

THE LEGISLATIVE ASSEMBLY OF MANITOBA
10 a.m., Friday, May 7th, 1976

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 28 students, Grade 9 standing of the Ethelbert Collegiate. These students are under the direction of Mr. Mike Geletchuk. This school is located in the constituency of the Honourable Member for Roblin.

We also have 40 students, Grades 7, 8 and 9 standing, of the Ashern Central School under the direction of Mr. J. Mudry. This school is located in the constituency of the Honourable Member for St. George, the Minister responsible for the Manitoba Public Insurance Corporation.

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

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills; Questions. The Honourable House Leader.

ORAL QUESTIONS

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management)(Inkster): Mr. Speaker, I wonder if I may, in view of the fact that I'd like to try to make a correction, Mr. Speaker, in remarks that passed between myself and the Member for River Heights vis-a-vis Tantalum - I'm sorry the member is not here but I'd like to clear it up at the earliest opportunity and now is the time.

First of all, Mr. Speaker, I've checked with Peter Briant and it's only with Mr. Briant himself that the officials of the Fund have requested from him as to whether he held shares in Chemalloy when the loan of the Development Fund was approved and he has said that he has acquired shares in Chemalloy recently, that he had no shares at the time of that transaction.

Mr. Speaker, it would appear that the first loan to Tantalum was made under Part Two. I'm still having that checked but it would appear that the first loan was made under Part Two. It wasn't made over the wishes of the Board of Directors of the Manitoba Development Corporation Fund. They recommended or agreed with the loan and I'm not certain as to why it was made under Part Two. I have not been able to ascertain that but it would appear that the first loan was made under Part Two.

So my answer that it was absolutely false, that they were instructed, I think would hold in that they were not told to do it over their objections. But it may have come under Part Two of the Act which is a Cabinet decision and I also was in Cabinet at the time so there is no attempt to claim that I didn't know about it. It happened four and a half years ago, Mr. Speaker, that was my recollection, that it was done as a sound business loan and not as a government direction. I still think that is the case but it may have been done under Part Two and not under Part One.

The second loan, that is the purchase of the existing 1,500,000 in shares, I'm advised was done under Part One; that is, done by the Manitoba Development Corporation itself. I'm trying to get some further information but I thought that I should clear up my previous remarks as soon as possible.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I direct my question to the Minister of Agriculture but in his absence I would either direct it to the House Leader or whoever is Acting Minister. In view of the confusion that exists amongst the dairy farmers in some areas, my question is: those who are entering for the first time the dairy business, I'm wondering if these farmers are able to procure a quota so that they can sell their product.

MR. SPEAKER: The Honourable Member for Virden.

MR. MORRIS MCGREGOR (Virden): Mr. Speaker, I would like to add a supplementary to that and also direct it to the Acting Minister of Agriculture. What chance

ORAL QUESTIONS

(MR. MCGREGOR cont'd) is there to have the dairy policy changed; that is to give milk producers the right to ship where they want rather than ordered to ship. Today the western Manitoba ones are told to ship many miles further than their closest plant.

Also to follow up the Honourable Member for Rock Lake. New shippers are on a sort of a two week - they're told today that they can ship for two more weeks. The question is: when will this be straightened out, that they will have a positive quota or no quota at all? This is in connection with the co-operation that Quebec seems to be giving Manitoba.

MR. SPEAKER: The Honourable Minister for the Public Insurance Corporation.

HON. BILLIE URUSKI (Minister for Manitoba Public Insurance Corporation) (St. George): Mr. Speaker, the earlier question posed by the Honourable Member for Rock Lake, I didn't catch all of it but I will take it as notice on behalf of the Minister of Agriculture.

The questions posed by the Member for Virden, the last portion of it I will take as notice. The first portion of the question relates to the pooling system that the Province of Manitoba adopted, I believe, two years ago and I'll also take the question as notice to provide a more accurate answer on that.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, my question is to the Honourable the Minister of Labour. I wonder if he could advise the House what has happened to Bill 57, an Act to amend The Manitoba Labour Relations Act and why has it been removed from the Order Paper?

MR. SPEAKER: The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): Mr. Speaker, I'm not aware of it being removed from the Order Paper. I am aware of the fact that the bill is being drafted. It is my hope that the final draft will be prepared for introduction into the House for second reading very shortly now.

I want to assure my honourable friend and members of the Assembly that there is no intention on my part or on the part of the government not to proceed with amendments to The Labour Relations Act, some which may be considered rather major.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, I have a question for the Honourable Minister of Tourism, Recreation and Cultural Affairs. Can the Minister advise the House of the number of log cabins which the government has constructed in the past year in the provincial parks?

MR. SPEAKER: Order for Return. The Honourable Member for Wolseley. Sorry. The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Speaker, I wonder can the Minister advise me of the policy of the government regarding the construction of log cabins on the east shore of the Shellmouth Reservoir.

MR. SPEAKER: During his Estimates. The Honourable Member for Wolseley.

MR. ROBERT G. WILSON (Wolseley): Thank you, Mr. Speaker. To the Minister of Health. Can the Minister confirm that under basic annual income family income ceilings have increased from a minimum of \$5,500 to a maximum of \$17,500?

MR. SPEAKER: The Honourable Minister of Mines.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. GREEN: Mr. Speaker, I would like to, if I may have leave, put on the table a Return to an Order made by the Honourable Member for Wolseley.

MR. SPEAKER: Thank you.

MR. GREEN: Mr. Speaker, I'd like to, again if I may, schedule Economic Development Committee for Tuesday with the report of the Communities Economic Development fund since the Manitoba Public Insurance Corporation is completed.

I would also like to indicate that the Department of Tourism and the other matters falling under the jurisdiction of the Minister for Tourism will follow in the House upon the completion of the Minister of Education's Estimates or if he is not here then immediately after, when we go to Supply.

MR. SPEAKER: After Health.

MR. GREEN: Mr. Speaker, I'm talking about when the Health and Education are finished they will be followed by Tourism.

MR. SPEAKER: The Honourable Minister of Health.

ORAL QUESTIONS (Cont'd)

HON. LAURENT L. DESJARDINS (Minister of Health and Social Development) (St. Boniface): Mr. Speaker, the question I was asked by the Honourable Member for Wolseley, I'll have to take that and check into that. I'm not sure exactly what he means.

MR. WILSON: Well, a supplementary then. Could the Minister also check to see if there was an increase if it was approved by the AIB.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Speaker, now that the Minister of Agriculture is in his seat I wonder if I could pose the question that I asked earlier. I'd like to ask him, because of some confusion amongst dairy farmers in the province who are becoming new producers of dairy products, I'm wondering if the Minister could inform us as to whether or not those farmers are able to get quotas to sell their products.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Mr. Speaker, I would presume that those who are anticipating to begin a new venture, I would suggest to them that they not so anticipate because it isn't clear at this point in time that there will be enough quota available for new producers.

There may be a difference however with respect to those producers who have already invested some sums of money towards entry into the dairy industry and in that regard the Milk Board is looking at it in somewhat of a different manner.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Speaker, I have a question for the Minister of Consumer Affairs with respect to an answer to a question two days ago concerning the draft agreements being put forward by MTS to cable operators. Can the Minister indicate whether those draft proposals in fact limit the number of T.V. signals that would be carried to three and to what degree would that limit the number of American channels that would be allowed to be carried by the private cable operators in Manitoba?

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

HON. IAN TURNBULL (Minister of Consumer, Corporate and Internal Services) (Osborne): Mr. Speaker, I've already indicated that that contract is a draft contract and I don't think it would be appropriate to comment on it until it is finalized. Even then I doubt that it would be appropriate in the House to comment on it.

MR. AXWORTHY: A supplementary, Mr. Speaker. Could the Minister explain why a specific offer by a government Crown corporation is not something that can be described or explained in this House?

MR. TURNBULL: Mr. Speaker, it's my understanding that you will not allow legal opinions to be given by Ministers and if the question is of that nature then I assume it would not be in order.

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

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. My question also is to the Minister of Consumer and Corporate Affairs. I would like to ask him what the purpose and the intent of the government was when they purchased a television camera? Do they plan on making government films for release on closed circuit cable systems?

MR. SPEAKER: The Honourable Minister.

MR. TURNBULL: Mr. Speaker, the camera that was purchased was discussed in my Estimates a year ago and a full explanation was given to the House and to the public at that time. This camera is for the use of Information Services Branch; its main purpose is to provide video film feed particularly for T.V. stations outside of Winnipeg.

ORAL QUESTIONS

MR. GRAHAM: A supplementary question. Does the camera work better now than it did when we had the Budget debate?

MR. SPEAKER: Orders - the Honourable Minister.

MR. TURNBULL: Mr. Speaker, any camera can suffer a short circuit.

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

MR. GORDON E. JOHNSTON (Portage la Prairie): I address this question both to the Attorney-General and to the Minister responsible for The Liquor Control Act. In view of the fact that the Saskatchewan Legislature has passed a private member's bill recommending a change in their Liquor Act, an age change from 18 to 19, would this government consider the same change?

MR. SPEAKER: It's a matter of policy. Orders of the Day - the Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, would either of the Honourable Ministers give me the courtesy of an answer?

MR. SPEAKER: The Honourable Minister of Tourism.

HON. RENE TOUPIN (Minister of Tourism, Recreation and Cultural Affairs) (Springfield): Mr. Speaker, I can speak on my own behalf. It is definitely a matter of policy. I had said outside of the House, I don't mind saying in the House, that I personally don't favour a change of the age of majority.

MR. SPEAKER: Orders of the Day. The Honourable House Leader.

ORDERS OF THE DAY - GOVERNMENT BILLS - SECOND READING

MR. GREEN: Mr. Speaker, would you please proceed with the . . .

MR. SPEAKER: Second readings?

MR. GREEN: No, I would ask you to go to Page 2 of the Order Paper and deal with the second readings in the name of the Honourable the Minister of Labour.

BILL NO. 46 - AN ACT TO AMEND THE PENSION BENEFITS ACT

MR. SPEAKER: Bill No. 46. The Honourable Minister of Labour.

MR. PAULLEY presented Bill 46, an Act to amend The Pension Benefits Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister.

MR. PAULLEY: The purpose of this bill, Mr. Speaker, is to more or less bring up-to-date some of the references to time contained in the present bill. When the bill was introduced last year it was our hope that there would be certain dates upon which the bill would come into operation. However due to one or two circumstances such was not the case. We had to amend the effective date of the bill to different dates.

For instance, the qualification date of the bill had to be defined as July 1st, 1976. Previously it was at an earlier date but due to the fact that it took us a little longer to arrive at the personnel to become the Superintendent of Pensions, there was a delay and it was deemed advisable to defer the registration date and that is what is being done.

Also contained within the proposed amendments to the Act, Mr. Speaker, there is a provision that a person who is eligible for receipt of a pension can receive no less than \$25 a month. That is if he was age 45 and had been a member of the plan for at least ten years. The purpose of this is to set a round figure at the neighbourhood of \$25 a month.

There's also a provision in the amendments being proposed to the Act, Mr. Speaker, where anyone who is desirous of obtaining information on the record as to that particular person's status in respect of a pension can obtain that information subject to the regulations. The purpose behind this is that it was felt that after the Pensions Commission had taken a look at the legislation there was the possibility of frivolity in taking a look at the records. It was deemed advisable that we should be more restrictive

BILL 46

(MR. PAULLEY cont'd)without depriving, however, anyone of their full rights as to the revealing of information under the pension plan.

I might also add to this, Mr. Speaker, and this is just by way of information to the members of the committee, the committee did meet in between the sessions and at that particular time there was a desire on the part of members of the committee to have a more thorough investigation into certain aspects of the commission. It is my hope that when the bill is given second reading and goes to committee that many of the questions that were to the foremost of the members of the committee will be produced.

We now have a Superintendent of Pensions in the name of Mr. Aidan O'Brien, whom I believe to be a chartered accountant and one who has been actively connected with the pension industry for some time. He, along with other members of the commission, will be available for further information as desired by the members of the committee and members of the Assembly.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, I move seconded by the Honourable Member for Birtle-Russell, that debate be adjourned.

MOTION presented and carried.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed let me direct the attention of the honourable members to the gallery where we have 21 students of Grade 8 standing from the Lowe Farm Junior High School under direction of Mr. Bill Kehler. This school is located in the constituency of the Honourable Member for Morris. On behalf of the honourable members we welcome you.

BILL 58 - AN ACT TO AMEND THE CIVIL SERVICE SUPERANNUATION ACT (2)

MR. SPEAKER: The Honourable Minister of Labour. Bill No. 58.

MR. PAULLEY presented Bill No. 58, an Act to amend The Civil Service Superannuation Act (2) for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister.

MR. PAULLEY: Mr. Speaker, members will be aware of the fact that yesterday I introduced a bill into the House dealing with the Civil Service Superannuation Fund and I explained at that particular time that basically the purport of that particular bill was to tidy up some of the language in the Civil Service Superannuation legislation. This bill is of far greater importance, Mr. Speaker, and I would ask members of the House to expedite the procedure of this bill as far as may be feasible without, of course, imposing - as indeed I can't - any time constraints.

The purpose of this bill, The Civil Service Superannuation Act (2), is to provide to our retired pensioners the continuity of additional pension benefits that the government in its wisdom in 1970 felt should be passed on to our retired personnel. Honourable members will recall that I believe we were the first provincial jurisdiction that recognized the inadequacy of some of the pensions being paid to our retired civil servants and brought in measures to augment the Civil Service pensions by way of the payment of, let us call it a cost-of-living bonus.

Normally after every triennial census or review the Legislature passes an Act, the purport of which is to extend the benefits for a period of three years. When the Civil Service Superannuation Actuarial Report was submitted to me as the Minister responsible, I noted that there appeared to be at least on the surface a deficiency dollar-wise in the Fund. After full consultation with the liaison committee connected with the Civil Service Superannuation Fund, it was deemed advisable that rather than legislate this session for a further extension of three years that the bill - and the bill I am now introducing will have an effect for one year in order to give the actuaries of the Civil Service Superannuation Fund and in order to give the members of the liaison committee also, an opportunity of taking a very very close look at the investments that are being made in the Fund to see whether or not, and I suggest hopefully not, that it

BILL 58

(MR. PAULLEY cont'd) may be a requirement to make certain adjustments in the levy that is being made to our present employees for additional amounts of contribution. For that reason, Mr. Speaker, the bill before us now is to extend for just the period of one year the benefits to accrue to the recipients of our retirement pensions.

There is also a clause in the proposed bill before us, Mr. Speaker, dealing with war service. Under certain circumstances it has been drawn to our attention that due to inadvertence or different interpretations of the war service clauses there may be - and this is hypothetical - there may be some members of the Civil Service who are being deprived of allowance for some war services contributions that if they were to make up they would be able to enhance their pensions.

Honourable members are aware of the fact that this has been the case insofar as the teachers' pension is concerned. My colleague, the Minister of Universities and Colleges, I understand has introduced a bill accordingly. This is a companion bill so that the employees of both the Civil Service and the teachers are treated alike.

That basically, Mr. Speaker, outlines the general principles behind the bill. Again I appeal to members of the Assembly to give consideration, and I'm sure that they will, to this bill. But let us be mindful of the target date of enactment so that there will be no gap in the continuity of payment of retirement allowances to our Civil Service.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, I move, seconded by the Honourable Member for Roblin, that debate be adjourned.

MOTION presented and carried.

BILL 64 - AN ACT TO AMEND THE CIVIL SERVICE ACT

MR. SPEAKER: The Honourable Minister for Public Insurance Corporation.

HON. BILLIE URUSKI (Minister for Manitoba Public Insurance Corporation) (St. George) presented Bill 64, an Act to amend The Civil Service Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister.

MR. URUSKI: Thank you, Mr. Speaker. The amendments proposed in this Act are intended to bring the wording of the Act in line with the logical form of pay administration to provide somewhat greater flexibility in awarding of merit increases and to give greater recognition to the collective bargaining process.

Under the Act as it exists now annual salary increases along the various steps of the salary range attached to each job are virtually automatic. Only if an employee is proven to be incompetent or negligent in his or her job is a merit increase sometimes withheld. Employees are considered for merit increases each year on their anniversary date and the anniversary date remains unchanged from the time an employee enters the Civil Service in spite of any promotions to other positions which may occur during his or her service. For example an employee may have been promoted with a sizable increase in salary effective as of the date of his promotion and then if his anniversary date occurs one or two months later he will get another increase. In that short period there has not been time, in most instances, to properly assess the performance in the new job to ascertain whether a merit increase is warranted.

Under the proposed change in the Act each time an employee is promoted to another position and receives one or more increments on promotion, the anniversary date changes so that the employee is eligible for a further increment a full 12 months after the effective date of promotion. This is the practice in the Federal Government employment and as far as I'm aware, Mr. Speaker, in all other provincial jurisdictions.

In the existing Act authority of the Lieutenant-Governor-in-Council to make regulations concerning the granting of merit increases is not clear. An amendment is proposed so that regulations concerning merit increases, not inconsistent with the Act, can be made. For instance it will be possible to provide for the granting of merit increases on other than the anniversary date. This will permit the granting of additional merit increases to reward exceptional performance.

BILL 64

(MR. URUSKI cont'd)

A further amendment provides that the collective agreement will override a regulation made under the Act. This amendment is desirable to ensure that where the government and a bargaining unit inadvertently reach agreement on some item which is then found to be in conflict with the regulation, the desire to carry out the agreement in good faith is not frustrated.

The amendments are made effective April 1st, 1976, so that they will coincide with the effective date of the next collective agreement with the MGEA and also so that it will apply to any promotions which are made after that date.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, I move, seconded by the Honourable Member for Crescentwood, that debate be adjourned.

MOTION presented and carried.

BILL NO. 60 - AN ACT TO AMEND THE SECURITIES ACT

MR. SPEAKER: The Honourable Minister for Consumer and Corporate Affairs.

MR. TURNBULL presented Bill 60, an Act to amend The Securities Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister.

MR. TURNBULL: Mr. Speaker, I assume members would like an explanation of these rather routine but nonetheless technical amendments to The Securities Act. Mr. Speaker, the great majority of the amendments set out in this bill stem from the decision made some time ago to complete the separation of the Public Utilities Board from the Securities Commission and to transfer the administration of the Real Estate Brokers Act and the Mortgage Brokers and Mortgage Dealers Act from the Board to the Commission.

The machinery required for the proper administration of these two Acts is at present contained partly in the two Acts themselves and partly in Part One of The Public Utilities Board Act. When the Board ceases to administer these Acts, The Public Utilities Board Act itself will cease to be applicable. Therefore the relevant provisions in it must be replaced by new legislation.

This new legislation could be placed in the Real Estate Brokers Act and the Mortgage Brokers and Mortgage Dealers Act themselves but that would mean repeating it in both of those statutes. It is more logical, Mr. Speaker, to make the necessary provision by amending The Securities Act since that is the Act which establishes the Commission and sets out its powers. In order to prepare these amendments properly it was necessary to compare Part One of The Public Utilities Board Act with the corresponding parts of The Securities Act which provided us with an analysis of the difference between them.

The Public Utilities Board Act can be described as a native to the Province of Manitoba; it was drafted here. The Securities Act was pretty well an import from Ontario. Therefore there are some provisions in Part One of The Public Utilities Board Act which have no counterpart in The Securities Act and there are some which are worded or arranged differently from the corresponding provisions of The Securities Act. Although these differences have not to date caused any difficulties in the administration of The Securities Act, the Commission feels that the Act is capable of improvements in these respects and that this would be the logical time to make them. These amendments will not detract from the uniformity of the Act which is being maintained in all important respects.

There are some other minor amendments to The Securities Act which ought to be made and which have been accumulating over the last few years. It is now a prudent time to make these amendments on the occasion of the opening of the Act.

Finally, the proposed new Manitoba Corporations Act will require one amendment to The Securities Act and this should be enacted now to come into force when

BILL 60

(MR. TURNBULL cont'd)The Corporations Act comes into force. Thus, Mr. Speaker, the bill really has three purposes:

1) To make provision for the transfer of the administration of The Real Estate Brokers Act and The Mortgage Brokers and Mortgage Dealers Act to the Securities Commission and make certain improvements in The Securities Act which are related.

2) To enact some minor amendments of a routine nature which have built up during the last few years and which are unrelated to the transfer of administration of the other two statutes.

3) To prepare for the adoption of The Corporations Act. The bill, Mr. Speaker, makes amendments to the existing sections of the Act in their numerical sequence and I won't go into each of them specifically.

MR. SPEAKER: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Speaker, I move, seconded by the Honourable Member for Brandon West, that debate be adjourned.

MOTION presented and carried.

BILL NO. 62 - AN ACT TO AMEND THE HUMAN RIGHTS ACT

MR. SPEAKER: The Honourable Attorney-General.

HON. HOWARD PAWLEY (Attorney-General) (Selkirk) presented Bill 62, an Act to amend The Human Rights Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister.

MR. PAWLEY: Mr. Speaker, if I could just run through some of the amendments in the proposed legislation before you. First, there are amendments dealing with those sections of The Human Rights Act that pertain to discrimination prohibited in notices and signs, etc. - that's by way of either publishing or displaying, transmitting or broadcasting. The words are added to the present provisions pertaining to discrimination being prohibited in notices, signs, to effect of "exposing or tending to expose persons to hatred." This is a result of legal opinion in respect to the weakness of the present provisions insofar as enforcement is concerned. It would be very difficult to ever obtain a conviction under this section. It ties in closely with the old Manitoba Defamation Act which was passed back in 1931 in connection with class actions pertaining to libel as against groups of people as a result of race, religious creed, etc.

We also have amendments dealing with discrimination prohibited in a public place, to add two areas. This is both public places and accommodation; to add two areas of discrimination, marital status and family status. In respect to the provision of family status of which there is definition included which defines family status as being a single parent, unmarried parent, persons who are unmarried, widowed, divorced or separated. There's a very small number of complaints received in this area but it is difficult to justify the denial of service because an individual's status may be single, married, widowed, separated or divorced. The legislation currently before Canada's Parliament includes marital status in public places. Also other provincial jurisdictions have this included within their legislation such as Ontario, Newfoundland and New Brunswick.

The provision "reasonable cause" has been added due to the fact that it makes the legislation better insofar as enforcing the provisions of the legislation.

Also amendment has been made in connection with the legislation in connection with purchase of property to make it consistent with other provisions of The Human Rights Act. Amendment was inserted last year that those same provisions would apply insofar as the purchase of property.

Also a provision dealing with discrimination being prohibited in employment. There are some provisions, and this pertains to "political beliefs" which was added last year as a ground for discrimination insofar as employment. But inconsistent with the adding of that provision last year was the fact that there was no change in respect to advertising. So there is prohibition provided insofar as advertising for employment where same relates to the inclusion of reference to political beliefs.

Other legislation deals with confidentiality to bring our legislation in Manitoba

BILL 62

(MR. PAWLEY cont'd)into line with every other Human Rights Act throughout Canada and also with that which has been placed in the proposed Federal Human Rights legislation pertaining to confidentiality to provide, in suitable cases, for publicity in fact, where there has been areas dealt with in respect to committed discrimination on the part of anybody who had offended the provisions of the legislation.

Other technical changes dealing with the inclusion of the word "adjudication" where same was not added last year and ought to have been added in the amendments last year.

Also provisions have been inserted in order to give staff some of the same powers as Commission members have - inconsistent again that Commission members have certain powers staff members don't - and relates strictly to Sections 90 to 95 of The Evidence Act. Those powers are included within the amendments.

A very important change dealing with the awarding of damages. At the present time the awarding of damages relate only to, for instance, wages, specific sums and does not include the awarding of damages relating to that of a general nature. There are areas where the lack of effectiveness on the part of the Commission in awarding compensatory damages really weakens the work of the Commission and in fact outside of employment, places the Human Rights Commission in a very weak position. There is provision for the awarding of general damages to be compensatory rather than of a punitive nature in order to ensure that there is adequate redress for the complainant.

I should emphasize here of course that all Orders by the Commission are subject to appeal to the Court of Queen's Bench including an appeal as against any award for any damages. In addition I should mention that British Columbia, Ontario and Saskatchewan include a general damage provision.

There are a number of other amendments but they are very much of a technical nature, Mr. Speaker.

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

MR. GRAHAM: Mr. Speaker, I beg to move, seconded by the Member for Fort Garry, that debate be adjourned.

MOTION presented and carried.

BILL NO. 63 - AN ACT TO AMEND THE TRUSTEE ACT

MR. SPEAKER: The Honourable Attorney-General

MR. PAWLEY presented Bill 63, an Act to amend The Trustee Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister.

MR. PAWLEY: Mr. Speaker, at the present time Section 90 of The Trustee Act permits, in fact provides for a trustee, a guardian, or a person representative to claim fair and reasonable allowance for his care and work and efforts in connection with the administration of an estate as the court may allow. That has been the general practice in Manitoba, that allowances have been made in respect to fees for administrators to be according to a court allowed sum.

However it's been brought to our attention by the Chief County Court Judge that there has developed in Manitoba some exceptions to this. In Manitoba there's at least, I'm informed, one trust company presently operating in the province that attaches a memorandum to any Will that it prepares on behalf of its customers setting out the fee that the trust company is entitled to receive in respect to administration of the estate. This of course is providing for interference with the powers of the court insofar as establishing a reasonable percentage tariff fee insofar as the administration of estates is concerned if trust companies unilaterally on their own are able to, by means of attaching a memorandum to a Will in advance, indicate the percentage of fee which they are entitled to.

This type of memorandum avoids the court's authority to fix what is a fair and a reasonable fee or allowance in the review of an administration of an estate. I think it certainly was not the intention of the legislators that there would be means developed in

BILL 63

(MR. PAWLEY cont'd)order to circumvent the . . .certainly that is also my intention. The court ought not to be circumvented insofar as its authority to fix a fair and reasonable fee in respect to the review of the administration of an estate. I think that this is a matter that ought to be left to the discretion of the courts, ought not to be left to the decision making by individual trust companies as to what they determine to be a fair and reasonable allowance. I see that the Honourable Member for Birtle-Russell disagrees with me and feels the trustees possibly should be allowed this free rein insofar as the establishment of fees are concerned in regard to administration of estates. So I look forward to debate in respect to that.

So the provision provides that The Trustee Act would require approval by a Judge of the Surrogate Court before any agreement as to the fees would be valid. In fact the court could tax any bill of fees in the normal way under these provisions. So I look forward to the debate in connection with this legislation and also questions I'm sure could be posed during the committee stage.

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

MR. GRAHAM: Mr. Speaker, I beg to move, seconded by the Member for Morris, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable Attorney-General.

BILL NO. 65 - AN ACT TO AMEND THE PLANNING ACT

HON. HOWARD PAWLEY (Attorney-General) (Selkirk) presented Bill 65, An Act to amend The Planning Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister.

MR. PAWLEY: Mr. Speaker, insofar as the amendments to Bill 65 are concerned, you will recall last year that legislation was passed pertaining to The Planning Act and we indicated upon passage of that Act that the proclaiming of the legislation would take place at some time later than the actual passage of the bill in order to provide for input from municipal people throughout the province. A series of seven meetings were held throughout Manitoba in various parts of the province in which there was a very full and complete discussion of the provisions insofar as The Planning Act are concerned. The results of those meetings were fruitful insofar as 1) it served as a public education; 2) is that there were a number of very valid suggestions that did come forth from municipal people. As well, as we'd indicated last Session, with some experience behind us since January 1st, there are some changes but none of them of really a substantial nature to the legislation itself.

I should also indicate at this point, Mr. Speaker, that the response to the planning legislation passed last session has been overwhelmingly positive and has been in fact much more encouraging than I would have anticipated. I'll be looking forward to dealing with this during my Estimate review. We must have about six or seven groups of municipalities - two or more - that have made requests for the formulation districts and have indicated, particularly those municipalities surrounding Winnipeg that had initiated an interest in the entire field of district planning and land use planning that had demonstrated several years back a real interest in this, they have come forward with specific requests to the province by way of resolution asking the province to form districts within their areas. So I've been very encouraged and as I say response has been better certainly, I must admit, than in my most optimistic moments I would have expected during such a short period of time since the passage of the legislation.

Now dealing with the amendments. The first deals with definitions for the term "shoreland" and "shoreland reserve." A shoreland reserve is a strip of land adjacent to a body of water which, for environmental reasons and to provide public access along the shoreline, was required to be dedicated as a public reserve as a condition of subdivision approval. The present definition within the legislation lacks clarity and precision. They use the words "ordinary high water elevation and normal

BILL 65

(MR. PAWLEY cont'd)high water mark." Instead the Director of Surveys has recommended consistent use of the expression "ordinary high water mark" which is a term with an accepted meaning. Reference to a "pond" has been removed from the present wording. Reference to the "sea" has been added. The term "stream" has been expanded. The present clause includes a flood plain as shoreland. This has been removed as having been too vague a concept and one not necessary to achieve the intent of a shoreland reserve. "Shoreland reserve" is presently defined descriptively with reference to the delineation of the strip. This earlier wording was unnecessary and the term has been specifically tied in to another section of the Act.

Another provision in respect to the amendments provides for consultation with municipalities and a municipal hearing prior to making recommendations in connection with the formation of a district. The present wording of the Act required a municipal board hearing on the question of the establishment of a special planning area. Such was not the intention when the legislation was drafted and passed last session. Since time is of the essence insofar as a special planning area - and I should mention a "special planning area" is where municipalities wish to institute interim planning measures of a short-term duration while they're working towards the development of an overall development plan, where they wish to ensure that certain things are not done in order to cripple the work which they are attempting to do by way of planning in the long term. Before, as I say, there was a great deal of cumbersome procedure that was included within the provisions which had not been intended to be included.

Another provision provides that one or more members of the Council of the Municipality shall be members of the board of a planning district. Because of the definition of "council" within the existing legislation, only the resident administrator of a Local Government District would be eligible to sit on such a board. The amendment recognizes the trend of increased responsibility on Local Government District councils and removes a disincentive to the Local Government Districts to joining a planning district by allowing the LGD councillors to sit on the board itself. This was certainly a weakness in the last piece of legislation to provide for administrators and not for LGD councillors to sit on the boards. The whole process or whole trend insofar as the establishment of local authority, local self-government and LGDs is to encourage the elected councillors to participate and not the administrators. Certainly that was a most inconsistent provision insofar as the direction which we were wishing to proceed.

Another provision provides for the cessation of membership in the planning district board when a member ceases to be on the council of a municipality. The section is expanded to cover a member of and LGD council who is a member of a planning district board.

Other amendments are added prescribing the responsibilities and duties of the board of a planning district. Municipalities which are members of a planning district remain responsible for the enactment and amendment of zoning by-laws while the district board is responsible for their administration and their enforcement. For this purpose the board should have its own development officer who issues development permits and grants certain minor variations. Having a single officer instead of one for each municipality will ensure uniformity and efficiency of administration.

Another new provision ensures that a planning district board has exclusive jurisdiction to hear residents' objections to a zoning by-law. The present provisions are not sufficiently clear in this respect, leaving open the possibility of hearings by the Municipal Board. The present provisions apply for the transfer of residents; objections to the municipal board when objection is made by the district board or by an adjoining municipality only.

No specific provision is made in this part for the procedures that apply to the amendment of a development plan. The new sections proposed in the legislation provide that the same procedures apply as those used for adoption.

Also the present legislation reads that the provisions of this part pertaining to a development plan apply *mutatis mutandis* to the adoption of a basic planning statement. The new section spells out the procedure in detail making one change from that applying

BILL 65

(MR. PAWLEY cont'd)to the adoption of development plans. Basic planning statements will be approved by the Minister under the legislation - being the Minister of Municipal Affairs - prior to third reading by council or by the planning district board. Development plans will require approval by the Lieutenant-Governor-in-Council on the recommendation of the Minister responsible for the legislation.

A basic planning statement, as I mentioned, is either a short term development plan or a stop-gap measure. It should be capable of being put into force with a minimum of delay. Approval by the Minister provides the necessary flexibility. If he sees a provincial planning concern it would be open for him to refer a basic planning statement to either of the two committees established under the legislation, the PLUC committee - the Planning Land Use Committee of Cabinet - or the Interdepartmental Planning Board, which is also a statutory board established under the legislation.

Another provision lists the required contents of a zoning by-law, including a provision for the establishment of a variation board. This clause is to be removed. There's no need for a zoning by-law to make such provision since the legislation already has constituted council as a variation board since Proclamation. Removing this provision from the existing legislation will therefore avoid confusion.

Another provision sets out how notice of a public meeting concerning the enactment or amendment of a zoning by-law is to be given. The present section of the Act neglects to specify in minimum the time period between the mailing of notices and the date of the meeting. The amendment gives 14 days which is consistent with smaller provisions in the Act. The present section inadvertently neglects to require notice to be given to the Director, adjacent municipalities and the planning district, of a meeting to consider an initial zoning by-law. They are to be given notice only when an amendment is being considered. This anomaly is being corrected.

Another amendment in the legislation provides that in respect to the present provisions of the Act, they're too onerous in two respects

1) The present legislation requires mailing notices of amendment to a zoning by-law or planning scheme to adjacent municipalities. This requirement is changed so that notice need only be given to the adjacent municipality if it is within 300 feet of the subject land.

2) The present provision of the Act requires mailing of a notice to property owners within 300 feet of land in respect of which an amendment is sought. This has been found to create an administrative problem in urban areas. The amendment allows councils to choose to placate the property instead of mailing such notices.

Another proposed amendment deals with when council gives third reading to a zoning by-law or an amendment or decides not to proceed further with it. There is at present no provision for notice to the Director. Such notice is desirable in order to keep municipal planning branch records up-to-date. Also the present section required notice of third readings to be given to those persons who filed objections or made representations. This has been deleted because it is redundant. The enactment procedure does not contemplate the filing of objections prior to their reading, rather it allows persons to appear at the meeting to make oral or written representations.

Another amendment deals with where one objects to a zoning by-law or an amendment within the time specified in the notice of third reading. The by-law is to take effect from the date of third reading, and the legislation presently did not make this clear but left that intention vague. So that the legislation is proposed in order to ensure that this intention is made clear rather than it is at the present time. Presently also legislation refers to an objection being received by council before the specified time. This is too wide, as it encompasses objections prior to second and third reading which presumably have already been considered, and it is only objections after notice of third reading which are to give rise to a hearing by the district or municipal board.

Also technically speaking council does not receive objections after third reading but only copies of objections filed with the district or municipal board. Also the present legislation directs the municipal board or the board of a district to fix a hearing date upon the receipt of an objection to a zoning by-law. The municipal board may receive

BILL 65

(MR. PAWLEY cont'd) objections in a second way, transfer from the district board, and this amendment included within the legislation provides for this to occur.

Another amendment deals with the hearings of objections to a zoning by-law. The municipal board or the planning district board as the case may be, either confirms the by-law or orders its amendment. An amendment adds a requirement that notice of this intention is to be sent.

Also presently where a municipality is a member of a planning district, objections by residents to a zoning by-law or amendment, are heard by the board of the planning district. At the same time at the district board itself or an adjoining municipality has a concern, its objection must be filed with and heard by the municipal board. This leaves only the possibility of two inconsistent decisions to take place: One, by the district board upon residents' objections, and one by the municipal board, upon objections for the district board and the adjoining municipalities. And you could end up with a very peculiar situation with two different findings: One by the one board, and the other by the other board relating to the same substance.

The new provision obviates such a situation by requiring the transfer of objections from the district board to the municipal board when the municipal board also receives an objection. So here we're dealing with an adjacent municipality or an adjacent planning board filing an objection, it going to the municipal board, the objection being filed by a resident, and of course that objection would go to the district planning board, dealing with the same subject matter. So rather than have two different boards to deal with the matter, all objections will be considered together and will be dealt with as one, so there is only one decision and no chance of two contradictory decisions being made by two different boards. In those types of situations the references would be to the municipal board rather than to the district board.

Another provision contemplates the registration in the Land Titles Office of a development agreement entered into between the municipality and applicant for an amendment to a zoning by-law. The Registrar General of the Land Titles Office has pointed out that agreements per se are not registerable, and the amendment provides for the filing of a caveat, with a copy of the agreement attached. So this is purely a change insofar as wording. You can't file agreements in the Land Titles Office, you can only file caveats, a caveat which prohibits any dealing with the land, either by transfer or leasing or mortgage, or any other encompassing of land, unless that land is subject to the agreement, but the agreement can only be filed in the Land Titles Office by way of the registration of a caveat, which can have the agreement attached to it.

Another amendment provides that the approving authority, and that's the Director of Planning, is required for all dealings with a portion of a parcel or lot of land. An amendment exempts from this control the acquisition or disposal by the Crown, either Federal or Provincial; the amendment extends the exemption to Manitoba Hydro and to municipalities. Simply because Manitoba Hydro holds land in its own name and not in that of the Crown like the Manitoba Telephone System, it must presently apply for approval when buying part of a parcel. This could create an administrative problem when for example, Hydro's acquiring land for a transmission line. Separate applications would have to be made and processed for each individual parcel that would be required all along the route of the transmission line, and each would be subject to veto by the municipalities, so that in fact, you could reach a situation I suppose of complete chaos and anarchy where there's so many municipalities involved all the way along insofar as a transmission line is concerned. Presently, as I indicated, he must apply when creating drainage ditches, acquiring parts of parcels for other public works. The exemption is consistent with the principle of effective municipal control of subdivision through the veto.

Another amendment controls transactions that present provision of the Act controls transactions concerning part of a lot or block described in a registered plan of subdivision. The amendment adds exemption of Manitoba Hydro and Municipalities to that of the Crown.

Another amendment deals with the present provisions of the Act which provide that an explanatory plan filed after proclamation of the Act is not a registered plan of subdivision. Since approval under this Act is required before filing of an explanatory

BILL 65

(MR. PAWLEY cont'd)note, and that's required under the Real Property Act, there should be no further approval required for disposing of a lot describing such a plan. Arrangements have been made with the Land Titles Office to treat explanatory plans in this way. Given this arrangement, this subsection is unnecessary and misleading.

Another amendment deals with what has been a growing problem in Manitoba, and that is approving of plans of subdivision in areas, particularly you'll find in the additional zone, the municipalities surrounding the City of Winnipeg, the approval of plans of subdivision and yet those subdivisions too often do not carry their own way. With the approval of a plan of subdivision, there goes with that approval usually a number of extra expenses to the local authority, expenses that involve schools, hospitals, roads, sewer and water, many other types of facilities. The present provisions of the Planning Act do not provide for a municipality within its authority to recover sufficient land or moneys in order to properly compensate the people within the local authority for the additional financial burdens which are thrust upon the various local authorities from the development of the additional population. For instance, a subdivision containing 55 lots and the construction of 55 homes could mean for instance that if it averaged out at two children per home, approximately 100 children, the need for two more school buses to carry the children to and from that subdivision to the school; it may mean an additional classroom or two being required to be constructed to the school itself.

Up to the present time there has been a lack of, due to nobody's fault I think, just that the fact that the legislation hasn't dealt adequately with it, the old legislation particularly prior to the legislation of last year, hasn't dealt with the need for proper consultation with school divisions which generally bear the brunt of these additional capital expenditures required. So that there are in this legislation a number of amendments dealing with proposals to ensure that the local authority, the municipality as well as the school division can benefit from requirements claimed by the planning authority as against the subdividers of these lands. And they can be either by (a) by land claimed up to 10 percent from the subdivision itself, or if not from the subdivision from other lands within the municipality owned by that same developer; or by way of cash in lieu of the land, and that cash would be equal to the value of the land as of the date of the approval of the plan of subdivision. And in many ways this makes the present provisions of the planning legislation consistent with the City of Winnipeg Act except that the proposed amendments before you very clearly indicate that the land or moneys in lieu thereof will be tied into the financial demands of either the municipality or some other local authority - that's brought about because of the subdivision development. So there are amendments dealing with that before you.

Another amendment deals with transactions in mineral rights from subdivision control. No planning purpose is accomplished by requiring an application for approval when someone wishes to deal with the mineral rights in part of a parcel - oil companies and other owners of mineral interests sometimes fragment their interests for special purposes. Agreements to do so are invalid under the present provisions of the existing Act. Also it is inappropriate that such transactions are subject to a municipal veto. This is a change that was requested specifically by the Registrar General at the Winnipeg Land Titles Office.

Also under the present provisions of the Planning Act, subdivision applications is deemed to be refused, allowing an appeal to the municipal board if the approving authority has not given a decision within the time fixed by the regulations, which is 90 days. However a decision may not be possible within this period of time; the directorate cannot approve an application unless council has given a resolution of approval. In addition there is no point in proceeding with an appeal at this juncture since the municipal board cannot approve without the resolution of council. The amendment provides that the time period cannot run out if council has not yet given its resolution or approval.

Another provision provides with the present provision dealing with appeal to the municipal board if the decision of the director on a subdivision application, since the director is required to refuse the application if council has by resolution rejected it

BILL 65

(MR. PAWLEY cont'd). . . .and the municipal board is of the same position, an appeal would be pointless. The amendment ensures that there will be no appeal in such cases.

The present section does not give a time within which an appeal may be made following a deemed refusal, the amendment therefore provides for a thirty day appeal period.

The present section also requires notice of appeal to be sent to a Minister and the Council, as well as to a municipal board and the approving authority. This is unnecessary since they will receive notice of the municipal board hearing in any event. The amendment deletes this requirement.

Another section, as I indicated earlier, deals with the dedication of land for highways, municipal services to be required as a condition of subdivision approval. And that, I should also mention, deals with the present inadequacy of the existing Planning Act for it provides only for one acre for every hundred persons, and as I indicated earlier the amendment allows dedication of at least ten percent of the area in the discretion of the council - that discretion is entirely with the local authority with the municipal council, not with the provincial government, so it's a municipal, entirely a municipal discretion.

Another one deals with the present section requiring dedication of land adjacent to bodies of water, shoreline reserve. If this requirement is inflexible, administrative problems will result. In each case, a plan must be prepared, putting the applicant to much trouble and expense, even though he may be selling one parcel; access must be provided. The new subsection therefore allows the dedication of shoreland reserve to be waived by the Minister. Leaving the waiver entirely in the discretion of the approving authority would give rise to much contention at the local level in many individual cases and it certainly would not be a change that the municipalities themselves would want to see if that was left at the local level for them to become engaged in individual cases.

Another amendment deals with a section listing the permissible uses of public reserve land; reference to a school site is removed. Such land cannot be used as a school site unless it is conveyed to the school division so that the procedure for disposal of public reserve must be used in any case. The term natural area is added to cover land dedicated as unsuitable for building sites, such as swamps or ravines. Again the present legislation allows disposal of public reserve and sets out what may be done with the proceeds and with moneys received in lieu of dedication. Presently such funds may only be used to buy land for public parks or recreational purposes. The amendment allows them to be applied to and all capital expenditures, including those requirements for school purposes, that I mentioned earlier.

Another section deals with council holding a hearing on the question of disposal of public reserve land after giving notice to persons' organizations and agencies who may be affected and the Act is therefore made applicable to those circumstances.

I might just also indicate that insofar as section 88 of the present Planning Act - which members will recall we agreed not to proclaim last session until such time as it was further reviewed by the department and by myself - we're prepared to repeal that section. We feel that it is not workable, and anyway with the additional liberal discretion provide to the municipalities in regard to dedication of land for local authority purposes, I think that that section 88 is no longer needed, and that we ought to repeal it, and that is my recommendation included within this legislation.

Mr. Speaker, I apologize to members of the House because I know this has been quite a burden listening to all this massive, it's been for myself as well as I'm sure for other members of the House, but I thought it was best to go through the particulars so that they would be clearly defined prior to second reading and then eventually committee stage.

MR. SPEAKER: Before I accept the motion to adjourn I have been sitting here and pondering that same question of procedure in respect to debate on second reading, and it's supposed to be in principle as we are all aware. If the Chair may suggest that in the future when there is a complex, detailed explanation on a bill necessary, if possibly an addendum added to the bill with the necessary explanation of the various sections would not help to prevent us from contravening our way of debating second reading. Because

BILL 65

(MR. SPEAKER cont'd) I too found it very discomfoting to have to sit here and not interrupt the Honourable Minister when he was really in contravention of our second reading debate procedure. So if the Chair may suggest that for the future that we don't have this problem.

The Honourable Member for Morris.

MR. WARNER H. JORGENSON (Morris): Mr. Speaker, if I may briefly comment on the point of order that you raised, I appreciate your viewpoint on that particular subject. But that's the difficulty that we face when we're dealing with an amendment to a bill, a bill to which the principle has already been established. I did not find it uncomfortable listening to the Minister because I'm interested in the explanation and I don't know how else he could have given us that explanation of those amendments without speaking as he did. I know it's in contravention of an existing rule.

The suggestion that you made with respect to providing additional information in the bill itself is one that I have been urging that we follow in this Chamber. I have urged it several times in the Rules Committee and on other occasions. I know the difficulties that are involved. It is done in the House of Commons and there's a possibility that some effort can be made to do precisely that on bills to amend.

Mr. Speaker, I should like to move, seconded by the Honourable Member for Brandon West, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, before going into Supply the Honourable Opposition House Leader advised me that the next committee that they would be prepared to consider in Room 254 would be the Attorney-General and Municipal Affairs. I wasn't certain as to whether his group would be ready to deal with that today? No, not today. So that means after the Estimates of Education are completed.

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

MOTION presented and carried and the House resolved itself into a Committee of Supply with the Honourable Member for Logan in the Chair.

COMMITTEE OF SUPPLY - HEALTH AND SOCIAL DEVELOPMENT

MR. CHAIRMAN: I refer honourable members to Page 25 of the Estimates Book. We're on Resolution 56(a)(1) - the Minister's Compensation. The Honourable Minister of Health and Social Development.

MR. DESJARDINS: Mr. Chairman, the Honourable Member for Assiniboia is coming in the House. I think I should give him an answer to one of the questions that he asked last night, if for no other reason but to bail him out. Apparently he's in a little bit of trouble and I think that in all fairness - I don't know what reports went out this morning - but in all fairness he was only asking a question, I don't think he made any allegation. I didn't hear any. Unfortunately I didn't know the answer and neither did the Chairman of the Commission because, the main reason, it is not one of our programs. I have a prepared answer now that I would like to give.

The program that my honourable friend was talking to - to refresh the memory of my honourable friends - he was talking about the blood - people removing blood and being paid to give blood, students at the university. Now the program to which reference has been made is, in fact, a program for the preparation of tetanus immune globulins and the Federal Government had expressed an interest in such a program and requested that it be developed here.

The medical director of the RH Institute, Dr. Jack Bowman, is in charge of the project and is also on the Faculty of Medicine. As such he has assessed their students as donors for preparation of the globulins. As the procedure is quite lengthy, between two to three hours, the students are paid a fee of \$10.00 for their time. Funds for the project are provided by the Connaught Laboratories. Once the plasma is prepared it's sent on to Connaught Laboratories and some of the plasma is sent on to Spain on a contract basis. The project has been developed by the Manitoba RH Institute and this program supplies the entire country with raw material from which tetanus immune globulins are prepared. The students are under the supervision of a medical doctor during their participation in the program and are only accepted into the program after receiving a physical examination. So it is perfectly legal. It's under strict medical supervision and I hope that this will clarify the situation.

MR. CHAIRMAN: The Honourable Member for Virden.

MR. MCGREGOR: Mr. Chairman, I would like to express appreciation to the Minister for the addition that his statement last night gave Rivers some 720 personal care beds. This is certainly something Rivers has been working hard for for several years and it's so necessary with the expansion of the industries at Oo-Za-We-Kwun, the old air base. This certainly will ease the congestion in the Rivers area and also help a perennial situation in rural Manitoba, keeping rural doctors. The bigger the hospital establishment the easier it is to get an addition. That's the only part that I probably have favourable things to say to the Minister.

The other area is the lotteries. Even though the Minister has been pretty kind to give me considerable of his time in explaining the confusion in all the many lotteries that we see as we look at the papers. I do agree with the Minister in his opposition to what is known as the Canada Lotteries that may follow up the Olympic Lottery. I think the Minister knows well when we move out of the Province of Manitoba - an example was WesCan Lotteries - it really didn't come off as well as he thought or probably his staff thought it would. Returning to the Golden Sweepstakes, we do know that they showed a real tidy profit in the years that we had them. I might say I was one who voted against the lotteries when the lottery legislation came before this Chamber in 1969. I don't feel bad about it. I always considered myself right even though at times I've lost votes. I still say you can be right and lose. That was a case when someone would quickly come back and say, well how come you're so anxious for racing legislation and I say, that's fine, I'm not really a betting man. I like certain aspects of the racing and will be supporting it. One could say that sweepstakes and the racing are the same. Well they are depending just how one approaches it.

The more recent and more popular lottery is what is known as Winsday Lottery and in watching one of the lotteries being drawn the other night on TV, the thing that came to me, if a certain sequence of numbers comes up does the organizers - be it the

SUPPLY - HEALTH

(MR. MCGREGOR cont'd) government or be it the TCI - but do they indeed know if that ticket has been sold and how long is it before one knows? What happens to that money that supposedly goes to a ticket that wasn't sold?

The other thing, as lotteries' licences are given by either the government sponsored or local and indeed not enough is sold, does the government or does those organizations - because I can think of one in western Manitoba some years ago where they didn't reach their objective of the prize money and it was automatically cut down. What happens to that same organization if they come back a year later or two or three years later and ask for a new licence or a new privilege to sell?

Also I think it's a concern if one follows up these lotteries. No one has won a million dollars or any portion thereof without completely corrupting his life and his family life. I'm waiting anxiously to the day, Mr. Chairman, that I'm told I'm a winner and my statement will be it's the saddest moment of my life and it certainly will be. I would always urge more or the same money given away but in smaller denominations so the average person might be able to handle it.

Also regarding the First Minister's statement a couple of weeks ago, his well-publicized statement of 2-1/2 times. I wonder where this comes in if one is on a very average wage and wins a million dollars. What is the First Minister's approach to that? Is it going to be indeed a real heavy tax to bring it down to 2-1/2 times? --(Interjection)-- Well, I know there isn't now but I wonder what he's thinking.

I think I asked before, the operating of a lottery, should the lottery not collect sufficient funds to meet the prizes, will they call on the Provincial Treasury to make up the difference? I think as I recall, at the time the legislation was being debated, is it not true that in the answer to a question it was said that a shortfall of the fund would come out of the Provincial Treasury? That is again the ones that the government is involved with.

You see from time to time announcements and the question would be, Mr. Chairman: is Leonard Bie the General Manager or the Acting General Manager, Western Lotteries Manitoba Distributors Incorporated. If Mr. Bie is Acting General Manager, when is a permanent GM to be announced? --(Interjection)-- Western Lotteries Incorporated. Again this is from news clippings, be it right or wrong.

The last point. If indeed the new Golden draw which will match up with the ponies, again this has been organized by the Total Communication Incorporated and again I would like to ask, Mr. Chairman, through you: is this really and basically a return to the Golden Sweepstake draw? If it is I think it's real good for Manitoba because we were all so proud of what the Golden Sweepstake accomplished, where the money went and as I said in replying on a grievance motion earlier this session that I was proud to support the Minister and the things that he was doing with the money, back through the recreational grants into the Sports Federation. The question is; is this new Golden draw - is it coming into focus in the same area as the Golden Sweepstakes draw originally?

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, I thought before we proceed in great detail with the lotteries - my colleague from Virden has some real interesting and valid questions - but I was wondering if we could get back. I know I posed some questions to the Minister last night and I also want to say that he had a personal conversation with me this morning to some extent. But I feel that I have further questions I want to ask him and I would like to ask him now if he could give me some further information as to my questions last night?

MR. CHAIRMAN: The Honourable Minister of Health.

MR. DESJARDINS: Mr. Chairman, yes. We were dealing with the hospital at Swan Lake which was not announced in the program and as I stated last year it would not mean that forever and a day there'll never be a hospital built there. Some of the reasons why this was not announced - first of all it is not the greatest priority. We have guidelines and in the area there is quite enough beds. I'm not saying that they couldn't use more but it is not the first priority.

SUPPLY - HEALTH

(MR. DESJARDINS cont'd)

Secondly, when my honourable friend said yesterday that he agreed with the principle that we go on and build the personal care beds close or adjacent or connecting with the hospitals - and it's true and we still have the same policy. But when we do that this is when we've talked of them and before we approve any of that we want to make it viable and we get rid of extra beds, we cut down on acute beds. Now they've never agreed to cut down on any acute beds.

Thirdly, there has been a constant battle there between different communities, Somerset and Swan Lake and so on. They both wanted the hospital. So there are some of the questions.

Now I've received further information just a minute ago that the administrator for Swan Lake Hospital was in our office yesterday, the office of the Commission, and he has now presented - there was no formal application before - but he has now presented a submission to both boards the Swan Lake and the Notre Dame Boards re shared services: housekeeping, administrator and so on. He is currently working with the medical staff at Swan Lake with respect to a district health system and discussions are going on slowly. Some of the people are a little afraid. They're saying, is that the start of all our doctors being on salary and so on. But they are doing that and this is their responsibility. This is what is being done.

There was a lot of discussion at the Commission. I know I met my honourable friend and he said to me this morning that I apparently had refused to meet with the board or the administrator of Swan Lake when I was Chairman of the Commission. I don't recall that. It is possible but I know how I operate and if I did so it was because we needed more information and there was no point and there was no way that you could meet with every single person who wanted to meet with you as often as they do. So there was certain information. There is one thing, we weren't going to move, we're not going to approve this.

If we don't, as I say, co-ordinate these things and try to close some of these acute beds when we have too many acute beds, and this is the best occasion to do it. So they are still discussing. As I say, the administrator was at the Commission today. They are looking into it. All I'm saying that the program that I have announced and that's plenty; we'll probably have to get temporary staff to work on this, this entails an awful lot of work. But I'm saying that it is not a program in the five-year program that I announced.

Now, on the question of lottery. Without being too long I'll try to explain the real situation and where we're at now because there is no doubt that there are many people that don't really understand the situation. Let us go back to the days that we had the Manitoba Lottery, the Manitoba Sweepstake. There were very few lotteries that were licensed, other lotteries. I'm not talking about the smaller lotteries but the other lotteries. There were practically no lotteries existing - one or two tried and one of them I think they lost their shirt and so on and they had trouble.

So it was a set-up where the profit from the top went to the Manitoba Lottery Commission, paid their expenses, then they were responsible for selling the tickets. That was the government. Then that money was put in the consolidated fund in a special account, not to be used for anything else but for sports and culture. Fifty percent was sports, 50 percent culture. Now when I say 50 percent sports, I'm not talking about organized sports, sports in general. And some of the programs that were mentioned yesterday, the program that was so successful and so on, the capital and so on came from that money. It was a government program coming in from lottery money from that profit. Then the tickets were sold, they were non-bearer tickets, they were sold by agencies and the great majority of agencies, we had practically full accountability because they took a few tickets, they made \$500, maybe a \$1,000, maybe \$2,000 or \$3,000, and they have their tickets, the members had tickets in their pockets and they would say: Do you want to buy a ticket? And then they could account for these tickets. But then - and that's what I say when we said that we wanted - and those were true volunteers.

But then some of the people got pretty clever and one fellow started an agency

SUPPLY - HEALTH

(MR. DESJARDINS cont'd) and he . . . some of them would contact different organizations that had never thought about going in the lottery and they'd say: Do you want to make 50,000 bucks, you know, what's the catch? You know, nobody comes and tells you, do you want 50,000 - there's no catch. Well what do I do? Nothing, you just let me use the name of your non-profit organization and he would organize that. And this became, you know, money from heaven for these organizations that were good organizations, and so on. And then we had a picnic because Quebec and Manitoba were the only lotteries and we were selling all over the States, all over the place. And if you're ever going to remember these days and say it was a real success, and so on, if you'd just look - but it will be tough to find these days again because the other people decided that they were going to be part of the lottery. And we were told, and they started making noise and telling us that we were selling, we had no business doing that and therefore that they were going to prosecute us and so on, and we said well we're organizing. I asked the First Minister if . . . I could see the writing on the wall, we would have lost all that because, you know, we couldn't compete with those other provinces and we would be kicked out of their provinces.

So somebody said, well why don't you work a reciprocal arrangement. So I met with the Ministers of the other western provinces to see if we can have something that we can compete with Quebec, be big enough. So that is where the Western Canada Lottery Foundation was started. But then this became a government sponsored, it wasn't Manitoba but all the other provinces, so they looked at the unaccountability and by then there was quite a bit of unaccountability and there was more and more all the time because the non-bearer's ticket, the secret of their success is that, send the tickets away by mail, by everything, you know, the more you send the better chance you get of getting some back. But there was some draws where up to 70 percent of the tickets were not accounted for. And I don't care if all the members of this House think this is all right, I don't. I don't think that a government could be involved while there is this system of unaccountability. They would take a telephone book, the Detroit telephone book, and they would look at names, central Europeans - they're usually pretty good gamblers - and they'd sell tickets. I'm not saying that all this money was stolen: I'm saying that they were unaccounted for. There's many people that probably received this ticket, they never asked for it, and they tore it, there's no damage. But we will never know. But I'm sure that there was abuse.

So, when this was going on, the Western Canada Lottery Foundation came in existence and then they decided well, all right, they were taking over. First of all that meant that the tickets that we were selling in B.C., we wouldn't sell them any more, they would be sold but B.C. would get it. You know, after all it's their territory, so we have to recognize that. It was either get together to be able to help, to be able to keep on with this lottery and get a pretty steady constant revenue but not a free hand like we had before; we had to wake up to reality. While that was being done, and it was fairly open meetings, the thing was going on and unfortunately - and if we had to start all over again this is once that, if anything, it should have been done behind closed doors - but they knew that we were moving to tighten this, it was a government lottery, to tighten this and have accountability and the middleman and the people on commission and all that, opposed this, and they did it, they met - and I wasn't in the House then - they met in committee and they had all kinds of recommendations and briefs, and so on, and it wouldn't have been difficult to meet this people dead on but they, the association, the organization that they were selling for, the non-profit, a very good organization, the money was well spent, of course they became a political force too and that made it difficult, and they lobbied to everybody. Okay, so while this was being done, while we were organizing it, there is a group of these associations, good associations and middleman, and so on, that did everything to knock the Western Canada Lottery Foundation. This is why they were knocking it, because they did not want, they were dragging their feet, they did not want to convert to bearers tickets because they couldn't exist on bearers' tickets because, you know, you can't send tickets because they have to be paid. It's just like if you're sending \$5.00 bills or \$2.00 bills. So therefore there was a lot

SUPPLY - HEALTH

(MR. DESJARDINS cont'd) of opposition, so we could not work that well with agencies. So this is where, in Manitoba especially, there were programs, some of the agencies were talked to, we told them what we were going on, that with co-operation . . . but they were in league and they had committees working together and, you know, this is fair, if you want to, but I'm trying to explain how it happened in case you are mixed up.

So during that time - for instance I've mentioned the Sports Federation before - the Sports Federation had had another kind of lottery and they were losing their shirt. So, until we had that, we closed our eyes on lotteries. They were supposed, the agencies - we were counting on these agencies to sell these tickets of the Western Canada before the bearer tickets but these agencies more and more were trying to be licenced which didn't exist before. There was going to be, you know, too darn many of these licences, so the Sports Federation for instance was licenced, we closed our eyes on that. And as I say, this one a temporary measure and they knew that, until we got this thing going. We closed our eyes because they owed \$160,000. Okay, well then what was done, the battle was on with the agents and with everybody, but then at the same time, at the same time --(Interjection)-- I hope that the taxpayers of Manitoba won the battle. In the meantime there was more progress and we did convert to bearer tickets. Well bearer tickets is a brand new game. Bearer tickets you must have retailers to sell these tickets. You know, it's the same as if you were selling cigarettes, cigars or chewing gum. You sell them wherever there is a machine, you sell them at drug stores, you sell them at the barber shop, you sell them all over the place.

Well then in September I announced that we would have two corporations, and at that time the first intention was to convert to make sure the Provincial Government, make sure that we would have accountability, that there would be no longer a rip-off because it was a rip-off, there was only about 10, 15 percent that was going in prizes, so we changed these things, and as I say, you don't just measure on what the profit that you get, so we changed this and during that time some of the other lotteries were going on and these people they were very tough losers, they saw if the unaccountability went out, they were out of business. So they fought it and they did everything, they went to salesmen, they went all over the place, they went to the press, they gave all kinds of information, and this is some of the trouble that we've had. You can call it a fair battle if you want, they were fighting for their lives. All right.

So then when this happened, in the meantime we were trying to set up somebody to distribute these tickets or to wholesale these tickets. The best possible way - and I admitted that - would be to go to individuals, and if you remember in this House before and out of this House, I mentioned that individuals, for instance, Butch Bouchard who used to play for the Canadiens, who I know quite well, is making at least \$100,000 on that. Savard who plays for the Canadiens, now he's getting more out of that than he's getting out of hockey. Ontario started their program and they went pretty well along the same line. Well in Quebec - they're friends of the Liberal party that's in power; when that party is defeated I suspect that they'll have a new bunch of people - it is true patronage in the pure sense of the word. Well we didn't want this in Manitoba. All right that is another thing that will part us. So we said, well how do we go? We tried to give it to the agencies but how could we give it to the agencies when they were bearer tickets, because you couldn't pro-rate how many they sold, they'd have nothing, you would just give them an exclusive franchise which they wouldn't do any work because you're working through retailers. So that was very difficult.

So we said, all right, what is the next best thing? So we took groups representing many agencies, we said we'll give some to the Sports Federation representing sports, that money will go to sports; we'll give some to culture, and then the United Way. So we made this offer to these three groups; two groups said yes, the third group said sure we're ready but we want to keep on with our lottery. There is no way that they can be in partnership and then compete against this partnership. It doesn't make sense. So they kept on fighting and fighting and during that time that corporation could not really get started. And we waited for about six months. Now there was no way that I wanted to be accused of saying, yes, you're giving us a corporation but, you

SUPPLY - HEALTH

(MR. DESJARDINS cont'd) know, you call all the shots. So we did form . . . because then, and unfortunately - maybe it's unfortunate because at the same time - and that's why there's so much misunderstanding - we converted. That was the first draw after this announcement that we converted to bearer tickets, and we were not geared to sell bearer tickets, and the agencies, those people that were in wanted no part of it and they were knocking this and pushing their own lottery. So we formed . . . we had to, the tickets were off the press, we had to have an agency, so therefore we just named some temporary people, people from the Commission until we got the names, trying to resolve with the Sports Federation, and then we had two people working with this Corporation to try and get salesmen - it was during the strike, the mail strike, and so on, and there were two people that were employed by COJO for distribution for selling the Olympic tickets here, and they helped. But all the bad publicity and everything that we had, it wasn't a very good success in Manitoba, to say the least. It wasn't as bad as we were told because if you look at all the tickets that were sold we couldn't . . . we didn't have the revenue from what was sold in other provinces and then the Olympic tickets were improving.

So then during that time we said because, you know, normally as far as I'm concerned we would have had only this corporation and all our tickets - this is what I'd like to see - would all be bearer tickets, full accountability, and this is what we go. But then you have to look back at times and then there is no doubt that there was a situation with the agencies, you know, they had started to count on this money, and so on, and so we said, we'll have another corporation, because that's the only way we could take care of the agencies, we'll have another corporation and these people - we were talking about bearer tickets also and we said that those that are receiving anything, that are funded by the partners in corporation, they will not qualify this time, so we had to take care of the other agencies. And that was only on that request.

So, to get the ball going and to explain what this was all about, we asked one of the fellows that was interested, a young lawyer, his name is Kennedy, to try and get the groups together, and he did, and they got to understand what the situation was. He gave a report and in his report it was clear that they could not operate with bearer tickets. So we said all right but we, you know, now it was tricky, we were fighting to have full accountability, bearer tickets are not full accountability, but you've got to have something like 10 percent accountability. Now this is what had been going in the Western Canada Lottery with the agencies before they converted, they were getting more and more accountability. But on the other hand they were doing that with this product but then they were concentrating on selling their own lotteries, so they were competing against this lottery and that was one of the reasons that it was going down. So then it was agreed - and I must say this because I don't want to see a misunderstanding, I did not agree with Cabinet. I'll say this, I felt that my main duty was accountability and Cabinet said, well all right, you know, they weighed everything and they said, fine we should go ahead and let this corporation go without this kind of accountability but they'll have to police themselves and they're on trial, and if they don't work well and if there's a rip-off, and so on, it will be closed. So this is where it was transferred, well where it belonged, with the Manitoba Lottery Licencing Board and that corporation B is through the Manitoba Lottery licencing board which license them, they answer to the Attorney-General. And I'm not fighting it. I think it will be an improvement but I still would like to see full accountability.

Now that is the story, very shortly what has happened. Now corporation A, after repeated offers, we met with the Sports Federation, and they didn't want any part of it, and there was the Fitness and Amateur Sports to keep it in sports because we wanted sports to get part of that, they receive one third, the - I don't think this is right - the Sports Federation started to run their lottery, all the rules were broken again, there was supposed to be misunderstandings and we're discussing now, and I hope that eventually there might be a possibility of getting this thing sorted out because if we have all kinds of lotteries, it won't work. We'll kill it all.

Now corporation A. Corporation A, there is a certain amount of money that goes to profit to the Manitoba Lottery Commission, therefore the government. Now while

SUPPLY - HEALTH

(MR. DESJARDINS cont'd) we're trying that, it's been very difficult, I tell you now that there's going to be very little profit if any because we want to build this corporation A. I'm not too concerned about that because like those that don't believe that the government should rely on lotteries, I would think that someday it won't be too difficult to convince the Cabinet to pull out of lottery altogether. Now we are not running lotteries, but even the profit and that day might come, and if these corporations are still right, if we can help these people, I'm happy, and they could run their own programs. But anyway the corporation A, which is these three partners, now sell all the material, the products of the Western Canada Lottery Foundation. And the question was asked, and I'll answer it now. The question is: if there is not enough to cover for the prizes, what happens? Well this is a thing that concerns me. This is why I'm going to meet with the Ministers of western Canada on Wednesday to try to straighten this thing out, because as far as I'm concerned the intention was very clear when we formed this that this is what we had to sell while the going was good, because we would help each other and there would be no pressure. Some provinces might go all out and some provinces might say, well, you know, those that want to buy it fine. And there has been a suggestion by the Board, and that's not the Minister, there has been a suggestion that we would have to buy a minimum, guarantee a minimum, and if that is the case - and I'm talking mostly of the \$3.00 ticket now which has not been successful in Manitoba for different reasons; one of the reasons is that now the Olympic tickets are in the same draw, they're offering up to six \$1 million prizes, so you don't have to be a genius to think that I better sit down with say Morris and Wally and say we'll get together, we'll buy a partnership in \$10.00, it's better than paying \$3.00 for just a quarter of a million, and we've had bad publicity, and so on. So there is no way that I'm going to allow that the province will be in a position that we'll have to make up. I don't care if we don't make any money, the province, but if we're going to be in a position that the taxpayers will have to guarantee the prize in the lottery, as far as I'm concerned that won't happen. So this will have to be solved and if need be, we'll pull out of the \$3.00 ticket if these insist.

Now, then the corporation makes so much, and they have their distributors, and then the retailer gets 10 percent, which is quite liberal compared to anywhere else, because most of the time it's 5 percent, especially on the larger, in fact, 45 cents out of \$10.00 is certainly less than that.

These people in Corporation A then are wholesalers for the Express that we have in Manitoba now, but the \$3 ticket and the Olympic ticket. I'll get back to the Olympic in a minute.

My honourable friend is quite concerned with Corporation B. Corporation B is pretty well going back to what we had before but with a little tougher controls, I would hope or we have failed. It is recognizing that we must do something through the agencies. So the government is out of it. The agencies apply - they together form this corporation. They apply for the licence and that money that went to the Provincial Government through the Manitoba Lottery Commission - it doesn't exist anymore. They might have to pay a certain percentage to pay the costs of the licensing board and so on because that has to be self-supporting. But this will all be gone now.

They operate with the non-bearer tickets and then that is pro-rated by the tickets to every agency and they're still operating with some middlemen. But I am told that they're going to have controls, that a middle man will not be able to get more and that you'll be able to look at his books which doesn't exist now. So this is the situation the way that we have it.

Now I want to say there's something very important that's going on that could ruin this whole thing, and that's the Federal Government that probably will come with an announcement any day now. The Olympic Lottery was supposed to be terminated after the Olympics. Now the retailer is getting forty-five cents, the wholesaler is getting forty-five cents and the province is getting fifty cents. That fifty cents has to be spent in sports. So actually that is all that is getting. The other is retailer and wholesaler. Retailer's are getting forty-five.

SUPPLY - HEALTH

(MR. DESJARDINS cont'd)

They had a system that they were going through the bank and everything was done down east. We said, to hell with that. We're not going to ship all this money down east. This is why we didn't start selling tickets immediately and therefore we finally won our case and now we are going through our retailers. We don't necessarily have to go to Ottawa and down east for the banks. The bank was getting that forty-five cents. This is something that we gain. --(Interjection)-- Well I'd like to live half as well as they do and I'd be very happy. I don't think they need the lottery for that.

Now, Mr. Chairman, the Western Canada Ministers talked about this lottery and they all agreed that when the Olympic was finished they did not want this money to go to pay for the deficit of the Olympics. We got in touch with the Minister of Ontario who felt the same, and the Maritime Provinces. There was a task force set - somebody representing the four provinces here, the Western Canada Lottery Foundation, the four provinces, the Atlantic provinces and Ontario and Quebec. This task force had it all set that after the Olympics we would keep on with this lottery and it would be a national or inter-provincial lottery. It would be pretty well based on what we have in Western Canada, that set-up that we have. The marketing would be done by each group; they would decide what they wanted to do with their money. Instead of fifty cents on every ticket sold - and we're selling an awful lot of Olympic tickets - there would be \$4.50 to the province, that the province could say, well we'll give more to - that was my idea anyway - give more to Corporation A and then we'd have more for programs. It would be terrific, even if the \$3 one had to do, just that one and the Olympic.

Now everybody agreed with that. The people from Quebec unofficially said, fine, but they had to go through their routine and say no, we want to retain this for Quebec. I've got to be careful what I say, I'm not making an accusation. But now it comes back to me that the Federal Government with Trudeau saying there is nothing to the Olympics we're strong on that - and I think that he's being too tough. I don't think that we should pay for facilities. I happened to see the facilities and they've got fantastic facilities. But that wasn't built like I was told for ten days, it was built for a generation of Montrealers and they should pay for that and all the scandal they had. There's no bloody reason we should pay for that.

Now a token gesture of making a grant for the athletes and that. We're Canadians, I think we should get behind the Olympic Games now and I wouldn't mind that. But the Federal Government have made it so difficult for them that all of a sudden I'm told that Chretien will announce with the Federal Government that the Olympics that COJO will retain the Olympics for the next three years. Well that is daylight robbery if that's the case. That is millions. Don't kid ourselves, they're not giving anything to the Olympics. They're robbing not just the government, the . . . , but the people in Manitoba, the people of Saskatchewan, the people of Ontario and so on. I'm told that furthermore now before you can sell Olympic tickets here you must have an Order-in-Council for each province to permit it. Now I am told that that might not be necessary. Of course anybody that knows anybody in Ottawa and so on. I see my First Minister is back, I don't know if he talked about that. I gave him a little memo before he left. I think we should fight that and fight it hard because then the whole system that we worked so hard, with all this battle and so on that is starting to take shape will be very difficult. Then with prizes the way they're coming in, they're going to kill the \$3 ticket and it's going to be much more difficult.

I hope I wasn't too long but I think this was necessary to give you an understanding because I'm not embarrassed at all talking about the lottery. I'm convinced that we tried to do the right thing and I think eventually it will work.

I was asked on the express ticket, what happens? How do we know if a ticket is sold and are they all sold?

Under the \$3 ticket there is a pre-draw. So the main prizes are guaranteed. If you're drawing tickets of people you have numbers and if you don't get one you'll have another draw. The main draws will be there for the final draw that will be in Saskatoon on this draw. The Olympics don't do that and the Express doesn't do that. It's not

SUPPLY - HEALTH

(MR. DESJARDINS cont'd) false advertisement, there's nothing wrong with it because you're not cutting down on the odds. But it is possible that even the top prize will not be won.

Because you have series. Let's say you have number 1, 2, 3, 4, 5 that wins. Well then you must also have the series, there's series 1, 2, 3. They've sold three series here. So the last three numbers, if you had 1, 2, 3, 4, 5, well 3, 4, 5, if you've got the number of any series, and forget the series, you get the \$25. That is to spread out the loot. Now if you have four numbers, you get a \$100 and if you have the full number you get a \$1,000. Then they pull out - if anybody watches that - I know that the Member for Neepawa, I saw him on the first draw, I know that he could explain that to the Conservative caucus if he wished. Anyway they draw the series.

Now they must draw this because they can't take that number out because maybe the number 1, 2, 3, 4, 5 has been sold in the first series, 1, 2, 3, 4, 5, is being sold in the second series but not in the third series. Let's say that the third series wins the big prize and that ticket hasn't been sold. So you're not cutting the odds, you're saying you have a chance to win that. You're not cutting the odds but then if this would happen - and I hope it doesn't, but it's possible. Even if there was only one ticket not sold out of three series, and that's \$90,000 per ticket. Well it's the same as the Olympics. That money is not kept by the corporation, nobody has been robbed and it will be put back in future draws. That's the only way that you can do that.

MR. CHAIRMAN: Order please. The Honourable Minister's time has elapsed.

MR. DESJARDINS: I think that's pretty well all the questions.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Chairman, I am most grateful for the Minister's comments on this subject matter. It's one of considerable concern to me and I'm sure the members of the committee, the lottery system, and as the Minister has pointed out it's a part or an arm of government in this province. I would hope that the Minister would take all my remarks as constructive, and ones that will maybe be helpful to make certain that in the future of this province we are going to have lotteries it looks like for a long time to come, that they're managed better.

Now of course, as the Minister points out, it's part of government. I don't know what vehicle we could use to scrutinize the board and scrutinize the commission but I would suspect that we have to have a better way than we have at the present time, Mr. Chairman. Because we don't even have this item in the Estimates of the government. Surely it should be some place in the book that we deal with the Lotteries Commission.

I would also hope, Mr. Chairman, and members of the committee, that we either have a Committee of the House to sit down with this board and the chairman and maybe twice a year or three times a year have some access as to what's going on. We don't have that at the present time. I'm sure that maybe we could ask the board to come to Room 254 twice a year, with a Committee of the House to sit down and deal with the lotteries and the way they are being handled.

There's been many changes in the operation of lotteries during the last year with the establishment of the Western Canada Lottery Foundation, I think which was July 1974. The commission now have assumed responsibilities for that ticket system and I guess now it all works through the Selkirk operation, all of the sales of lotteries.

But, Mr. Chairman, the Minister raised a grievance here not too long ago on the subject matter and I thank him for that. It certainly left a lot of anxiety around this province and it's most deserved and I thank him for doing it at that time. But he said in his remarks that this bearer type of ticket that's supposedly being used now is one that's foolproof. Well right away we find out that these lottery officials are being charged in Ontario. That is a bearer type ticket system that they're using there and these two gentlemen saw, somehow saw fit to deal up some \$110,000 of secret commission and of course now they're being charged and rightly so.

So there is in fact ways and means that people can get around the bearer type system and it's vulnerable. I would hope that they're severely penalized. But basically

SUPPLY - HEALTH

(MR. McKENZIE cont'd) that bearer system is still not foolproof. As long as we in this province are going to as I say, have some responsibility for the lotteries. I would hope that first of all it will appear in the Estimates next year - some place where we can deal with it through the Minister or some other Minister or some other arm of government or through a public committee.

The other thing that is quite evident, the province is allocating these lottery funds and I have no quarrel with that, if there are profits from the lottery. But basically it's part of government operation. I don't know whether the government is using it as a vehicle. I think the moneys are being fairly distributed but nevertheless the whole committee that's sitting here today and many many people around this province are not too pleased. The reasons basically are the ones that the Minister laid before us a moment ago, that we basically don't know what's going on.

If there's some way, either by setting up a committee, all the House Committee or a way where we can sit down with the board and question them in detail, or as the Minister said that day, a public inquiry. I wonder why he's backed off from that concept because we supported him that day in the resolution on the need maybe for a public inquiry to once and for all go through the lottery system with a fine tooth comb if we can and then establish a firm base for its future in this province.

The Sports Federation were very very unhappy and maybe they had a just reason, maybe they don't I don't know, in their argument over the allocation and the sale of lottery tickets. I would hope that the Minister would think some way of how we in the opposition and the government itself can be more accountable to the public for the distribution of these tickets and the way they're being held. The groups that have access to the sale of lottery tickets naturally are licensed. Maybe we should call a few of them in to find out and discuss with them if we can improve upon the system.

The other thing, Mr. Chairman, and I do support the comments of the Honourable Minister regarding the Olympic tickets, which we understand now are likely going to be forced upon us. It's most unfortunate that the Olympic Games became a spectacle that is far too lavish and too expensive for this country. Athletes of our kind in Canada are not going to be able to use it, as he said, for more than two weeks. Now we are going to be faced through the system of a lottery scheme to try and pick up some of the deficit. I basically would hope that the Minister and maybe the government can find some vehicle to deal more rationally and better with the Lotteries Commission and the officials that are operating the Lotteries Commission than we are at the present time.

MR. DESJARDINS: Well, Mr. Chairman, any government has certain responsibilities. The Western Canada Lottery Foundation - their Annual Report will be available but there is no way that I can ever see a committee in Manitoba worrying about the Western Canada Lottery Foundation. The Western Canada Lottery Foundation turn up the products, period. There's no problem. We take them, we buy them or we don't.

The Corporation that do the marketing, that is their business. Again they must have a public annual meeting to make sure where that money is going and that is also their business. I don't think we have to concern ourselves with that.

As far as the Manitoba Lottery Commission, the part that the government plays - yes, my honourable friend said where would you discuss it? Well I think my honourable friend will be the first one to admit that in no way I tried to get away from this. I suggest that we do cover this under that because I agree. There's other agencies that we've never talked about because they are self supporting and I don't know why. I think that you bring their report and I don't know where, I guess it's under the Minister's salary. I've been here close to twenty years and there's some things that we've never . . . In fact, until I became the Minister, the Manitoba Health Services Commission, that passed in about five minutes. When I was in Opposition they'd say, well that's the Commission's business and that's the amount. We'd have no information; we'd pass it and that was it.

I am saying that the policy - and the government will stand behind that - the

SUPPLY - HEALTH

(MR. DESJARDINS cont'd) . . . policy can be discussed I would say under the Minister's salary. He must report for the Manitoba Lottery Commission and that's where the policy is established, between the Minister and the Manitoba Lottery Commission. That is one thing. The report of the Manitoba Lottery Commission will bring out the government's business.

The rest is not our business. Corporation B is not our business. The Manitoba Lottery Licensing Board will make sure that they live up to certain things. It is not our business and I don't want to butt in. As I said I hope to see the day when everything is going well, the government is out of it completely, that we don't even keep revenue. I hope to see that day. I'm speaking for myself now because that money will be wisely spent. I hope that we can do that and I think that eventually will happen because we are sacrificing much more of that. But then I want the Member from Virden to remember that there won't be that much money for programs.

I was the first one to admit that there was a misunderstanding but not as much as my honourable friend says. The information that you want now - for instance if you want to know how much money has been spent there is an Annual Report of the Manitoba Lottery Commission that will tell you how much money, where the money has gone or how much money was put in that special account. And then it is a fantastic - that money is being used very wisely and I can guarantee that never at any time was there any partisan politics played, and I think my honourable friends are convinced of that, on our capital programs, and so on. Well there were millions of dollars that went out in capital programs. We had made in the department, when I was with Tourism, a recreational survey to see where the facilities were needed, and so on, and then we picked this thing up and it lasted because it was so good. It kept on for a while and it was a good program and there weren't any white elephants because the municipality had to go with the sponsor and say, fine, and they had to take the responsibility, so they looked at it twice and they weren't going to build something that would fold because nobody could keep it up.

The Manitoba Games which will be something terrific I would think for the youth of Manitoba; we're reaching all over Manitoba, the north and all these areas; not so much to have the greatest athletes in the world or professional, we get people that will participate and that will meet with other kids in another area. There'll be travelling, it'll be an education. Well, there's \$400,000 of that going out. So I agree and I think things are done and I've kept nothing secret. Now, my honourable friend said that a public enquiry - and he mentioned it - mind you he didn't listen to that speech too much and I don't know if it was tongue in the cheek - now you don't know much, Mr. Chairman, I would have loved to say, yes, a public enquiry, because I would have been justified so obviously, but what would be gained? I mean, we know what's going to happen and that was investigating something in the past that has been changed. And I say let's shut up about it once we know the facts and let these people get going and sell these tickets and get these revenues. So I don't think that anything would have been gained except probably it would satisfy me personally to have a public enquiry and maybe we would have found people with tickets that what would happen to an accountability, and so on.

Now, there's one thing I don't want to leave today with this misunderstanding, because I did say that the bearer tickets are just as good as currency, and my honourable friend said, you said that but it's not true, look at what happened in Ontario. He misunderstands. He misunderstood what he read, that it's not the ticket. What happened in Ontario was exactly what I was talking about. It is patronage and the people that are doing this distribution that are making \$40,000, \$50,000, \$60,000 a year, this was - and I'm not accusing Ontario now about what they were saying - they're accusing of a scandal of helping your friends the same as they might do in Quebec, the same as we do in Manitoba if we start selecting individuals to do that, that is that danger. And I feel good about that, too, because this is exactly what I didn't want, and why we've set up with a non-profit organization that will have to report to the public and so on. Now again I would have guaranteed the sales that I had individuals, because, you know, a guy will hustle when he can make that kind of money, much more than a corporation. --(Interjection)-- I beg your pardon? Well, that's possible, but I think we wanted something solid. We didn't want a scandal, we wanted the people of Manitoba, and so on, to know what they

SUPPLY - HEALTH

(MR. DESJARDINS cont'd) were getting and I think this is coming, unless it's bugged up - if the Olympic is taken away from us.

Now, before closing I have another thing, and it's very important for me to speak about that because I want everything in the open. There was a mention of Leonard Bie. For those that don't know who Leonard Bie is, Leonard Bie is my son-in-law. Now, Leonard Bie was working for the Olympic Lottery, the COJO, the Olympic Lottery Commission, it's paid directly from Montreal. At no time did I talk to anybody in Montreal to help him get the job. He applied. They didn't know he was related to me. He got this job and he started working for Montreal. The Corporation A which I have nothing to do with, Corporation A, he was a salesman for Montreal and he was helping in there and he was paid by Montreal. They had a General Manager who switched over to the Western Canada Lottery Foundation back in his line in PR, that was Len Gzedd. They, without my knowledge, they asked Leonard Bie to be the Acting General Manager of Corporation A, which has nothing to do with the government. When I found out - and I have a copy, I kept that copy in my desk for three weeks and I've got it in my office now because I was hoping this would come up - I sent this letter as soon as I heard telling them that he was my son-in-law and that I wanted to make damn sure that I didn't like to be connected with anything, and that I made sure that he'd produce, or else, as far as I was concerned - I can't dictate to them. They sent him to get the test - I don't even know where, I was told that - and they're satisfied with his work, apparently he is a good hustler. I also told these people not to rely on him, that he was an eternal optimist. Mr. Chairman, if there is some laughing, I think this is important, if there's anybody that doubts what I'm saying I'd like the Member from Wolseley to stand up and have the guts to say what he's whispering to his people. If he wants to make an accusation, I want to hear it.

MR. CHAIRMAN: The Honourable Member for Wolseley.

MR. WILSON: Well I was going to rise on a point of privilege because I was not whispering to anybody. I think he is determined that his son-in-law had guts and it caused me a sort of a humorous twinge. But I've only got a few minutes, but I was very disappointed that the members chose --(Interjection)--

MR. DESJARDINS: Mr. Chairman, I gave permission this time except on this point of order about this accusation, and then he can make a speech because I'm not finished. If he has any accusation to make I want it now. If something struck him funny, well that's a different story.

Okay. I want to say then that I accept no responsibility for - this is something that has always concerned me and in fact the years that I've been in politics have hurt my family because I've always been bending over backwards not to use my position to assist anybody.

Anyway, he has never worked for government. He has never worked for even the Western Canada Lottery Foundation that is part of the four provinces, he has worked for Olympic Lottery, which I have nothing to do with, and then for Corporation A, which I have nothing to do with. At no time did I solicit or ask anybody to hire him. Quite the contrary, I have advised people that I wanted to make sure that they knew the relationship, that I didn't like it very much, I can't step in his way, I can't hurt people, that probably this would come out and it came out, it come to the press with people that won't sign their names and so on, but this is fair game - but I have no concern over that at all, and the people of the Corporation will decide if he stays with them and they will give the reason why they hired him. And as I say, I'm on record, immediately when he was hired, of sending this letter to the Corporation to let them know in case they didn't know that he was related to me; and also I told the Chairman that he was an eternal optimist, that he was a hard worker, but he did not have too much experience in running a business and his forecast would be real optimistic. I warned them to be careful. So, Mr. Chairman, I'm glad that I have this chance to bring it up because names were mentioned here and there and I think it's good to bring these things in the open.

MR. CHAIRMAN: The Honourable Member for Wolseley.

SUPPLY - HEALTH

MR. WILSON: I'll refer to the Member from Roblin, it's a question he's asking.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Chairman, my only, and maybe final question is the fact that the government became very active in the lottery system when - in 1970 I think it was - as of 1970 and has complete control of the lottery operations in this province. We've had three Ministers, the Honourable former Attorney-General Al Mackling, and Mr. Toupin, and now Mr. Desjardins, the Honourable Minister of Health and Social Development. --(Interjection)-- I withdraw. I apologize, Mr. Chairman, and refer to the Honourable Minister of Health and Social Development.

So the decision is and the die is cast that the government, the Cabinet has complete control of it. It's a touchy issue. I have raised the question with the Honourable the First Minister the other day and he didn't like the question that I raised, and I just basically asked him a simple matter of certain profits, or what would happen and that, and I'm sure that the Cabinet are not all on the one - they don't all agree with the operations of lotteries.

So I would just in closing, hope that the Minister could give us some better vehicle so that we in the opposition can have an access to the board, sit down with them and publicly question and make sure that the future of lotteries is guaranteed as far as we as members of the Legislature are concerned and the government.

MR. CHAIRMAN: The Honourable Minister of Health.

MR. DESJARDINS: Mr. Chairman, the government does not have full control. In fact, I have tried to explain that we're slowly getting out of it. We formed a partnership with provinces to turn out the products, and I think this is the responsibility of that corporation, I don't think this is what worries my honourable friend.

The two corporations do all the marketing and their report will be public. Now, that's not the government. The government has nothing to do with Corporation B at all. We don't even take a cent. At the moment, eh? --(Interjection)-- No, no, no, no, we didn't appoint the Corporation B at all. Corporation A, that's the only place where off the top we are in the middle, we buy from the Western Canada and we sell to Corporation B, at the moment. We're still doing that. We don't push the ticket. At least we got out of that which we were doing before.

Now these people were asked to give names and two of those names were appointed to the board and was appointed by the government, that's true, to get this thing going. Now I hope that they will find a way where this will not be necessary. But I've told my honourable friend that as far as I'm concerned I hope to see the day where there will no longer be need for maybe the Manitoba Lottery Commission, that it would be directly to these corporations, they would sell it and there would be no profit going to the government. But you will always need a Manitoba Lottery Licencing Board who will make sure that these people are following certain areas and there's no rip-off and to protect the public, and that is all. But the government has very little control, very little control, away less than we ever had.

MR. CHAIRMAN: The hour being 12:30 I'm leaving the Chair to return at 2:30 this afternoon.