes, and apparently the previous government, too, shared that opinion because I'm informed that this Bill, in the main, and what is important, in principle, because we're dealing on second reading with principle, as that which was - and now I'll quote the words of the honourable the mover of the Bill who said on Page 1904 of Hansard, "Mr. Speaker, this is a piece of legislation that I'm advised has been in the works for some time." Now, the Honourable the Leader of the Official Opposition is shaking his head. . .

MR. F. JOHNSTON (Sturgeon Creek): Your answer won't work, Saul.

MR. CHERNIACK: The Honourable Member for Sturgeon Creek, who wasn't even here before that time, is now nodding with authority and with great knowledge. There is much that he knows - there is much that he knows because he's lived for a certain period of time and has been exposed to life to some extent. There is much more that he does not know, and a little bit

(MR. CHERNIACK, cont'd.) of acceptance of that fact - maybe humility is the word although I don't think he needs that - might serve him well. If he waited to hear from those who were in government before to speak about what was in their minds - and I intend to say no more than what I've already said in repeating the words of the Honourable the Minister of Mines and Natural Resources and I will leave it to him to defend that statement - but I don't want today to pass by without stating the information I received, which may not be correct but which I believe, that this Bill in principle was in the works, as was a great deal in the works in the former government's offices when we took over. And that's natural. When a Minister takes over in a new government and in a new portfolio, he is made aware by the department of what are the plans of the department; what is it that the department feels is necessary; what stage are we at; and when questions are asked as to have you done this and you're told this is half done, this is quarter done and this is on its way, then to me that means in the works. I'm not going to develop it any further because I don't know of my own knowledge what was the situation in relation to the principle of this Bill as at May 27th - I don't even remember the date, although I'm sure it's ingrained in the minds and the hearts of the people across from me - but I accept the statement given to me and we will yet have an opportunity to prove it out.

What's more important to me are some of the other words of the Honourable Minister of Mines and Resources when he introduced this monumental Bill in half a page of Hansard, and I suppose - and I didn't hear all that was said by the Honourable the Leader but I suspect that he said that this is probably the most monumental Bill that this government is introducing - that's what most of what he said seemed to indicate. Mr. Speaker, I'd like to pause for a moment because I believe you would like to make an announcement to the House.

INTRODUCTION OF GUESTS

MR. SPEAKER: If I may at this moment introduce to the honourable members a number of guests whom we have in my loge to the right: The Honourable J.J. Greene, the Federal Minister of Energy, Mines and Resources; the Honourable H. A. Olson, the Minister of Agriculture; and also the Honourable H. E. Strom, the Premier of the Province of Alberta; and the Honourable A. R. Guy, Minister in charge of the Saskatchewan Water Resources Commission.

HON. SIDNEY GREEN, Q.C. (Minister of Mines and Natural Resources) (Inkster): Mr. Speaker, the Honourable Mr. Guy had to leave early and he couldn't be here.

MR. SPEAKER: Oh. On behalf of the members, may we welcome you gentlemen to our Legislative Assembly.

GOVERNMENT BILLS

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I mentioned earlier that I really don't see much in this Bill that wasn't within the power of government to do, and this is what was indicated by the Honourable Minister of Mines and Resources when he introduced the Bill, to state that under The Companies Act there would be no prohibition on the government carrying on these types of operations. And according to what he said, this Bill would enable only such things as the Crown could do if it wished to without the setting up of a separate corporation, but that he felt that these separate corporations would be the best way - and certainly honourable members would agree that it is the best way - to be able to set up something like the Moose Lake logging operation, which he referred to, which I believe was started by the previous government - yes, indeed it was - and that if one does start it, and you see the Honourable Member for Lakeside -- (Interjection) -- Oh, he's an honourable - I would call him honourable regardless of what he calls me, because possibly I'm required so to do - that when he was part of the government that set up the Moose Lake logging operation, was doing something socialist, was doing something that was a threat to industry and commerce in the province of Manitoba. That government in setting up Moose Lake logging was threatening every logging operation, every dealer in timber, every dealer in paper, as a matter of fact was probably threatening their own sponsored operations with Churchill Forest Industry. That government was apparently getting ready to enter into the field which was so well described by the Honourable the Leader of the Official Opposition that I won't develop it further.

But when they did, apparently they felt that the Moose Lake logging operation should be set up in such a way that it would have clear-cut definition, that it would have a bookkeeping system, that it would have certain rules of operation, and the Honourable the Minister of Mines

(MR. CHERNIACK cont'd.) and Resources brought this Bill in order to make clear just what it is that can be done. And what can be done is the Moose Lake Logging Company, which I've never seen. I don't know where they operate, but I assume they're doing things; I know they've lost some money, I hope they'll make some money; but in any event they are doing something for the people of the north, they are doing something where we in Manitoba - and I give the former government full credit for starting the plan for it - to give people of the north an opportunity to develop their own country, their own resources with the resources of the people of Manitoba, for their own benefit.

Yesterday, I had an opportunity to read to honourable members - and I believe that the Honourable Leader of the Official Opposition was not present - certain sections of the Manitoba Development Fund Act, because the Honourable Member for Riel dug up the book for me and it was easy to get once he had it open. He spoke of the powers of government, and the powers of government include the right to develop industry on behalf - that is the Fund to do it on behalf of the government where in exceptional cases the Fund concludes that it's feasible to develop industrial enterprise that is urgently required, and that section which he referred to reads: "The Fund shall, pursuant to the directions given from time to time by the Lieutenant-Governor-in-Council"

In other words, the Fund had no choice. "The Government of the Province of Manitoba, represented by the Lieutenant-Governor-in-Council" -- (Interjection) -- read the rest of it? I'll do that - "do all things necessary to establish and carry on or to promote the establishment or carrying on of any such industrial enterprise." And what do we find? -- (Interjection) -- Pardon? -- (Interjection) -- Well, I admitted that I didn't hear all of it. And all the rest of Part II does give to the Fund many powers and instructions - mandatory - "The Fund shall, upon instructions from the Lieutenant-Governor-in-Council, do all things necessary to carry something on." -- (Interjection) -- This section of the Act was brought in by the PC Party which was the head of government at the time. I said, when somebody described how it was brought in, that our Party had something to do with prodding the government into recognizing the need.

But then I did move on back to Section 6, where the Fund is given all the powers, as I see it, that are referred to in the Bill before us, where the Fund may do all these things. And this was passed by the Progressive Conservative Party in power. And we said, by all means, that's the right thing to do, that's responsible government, that's the way a government operates, for the benefit of the people, not for the benefit of certain sectors of society but for the benefit of people. What I conclude is that the Leader of the Official Opposition just doesn't like to see this government doing those things which he had a right to do and which he didn't do. He had the power to do these things and they were apparently going along those lines and they didn't do it, and now it's just a feeling of fear on his part that we are going to prove some pretty important points as we go along.

At the present time, this Bill is designed to make possible the operation of the Moose Lake Logging Company, and certainly it will be possible to do other things of this kind, but I don't read anything into this that gives any greater powers than now exist, and I conclude only by saying that apparently the previous government felt that it was worthwhile going in this direction too. About that we will hear further, but I accept the statement made in Hansard by the Honourable Minister of Mines and Resources and I acknowledge the fears of the Opposition that we are showing to the people of Manitoba that we are prepared to do those things for their benefit which the previous government was not capable of doing because it didn't have the understanding of the need to be able to do these things which are to help Manitobans develop and use their own resources.

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

MR. G. JOHNSTON: Mr. Speaker, it is my intention to adjourn the debate if no one else wishes to speak, but before I do I would like to ask a question. The Minister states that Bill 17 was in the works before his group took power. Could he tell the House if there were any major changes made by his group in the rough draft or whatever progress had been made to that date?

MR. CHERNIACK: I am informed that the major change that was made was that the earlier Bill had a provision of a limit of \$150,000 capital, but since there was no restriction on the amount of the loan that could be made to a company it wasn't felt that this was of any meaning, because a capital structure could be \$5,000, the loan could be \$92 million and still

(MR. CHERNIACK cont'd.) would conform with that Bill, and I'm told - I'm not speaking from my own knowledge - I'm told that that was the major change in the Bill.

MR. CRAIK: Could I ask another question, Mr. Speaker? Then is the Bill that the Minister's referring to as having been "in the works," was this not legislation simply provided for the Moose Lake project?

MR. CHERNIACK: Mr. Speaker, I indicated that I was not knowledgeable about the Bill, only to the extent of what I was told, and I've now told the House all I know about the former proposed Bill.

MR. CRAIK: Well, perhaps then you would answer a subsequent question. Does the present Bill not go far beyond a project such as that and include such other areas under the term of winning, such as mining, milling, smelting, refining or whatever it may be?

MR. CHERNIACK: I've already informed the honourable member that I'm not knowledgeable of more, but I am told that it is not an extension of what was formerly proposed.

MR. CHAIRMAN: The Honourable Member for The Pas.

MR. RON McBRYDE (The Pas): Mr. Speaker, I'd like to make a few comments on the principle of this Bill. . . . (slight recording failure) Moose Lake. Moose Lake is in The Pas constituency. It's a community of about 800 people approximately 40 miles east of The Pas, and I'm sure the people there would be sort of bewildered and probably kind of proud that they caused such a fuss in the Legislature here this afternoon with the Leader of the Official Opposition. They probably didn't realize that they were the radical centre of the province that was going to overthrow the business community and ruin Manitoba and turn it over to the Socialists.

The Moose Lake Logging Corporation, which this Bill allows to exist, is an operation of about 20 men who were trained under a government-sponsored program of training in order to allow them to produce the pulpwood which they were taught to cut. A corporation was formed, or is in the process of being formed, which will allow them to continue to cut this pulpwood and sell it to Churchill Forest Industries in The Pas. The workers on this course, the majority of them are Indian and Metis people from the community of Moose Lake. My understanding is that the corporation could be a convertible corporation, that is the loggers themselves will eventually buy the corporation from the government, or buy the interest or control of the corporation so that they'll have their own small corporation of 20 people in the community of Moose Lake.

Mr. Speaker, this Bill would also allow for other small developments of this type as the Task Force, which the Conservative Member for Swan River was a part of, and other members of this House, as we recommended in the Task Force for small operations in these type of isolated communities to assist the people in their own development. Mr. Speaker, when the Member from Swan River and Portage la Prairie and Churchill voted in favour of this resolution, I don't think they had in mind driving out the business community in the Province of Manitoba or establishing a socialist society in Manitoba - at least I don't think that's what they had in mind.

So, Mr. Speaker, I'm quite pleased to see a Bill of this nature that will allow for this type of small operation in isolated northern communities. As I said at the beginning, I think probably the Leader of the Opposition finally realizes that maybe he got a tiny bit carried away in speaking to the principle of this Bill, and when I explain this to the residents of Moose Lake, the 20 loggers, I'm sure they'll be quite amused. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY ENNS (Lakeside): With the permission of the Leader of the Liberal Party who holds the adjournment of the bill, if I may I'd like to make a few comments at this time. The Honourable Minister of Finance indicated to us that, really, what is the concern? The Bill that's before us, Bill 17, was in the mix, as he says, or in the works, and why now express the concern that was so legitimately expressed by our leader, the Leader of the Official Opposition.

Now first of all, of course, I would like to ask the honourable members opposite if in fact every thought that occurs to the bureaucrats in their control, you know, ends up as legislation to be put up, presented by that government in the House. Certainly, Mr. Speaker, the concern was a very real one for us when we set up the initial training program, the logging training program at Moose Lake, that we should be busying ourselves with thinking about some kind of a more permanent organization that would extract the greatest amount of benefit to the people themselves who partook in this training program and to enable them to pursue the training that they had received in this program in some worthwhile way to the benefit of themselves and their community. And there were many suggestions that came up from our good

(MR. ENNS cont'd.) advisers within the department. Certainly the suggestion of perhaps looking at the co-operative legislation that's on the books of the Minister of Agriculture for instance. The availability of funding, say, a co-operative, as we have some 18 or 19 or 20 others throughout Northern Manitoba, was among them. The idea of setting up a more formalized corporation of some kind was one to which a fair amount of attention was being given to.

But, Mr. Speaker, to suggest that the Bill as we see it now was about to be presented by this administration in the form that we are now seeing it, just isn't a fact and isn't true. There are significant changes, even one word changes which are very significant indeed. Even the word "winning" for instance in the terminology used in the way it is used in this Bill has tremendous implications which allows them to go into mining and everything else. -- (Interjection) Yes, Mr. Speaker.

MR. SCHREYER: Mr. Speaker, I understand the point the honourable member is trying to make, that because the bill was in the works was not to be taken as an indication that they were committed to it. So I accept that and ask the following question. Could the honourable member advise us whether it is not common practice that before anyone in the civil service structure starts to draft legislation, that he awaits drafting instructions on policy from the Cabinet?

MR. ENNS: Well, Mr. Speaker, I think the First Minister suggested the obvious. Certainly drafting instructions are given on any proposed piece of legislation, and I suppose the back rooms of the Executive Council or otherwise are loaded with bills that have never seen the light of day, because after the due consideration that all bills should receive, first in the Minister's office with his senior civil servants, subsequently in the Cabinet Council with the advice of the full Cabinet, that gets sidelined for one reason or other because of their non-acceptability.

Mr. Speaker, the point that I was attempting to make, and I'll attempt to make before 5:30, was that we recognized, as pointed out by the Minister of Finance, that advantage should be taken of the opportunity that we had given and provided the people at Moose Lake with respect to this training program, to set it up hopefully in a businesslike manner that it would be of some long-term advantage to them. Mr. Speaker, really this probably represents as good an occasion as any to clearly define the difference between them and us, because, Mr. Speaker, that bill, had it appeared in this legislation under our authority, might well have contained some of the basic elements that are currently in the bill with respect to what we had hoped to do with Moose Lake, but it would have said so. It would have defined the specific operation, the Moose Lake Logging operation, as being an operation that we were attempting to help.

This, Mr. Speaker, is what the public is only now beginning to understand. It's the universal approach that's so common to the Socialist minds and the Socialist concept, this universality that blankets the whole situation where perhaps just an "i" needs to be dotted or a "t" needs to be crossed. And that, Mr. Speaker, is the very legitimate concern that we're expressing here now and that we'll be expressing throughout on this bill, because, Mr. Speaker, I think it became abundantly clear that as the intentions of the Socialist government opposite become more and more known, not only to us in this Chamber but to the public at large, then we have to fight more vigorously and more vigorously the kind of broad, sweeping generalizations that are contained in Bill 17.

Mr. Speaker, we had every intention to help the people of Moose Lake set up for themselves, in the words of the Honourable Minister of Finance, to take advantage of the training that we made possible for them, to take advantage of their resources that were there for them, and to make this program successful for their benefit and for the benefit of their community. And we would have done precisely that, Mr. Speaker, had we been given that opportunity. We would have been specific, we would have been specific in letting the people, the rest of Manitoba know precisely what we were about. We wouldn't be attempting to use the guise of meeting a particular situation, of meeting a local situation, to use that as the back door for God knows what, Mr. Speaker. And we don't know what. And we don't know what. If we only knew, Mr. Speaker, exactly what's contained in Bill 56 and what the full ramifications of Bill 56 are, there would be a more intelligent debate in this House, a more intelligent debate outside among the people at large with respect to auto insurance. It's perhaps the experience of Bill 56 that caused us to sit up and take particular attention to the innocuous, generalized statements here, the provisions that Bill 17 calls for.

Mr. Speaker, I wanted to rise at this particular time only to indicate, and to indicate

(MR. ENNS cont'd.) very strongly, the situation particularly as to what extent Bill 17 was in the make, or was in the works in the previous administration. Number one, certainly I would not deny for one moment that we had every intention and every reason to want to examine all fields, examine all possibilities of making the Moose Lake logging training program indeed into a model program which other northern communities, particularly with the growing evidence of the successful CFI operations soon to commence in Northern Manitoba, that it was important, if we are going to maximize the contribution that that massive project would have for the citizens of Northern Manitoba, then it behooved us to do everything possible to equip our native people in that general area to be in a position to respond to this program.

That's what was the intent of our training program at Moose Lake. It was our intention to see that this would not just fall flat after the training period ended. There was no commitment made as to what specific direction it was made, in fact my own particular leanings, and had it come on my desk to that point, I would have probably rejected it in favour of a cooperative approach. I have an inclination that - I speak personally here - that the cooperative movement, as such, is one that can be most successfully applied very often in many of our northern communities. I have a feeling - it may be wrong and other experts can correct me - that the cooperative approach to things is first of all not alien to many of the native communities up there who have long since, by their very nature and their very environment, are forced to live cooperatively and share cooperatively those things within their community. And also, from the knowledge that I have of the relative success of a number of our cooperatives that I had the privilege of administering when I was the Minister of Agriculture, that there was an inclination on my part probably to reject the concept of a Crown corporation but to sponsor most wholeheartedly a cooperative logging venture and have that be the avenue or the approach that I would have perhaps suggested to my Cabinet colleagues had we been given the opportunity to do so.

So, Mr. Speaker, to make any suggestions, to make any implications that Bill 17 in its present form was something remotely similar to what a Progressive Conservative administration would have brought into this Chamber, just is not factual and it is not true. Thank you, Mr. Speaker.

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

MR. JOHNSTON: I move, seconded by the member for La Verendrye, that debate be adjourned.

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

MR. SPEAKER: It is now 5:30. I am leaving the Chair to return at 8:00 o'clock tonight.