

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2:30 o'clock, Monday, May 27, 1974

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 30 students of Grades 11 and 12 standing of the John Taylor School. These students are under the direction of R. Peeler. This school is located in the constituency of the Honourable Member for Assiniboia.

We also have 22 students of Grade 11 standing of West Kildonan School. These students are from the constituency of the Honourable Member for Seven Oaks, the Minister of Health.

And we also have 50 students of Portage Collegiate of Grade 11 standing. These students are under the direction of Mr. Froese. This school is located in the constituency of the Honourable Member for Portage la Prairie.

On behalf of all the Honourable Members I welcome you here today.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports. The Honourable Attorney-General.

MINISTERIAL STATEMENT

HON. HOWARD PAWLEY, Q.C. (Attorney-General) (Selkirk): Mr. Speaker, last Friday evening in Law Amendments Committee I had indicated to Law Amendments Committee that I would be proceeding to do what I am doing now, and that is giving notice to the House that amendment will be introduced in Law Amendments Committee dealing with The Surrogate Courts Act to amend that Act, Bill No. 6, to provide for the payment of each judge the annual sum of \$3,500 rather than \$2,500, and this is also to provide notice, Mr. Speaker, that His Honour, the Lieutenant-Governor, having been informed of the subject matter of the bill recommends it to the House. It is a money matter which requires notice in the House prior to it being dealt with at the Committee level.

TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Mines.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, I'd like to table the Annual Report of Minago Contractors Limited. This is one of the corporations which was commenced under the Natural Products Act. Mr. Speaker, although I'm tabling the report, because that is the legislative requirements, I might say that the supervision of this corporation has been under the de facto conduct of the Minister of Northern Affairs.

MR. SPEAKER: Any other Ministerial Statements or Tabling of Reports? The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, I would like to table reports. First the Law Reform Commission Third Annual Report (1974) and Legal Aid Services Society of Manitoba (1972-73) Annual Report. I hope to be receiving copies of these reports for distribution to all members of the House.

MR. SPEAKER: Any other Ministerial Statements or Tabling of Reports? Notices of Motion; Introduction of Bills; Questions.

ORAL QUESTION PERIOD

MR. SIDNEY SPIVAK, Q.C. (Leader of the Official Opposition) (River Heights): Mr. Speaker, we have just received the copy of the Minago Report but I wonder if I can ask the Minister of Northern Affairs a question. I wonder if he can indicate whether the company Minago Contractors Limited is now in the process of selling some of its equipment to the school in The Pas, or to the Department of Education, or the Department of Colleges and Universities?

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. RON McBRYDE (Minister of Northern Affairs) (The Pas): Mr. Speaker, the president of the corporation will be appearing before Committee during the session fairly soon, but any more detailed answers I think should wait until that time. But the answer to the question is, yes they are selling some equipment at the moment.

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MR. SPIVAK: I wonder whether the Minister can indicate whether they are selling the equipment at the depreciated cost or at the actual cost.

MR. McBRYDE: No, Mr. Chairman, I can't answer that question.

MR. SPIVAK: Mr. Speaker, I wonder if the Minister can indicate whether the financial statement for this coming year, if it's intended to take in as income the amount of the sale of the assets to either the Department of Education - well to the Department of Education?

MR. McBRYDE: I would assume that would be the case, Mr. Speaker, but as I said the president of the company will be appearing before the Committee and that kind of detail could be gathered when the president does appear.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the First Minister or to the Minister of Industry and Commerce. I wonder if either one are in a position to indicate the position now with respect to the potential of a heavy water plant in Manitoba?

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): Well, Mr. Speaker, the matter is being actively studied by the Department of Industry and Commerce and by officials of the Manitoba Hydro.

MR. SPIVAK: Yes, but I wonder if the Minister is in a position to indicate any new discussions with the Federal Government about the possibility of such a plant coming in to Manitoba and when it would likely occur.

MR. EVANS: Well I can confirm, Mr. Speaker, that there have been discussions with at least two federal Ministers. The timing is something that is not determined and the degree to which federal assistance will be forthcoming has not been determined either.

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

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. My question is for the Minister of Agriculture. I would like to ask the Minister of Agriculture what efforts his department is making to get some of the short growing period rapeseeds into the Province of Manitoba.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Well, Mr. Speaker, I would have to take that question as notice, I'm sure.

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

MR. I.H. ASPER (Leader of the Liberal Party) (Wolseley): Mr. Speaker, my question is to the Minister of Health. Would he confirm that the reason, the chief reason that hospital beds, acute care beds in Winnipeg, will be closed or reduced during the period starting June 1 is a shortage of nursing staff for the summer holiday period at least?

MR. SPEAKER: The Honourable Minister of Health.

HON. SAUL A. MILLER (Minister of Health and Social Development) (Seven Oaks): I'll reconfirm what I said this morning. That is the reason.

MR. ASPER: Yes, Mr. Speaker, to the same Minister. Could he advise whether he has any information indicating what percentage of the graduating nurse classes, graduating this month and next, are staying in the field or are staying in Manitoba?

MR. MILLER: No, Mr. Speaker, I wouldn't have that information. They are graduating in August I believe. At this time I don't think anyone knows what they plan on doing or what they intend to do. Once they graduate they are free to do as they will.

MR. ASPER: Mr. Speaker, to the same Minister. Is it a fact that a survey taken by the hospitals themselves indicate that some 70 percent, or at least a substantial majority of the nurses graduating, will not be available for work in the hospitals?

MR. MILLER: Mr. Speaker, that may be an internal study made by the hospitals, I don't know. The department has never had this information; it's not information which is known to the department at any time, or to the Health Services Commission as far as I know. Once students graduate, whether they graduate in Arts, Science, Law, Engineering, Medicine or Nursing, once they get their diplomas they can do as they please. That's the kind of society we have been living in.

MR. ASPER: Yes, Mr. Speaker, I have a final supplementary. Would the Minister, in view of the fact that there is by his own words a shortage of nurses arising, would he undertake to determine what is happening to the graduating classes, and if the suggestion that I have made

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(MR. ASPER cont'd) . . . . is correct, what steps he intends to take to encourage people to remain or at least enter nursing so that the shortage won't be a long continuing one.

MR. MILLER: Well, Mr. Speaker, insofar as the entry of people into the nursing field I think that there is no shortage of people entering. Insofar as how do you keep them back on the - how do you keep them in Winnipeg, or working in Manitoba, outside of forcing them by in advance to entry into the course - I'm not sure that there is an answer. This problem has been with us for many years in many other disciplines and we are not yet at the stage where we are planning to reintroduce indentured service.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the First Minister. I wonder if he can indicate whether there's been recent discussion between himself and the Prime Minister concerning a heavy water plant for Manitoba.

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, if the Honourable Leader of the Opposition means by recent in the course of the past couple of months, the answer would be no.

MR. SPIVAK: I wonder, Mr. Speaker, if the government - a question to the First Minister. I wonder if the government is in a position to indicate whether the likely placement of the next heavy water plant will be in Quebec rather than in Manitoba.

MR. SCHREYER: Well, Mr. Speaker, if the Leader of the Opposition is aware of the vagaries and contingencies of decision-making of that kind, at the moment what we do have is an indication of intent as expressed by the Federal Minister of Defence, that the next heavy water plant will be located in western Canada, and there is some probability - that's about as precise as I can be - there is some probability that it will be sited or located somewhere in near proximity to the Winnipeg River, somewhere in near proximity to McArthur Falls, or up-stream from there. But no one I don't think, Sir, is in a position to indicate the year when such might commence.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Northern Affairs. Last year the First Minister indicated that the government would be providing a distribution of free powdered milk in northern Manitoba. I wonder if the Minister is in a position to report on this distribution.

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

MR. SCHREYER: On a point of privilege, Mr. Speaker. The question makes certain assumptions or implies that certain things were said, and it is not accurate in terms of the way it was phrased.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, let me phrase it in another way so that it will be accurate. I wonder if the Minister of Northern Affairs is in a position to report on whether a distribution of free powdered milk in northern Manitoba has commenced further to the promise of the Premier.

MR. SPEAKER: Order please. Order please. Let me state for the record, and I'm sure the Honourable Leader of the Opposition is aware that his prefaces and his additions always spoil his own question. If he would be kind enough to keep the questions brief and to the point, we would have less difficulties. The Honourable Leader of the Opposition.

MR. SPIVAK: Yes. I wonder if the Minister of Northern Affairs is in a position to indicate whether his department is now conducting a program of distribution of free powdered milk in northern Manitoba.

MR. SPEAKER: The Honourable Minister of Northern Affairs.

MR. McBRYDE: Mr. Chairman, no. The Department of Northern Affairs is not involved in any milk distribution program.

MR. SPEAKER: The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Mr. Speaker, I have a question for the Minister of Agriculture. Will the Minister kindly confirm or deny that the quota of hogs being shipped concerns only private shippers and does not apply to the Co-op Livestock Association.

MR. SPEAKER: The Honourable Minister of Agriculture.

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MR. USKIW: Mr. Speaker, I didn't get the gist of that question.

MR. BILTON: Did I understand the Minister to say that he didn't get the gist of the question? Should I repeat it? -- (Interjection) -- Will the Minister confirm or deny that the quota of hogs being shipped concerns only private shippers throughout the Province of Manitoba and does not apply to the Co-op Livestock Association.

MR. USKIW: Mr. Speaker, I'm not sure of what quota of hogs he is alluding to in that the

MR. SPEAKER: Order please.

MR. USKIW: . . . regulations with respect to hog shipments apply equally to all producers as far as I am aware. I should like to point out to him that if he would check with the Manager of the Hog Marketing Commission that he would have his answer.

MR. BILTON: Mr. Speaker, may I ask the First Minister as to who answers for the co-op, or at least for the Hog Marketing Board in this House? We have been asking questions time after time and we cannot get the answers from the Minister. Will he tell us who answers?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I don't believe that I will be telling the Member for Swan River anything new. The policies followed by the Manitoba Hog Marketing Board are such as are determined by the elected members of Manitoba Hog Marketing Board and the Minister of Agriculture . . .

MR. SPEAKER: Order please.

MR. SCHREYER: . . . and the Minister of Agriculture reports for same to this House.

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

MR. BILTON: Mr. Speaker, would the Minister of Agriculture answer me as to whether or not the Co-op Livestock Association can ship hogs into Winnipeg without restrictions?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, without checking with the Hog Marketing Commission, or its board chairman, there is no way I would know that. If the honourable member would give me a notice of the question I would be prepared to answer it for him.

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

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I direct my question to the Minister of Agriculture. Is it a fact that the Manitoba Hog Marketing Commission has been selling hogs into the United States at a lesser cost than the hogs are available to the consumers in Canada, in Manitoba? -- (Interjection) --

A MEMBER: You're a little late in the game. They've been doing that . . .

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, I should like to inform my honourable friend that marketing boards operate very much the same way as private corporations, and they have been doing that in this province for at least, for at least 10 or 15 years. -- (Interjection) -- I should like to tell the Member for Lakeside who is now standing up, Mr. Speaker, and the Member for Portage -- (Interjection) --

MR. SPEAKER: Order please. Would the Honourable Member for Lakeside state his matter of privilege.

MR. HARRY J. ENNS (Lakeside): Mr. Speaker, it is a matter of House privilege. I pursue the point that was raised by the Honourable Member for Swan River. We have different ministers in this House who are responsible for answering to this House for certain agencies. The First Minister is responsible in this House for answering for Manitoba Hydro. Other ministers are responsible for answering for the Manitoba Development Corporation . . .

MR. SPEAKER: Order please. Order please.

MR. ENNS: Mr. Speaker, my point of privilege is that . . . questions have been asked . . . for the last three or four weeks, the last two or three months -- (Interjection) -- in regards to the operations of the . . . Marketing Agency.

MR. SPEAKER: Order please. Order please. Let me suggest to those on this side of the House I can call order on my own. I don't need prompting. (Applause) And I would like to indicate that the honourable member didn't -- (Interjection) -- Order please. The Honourable Member for Lakeside did not have a matter of privilege. Unfortunately the rules are such that a member may or may not answer, and the answers that have been forthcoming if they are

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(MR. SPEAKER cont'd) . . . . unsuitable is just something the Chair has no jurisdiction over. May we proceed. The Honourable Member for Lakeside has a question?

MR. ENNS: On a point of privilege again, Sir, I ask you, Sir, with every respect to pursue - or to consider at least to take under advisement to pursue the Hansards of the last month or so in this respect. I have every respect for the Honourable Minister suggesting or declining an answer . . .

MR. SPEAKER: Order please.

MR. ENNS: Sir, can you give me the courtesy of making my House privilege.

MR. SPEAKER: Order please. The honourable member hasn't stated a matter of privilege yet. I've given him a lot of latitude. I'll listen again. But I wish he would state what his matter of privilege is.

MR. ENNS: The House privilege is this, Sir, that I respect your ruling just made, that a Minister need not answer any questions put by the Opposition. But, Sir, this Minister chooses to answer every question put by us, and in answering those questions tells us that he has absolutely nothing to do with the jurisdiction, or the reporting, or the running of the marketing boards of this province. And that, Sir, is a matter of House privilege. -- (Interjection) --

MR. SPEAKER: Order please. Unfortunately the Chair must disagree with the Honourable Member for Lakeside. That is not a matter of privilege. The Honourable Member for Birtle-Russell. -- (Interjection) -- The Honourable Minister state his matter of privilege?

MR. USKIW: . . . while I was trying to give an answer to the Member for Portage, so I wonder if I can continue.

MR. SPEAKER: The Honourable Minister may continue.

MR. USKIW: Mr. Speaker, the Member for Portage should be aware that all marketing boards in every province of Canada market in a way in which they must give him the market conditions of the times. When they are in surplus position they often subsidize a freight rate out of their own area of production in order to unload the surplus. -- (Interjection) -- In the interests of stabilizing the price, and that has been a practice in this province, I would hazard a guess, I would say at least 10 or 15 years with respect to all marketing boards that have been in operation.

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

MR. G. JOHNSTON: Well, Mr. Speaker, I thank the Minister for his philosophical discussion, but he didn't answer the question, and the question is, because the Hog Marketing Board is an instrument of government, surely the Minister has a duty to reply. And my question is -- (Interjection) -- Well, Mr. Speaker, I didn't say anything to offend the Minister. Will he allow me to put the question. -- (Interjection) -- Will the Minister tell us why preferential treatment is given to another country on the matter of price with respect to a commodity that is used in every household in Canada?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, the Member for Portage must appreciate the fact that the prices are set by marketing boards, and that the marketing boards are not agencies of the government, whether they be appointed or whether they be elected, in that once the regulations are set out giving them the role in which they must function, we do not interfere beyond that stage. Now, if the honourable member is suggesting that government should dictate to marketing boards after they are established to perform a function for producers, then it is a concept, Mr. Speaker, that I have yet to accept.

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

MR. G. JOHNSTON: Mr. Speaker, perhaps if I reword my question the Minister would be kind enough to tell the producers of the province and the consumers of the province, how much cheaper pork is being sold for in the United States -- Manitoba pork - than is being sold in Manitoba?

MR. USKIW: Mr. Speaker, I would have no way of knowing that without having had notice of the question. The honourable member presumes that in some way my office is informed of every transaction that takes place with respect to 12 or so marketing boards in this province. I should like to point out to the members opposite that they know, Mr. Speaker, that that is not the case. That the boards make their own pricing decisions and make their own marketing decisions.

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MR. G. JOHNSTON: Mr. Speaker, I ask the Minister if he would take the question as notice since he admits that he doesn't know today.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, I just follow up on the question, the suggestion made by the Minister that the Manitoba Hog Marketing Board is not an agency of government. Could he indicate to me just when the hog producers of this province voted and set up the board, or indeed when the Order-in-Council was passed that created the Manitoba Marketing Board?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, I had indicated a moment ago that whether boards are appointed or elected, that once regulations are passed giving them certain powers they are autonomous from government other than of course we understand that government has the right to repeal those regulations from time to time, but they do function autonomous from government. Therefore we have no control on a daily basis as to the operations of those boards. Furthermore, Mr. Speaker, I should like to point out -- (Interjection) --

MR. SPEAKER: Order please. Order please. Order please. I would like to indicate to the people that answer as well as to the people who ask questions, we do not want a debate during the question period. The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Yes, Mr. Speaker. I'd like to ask question of the First Minister. Would the First Minister confirm whether he has received a letter as of date May 7th, 1974, from the Fort Rouge Child Care Programs Board Incorporated, and if so, does he intend to correct the situation they describe where they have been unable to receive any form of co-operation, assistance, or information, from officials of the Department of Health and Social Development in the establishment of day care programs.

MR. SPEAKER: Order please. Order please. Again I must indicate to all honourable members, and especially to the last one, I wish they would keep their questions brief, otherwise we get into a debate. The assertions that were made at the tail end were, I'm sure, just one or another Minister, not in keeping and wouldn't be accepted and would create debate. Now, if we're going to go by these rules I wish the members would learn them as well as the Chair. I should not have to act as a policeman continually. The Honourable Member for Fort Rouge wish to rephrase his question?

MR. AXWORTHY: Yes, Mr. Speaker. -- (Interjection) --

MR. SPEAKER: Order please. The Honourable Leader -- order please. The Honourable Leader of the Liberal Party state his point of order?

MR. ASPER: Yes, Mr. Speaker. In your ruling you make the point that an allegation should not be made as part of a question, and that's quite true, but the Honourable Member is perfectly free under our rules to state an allegation that others have made, and ask if that allegation is true. And that's what the Honourable Member from Fort Rouge was doing.

MR. SPEAKER: Order please. I'm not going to debate my ruling in respect to what I said. It was a double-loaded question. First of all it asked for something, and then before the answer could be given it was already making an assertion in respect to something else, and that's what's wrong with the question.

I'm not going to do this every day to explain point by point how a question should be made. But I think the gentlemen are intelligent enough to know that you do not load two questions on one premise. Now make up your mind you want the rules or you don't. You can only have one question at a time and that's it, and if you're going to have double questions in one and it's based on a wrong premise, or may be based on a wrong premise it's out - period.

The Honourable First Minister have a point of order too?

A MEMBER: Don't you dare.

MR. SCHREYER: Well, Mr. -- no, I do not. No, Mr. Speaker, I believe that the record will show, Sir, that I have not been one of those to cause difficulty for the Chair and therefore I'm wondering, Sir, what was meant by the word "too".

MR. SPEAKER: I'm sorry. The Honourable Member for Fort Rouge.

MR. AXWORTHY: Thank you, Mr. Speaker. I'd like to rephrase my question, one by one. Has the First Minister received a letter, dated May 7, 1974, from the Fort Rouge Child Care Programs Board Incorporated where they make certain charges concerning the operation of the Department of Health and Social Development?

MR. SPEAKER: The Honourable First Minister.

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MR. SCHREYER: Well, Mr. Speaker, I do not have a specific recollection of a letter dated the 7th of May, but part of the honourable member's question makes it clear that it could better be directed to the Minister of Health and Social Development. And I might only add, Sir, in that context that any assertions of that kind have to be taken in the context of what has gone before and not just what is obtaining at the present time. But in any case I believe my colleague may be in a position to answer.

MR. SPEAKER: The Honourable Minister of Health.

MR. MILLER: Mr. Speaker, I'm not sure of the date referred to from that organization, is the letter that I know of. A letter was referred from the Premier's office to my office for my attention; a reply has now been sent. I deny the allegations suggested in the letter as quoted by the Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I have a supplementary then for the Minister of Health and Social Development. Can the Minister indicate that he has in fact investigated this situation and determined according to that investigation, that such co-operation and information was provided, or has he not investigated it at all?

MR. MILLER: Mr. Speaker, I am satisfied that the answer that the Fort Rouge Day Care Centre people will be getting is a factual one.

MR. AXWORTHY: Well, Mr. Speaker, I'd like to ask a supplementary question of the Minister. Can he tell us whether it is his intention, or the government's intention, to provide for the provision of lunch and after-school programs as part of the day care program, or are they prepared to offer separate assistance for the continuation of lunch and after-school programs in the province.

MR. MILLER: Mr. Speaker, that matter is covered in the letter; it's a policy decision and it will be announced, if announced, at a later date.

MR. AXWORTHY: Mr. Speaker, I just have a supplementary. Could the Minister please explain why he could not tell us what the gist of the contents of that letter are considering that they were raised with me as my constituents - it would be easy to answer that question and tell us what the decision has been.

MR. MILLER: It would help considerably, Mr. Speaker, if I knew the question was going to be posed this afternoon.

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

MR. GRAHAM: Thank you, Mr. Speaker. My question is for the Minister of Agriculture. I would like to ask the Minister of Agriculture what programs or additional programs, if any, his department has to provide early maturing varieties of oats and barley seed for the farmers of Manitoba?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Well, Mr. Speaker, the grants that are provided to the University of Manitoba are quite substantial, and they have taken quite a lead historically in this province with respect to the development of varieties of grains of all kinds over the years, and are continuing to maintain that lead. In that connection the department has always been involved, and continues to be involved. Specifically, Mr. Speaker, if the member wants me to allude to specific projects I would have to confer with the Dean of the Faculty to give them data on that particular aspect.

MR. GRAHAM: Mr. Speaker, a question to the Minister of Colleges and Universities. I would like to ask the Minister what programs the University of Manitoba, in particular the Department of Agriculture, is carrying out to provide early maturing varieties of oats and barley to the farmers of Manitoba.

MR. SPEAKER: The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education) (Burrows): Mr. Speaker, I regret that I cannot respond by way of itemizing all the research programs that are in progress at the Faculty of Agriculture or at any agency working in co-operation with the University of Manitoba. However, I'll be glad to take that question as notice and give the honourable member a full report on all the research projects conducted by the Faculty of Agriculture.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID BLAKE (Minnedosa): Thank you, Mr. Speaker, my question's to the Honourable the Minister of Agriculture. I wonder if he might inform the House when he intends to issue the licenses for the A.I. technicians in Manitoba in order that they may operate legally within the province?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, I believe I answered a similar question about a week ago.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, I have a question for the Honourable Minister of Agriculture, and it relates to the Stay Option Program which this government pursues. I wonder if the Minister can advise the House or take under advisement of the House a calculation of the number of hogs or truckloads of hogs that have been turned away by the Hog Marketing Commission since January 1, 1974?

MR. SPEAKER: The Honourable Minister.

MR. USKIW: Well, Mr. Speaker, again I would have to take that question as notice and get the information for my honourable friend.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Health and Social Development. Some time ago he filed a report of the Manitoba Committee on Children's Dental Health Care. I wonder if he can indicate whether it's the intention of the government to introduce or to commence the introduction and the programming with reference to the recommendations of that report.

MR. SPEAKER: The Honourable Minister of Health.

MR. MILLER: Well, Mr. Speaker, Phase 1 of the report that the Honourable Leader of the Opposition refers to was tabled in the House recently; copies were sent to the Manitoba Dental Association and other professional associations and I undertook to give them time to study the report before any further action would be taken. I expect that some time in June, we'll be hearing from them and then we'll know what steps we're going to follow and how soon we can follow them.

MR. SPIVAK: Well I wonder if the Minister can indicate whether it's likely that the first recommendation of the report, which is the introduction of the first phase of this program by August of '74, is likely to occur.

MR. MILLER: No, Mr. Speaker. In the light of the fact that the publication of the report didn't occur until, I think it was May, then I suspect that that target of August '74 is perhaps premature. It may be some time in September.

MR. SPIVAK: Yes, I wonder then if the Minister is in a position to indicate whether the government itself has accepted the 22 recommendations of the report?

MR. MILLER: Mr. Speaker, the government accepted the report; the government also indicated to the various professional associations that it did want their input, and therefore the matter has not been brought forward in detail with regard to policy or implementation until that dialogue, until that response from the various disciplines has been received.

MR. SPEAKER: The Honourable Member for Swan River.

MR. BILTON: My question, Mr. Speaker, is to the Minister of Health. In view of the answers given this morning by the Minister of Health to several questions, would the Minister advise the House as to whether or not he condones staff holidays at the expense of the health of Manitobans with the eliminations of beds in the months ahead?

MR. SPEAKER: The Honourable Minister of Health.

MR. MILLER: Mr. Speaker, whether I condone it or not is beside the point. There are staff holidays, it isn't just a matter of one particular group who take holidays, the people themselves involved in elective surgery for example. There's an article on Saturday in the newspaper which indicated that annually people tend to avoid being in hospitals during certain times of the year, they'd rather spend it with their families if they can do it. And as a result, Mr. Speaker, the hospitals do slow down for the summer months. Now if the member's asking whether perhaps we should take over the entire hospital system and run it to suit ourselves, that's another story.

MR. BILTON: Mr. Speaker, I didn't ask for a political speech, I asked if the Minister agreed with the principle.

MR. MILLER: Mr. Speaker, when I'm asked for an opinion, I have to make a political speech.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. BLAKE: Mr. Speaker, my question is to the Honourable the Minister of Northern Affairs to do with Minago Contractors whose statement was just tabled. In view of the fact the



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(MR. BLAKE cont'd) . . . . Vice-President's left the Province of Manitoba, I wonder if he could advise the House the name of the new Vice-President of Minago Construction?

MR. SPEAKER: The Honourable Minister of Northern Affairs.

MR. McBRYDE: Not offhand, Mr. Speaker, but when the new President is before the committee, I'm sure he'll be able to answer that.

MR. SPEAKER: The Honourable Member for Radisson.

STANDING COMMITTEES - SUBSTITUTIONS

MR. HARRY SHFRANSKY (Radisson): Mr. Speaker, by leave I wish to make two substitutions on the Standing Committees. On the Standing Committee on Agriculture, substitute Boyce for Toupin; on Law Amendments, substitute Miller for Toupin.

MR. SPEAKER: Agreed? (Agreed) The Honourable Member for Portage la Prairie.

## ORAL QUESTIONS Cont'd

MR. G. JOHNSTON: Mr. Speaker, I direct my question to the Minister of Labour, if he's listening. Mr. Speaker, in view of the fact that some of the larger meat packers of the country have threatened a lockout, and we would think this would affect the industry in Winnipeg, has the Minister or his staff taken any action to meet with the industry to avert such a lockout?

MR. SPEAKER: The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): In the usual competent manner than has been the practice since we became government, Mr. Speaker, the answer is yes. We're doing what we can to prevent any lockout or strike.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question was to the Minister of Health and Social Development, who has obviously left - I would then ask the First Minister. I wonder if he can indicate whether his government is now in the process of completing a study on the distribution of free milk powder in northern Manitoba and other parts of Manitoba?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, the matter of ways and means of improving nutrition to children in those parts of the province and the city where malnutrition may still be a lingering problem is a matter which has been under consideration by the respective departments of the Crown for the past couple of years, and for that matter I suppose it's always been under consideration for a generation or more. There has been a systematic experiment carried out involving four northern communities this past winter, involving not powdered milk but a somewhat reduced or condensed milk known as multi milk, and I believe that that experiment has run its full course of several months. The indications I have is that it has been welcomed by the children of the schools in the communities involved and that there will be some very specific recommendations as to extension thereof. But those have not yet been received.

MR. SPIVAK: Well I wonder then if the First Minister can indicate when it would be the government's intention to embark on this program. Will it be in 1974?

MR. SCHREYER: Well, Mr. Speaker, for one thing we want to get the evaluation and assessment of the success and relative purpose and merits of the four communities' school children multi milk experimental program which we expect fairly soon. And I would think following on the heels of that we will have some policy formulation.

MR. SPIVAK: I wonder if the First Minister can indicate whether the government have in their possession the studies which would indicate the cost of such a program in Manitoba.

MR. SCHREYER: Well, Mr. Speaker, we do have some cost data, they are estimates only, and as I recall they were cost estimates which we did not feel were particularly definitive, but we do have estimates.

MR. SPIVAK: I wonder if the First Minister would indicate or could indicate to the House whether the cost estimates were much higher than anticipated, and in effect could be classified as almost excessive.

MR. SCHREYER: Well that question, Mr. Speaker, I would take as notice.

ORDERS OF THE DAY - COMMITTEE MEETINGS

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

MR. GREEN: Yes, Mr. Speaker, just before we commence, I wonder if I can set another committee meeting for Wednesday evening. I am proposing that the Committee on Privileges and Elections meet for the purposes of asking questions of the Ombudsman, of his report to the Legislative Assembly, Wednesday evening at 8:00 o'clock.

MR. SPEAKER: Agreed? The Honourable Leader of the Liberal Party.

MR. ASPER: Yes, Mr. Speaker. I wonder if the House Leader might entertain a question or consider, in view of the small number of members who are on Privileges and Elections, whether the House might not also sit, so that the business of the House could be expedited concurrently so the Committees can meet at the same time that the House is sitting.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I have no objection to that. That is a practice which the House has indicated on several occasions it would only follow in unusual circumstances. I'd like to discuss that further with the House Leader of the Conservative Party and with my honourable friend as well; our own group as well would have to consider that. It's a procedure that we have not normally followed.

Could you proceed now, Mr. Speaker, to the debates on second readings now standing on the Order Paper?

BILL NO. 58

MR. SPEAKER: Thank you. Bill No. 58. The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON (Gladstone): Mr. Speaker, I adjourned this for the Honourable Member for Sturgeon Creek.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Thank you, Mr. Speaker. I'd like to thank the Minister for distributing his opening remarks and rundown on the bill. Again I think that if all Ministers of the government would do the same with bills that it would be beneficial to this House and speed up things very very considerably. We only get that consideration from two or three Ministers on the other side.

Mr. Speaker, I don't have many comments on this bill; it's pretty straightforward. It's a bill that is, I might say in many respects, common sense; it's upgrading. It also has requests from the Union of Manitoba Municipalities which - these requests that they have made are ones that they feel that because of changing times there is a need for a change in legislation.

But there is one area that does concern me, and it does concern me the way I read it, that if a referendum is held, if a municipality holds a referendum, that they don't have to abide by the results of the referendum. Now, Mr. Speaker, I know that this would give a council the knowledge of how people think on a subject, but after all, if they can go to the expense of holding a referendum - and I also read the bill that they can put in any advertising or any information regarding the referendum, and if that is the case I'm very surprised and would wonder why they do not have to abide by a referendum. I think that's a question that we certainly will have in Law Amendments.

Mr. Speaker, the other reason that it's a little concerning is that this bill does allow a municipality to go higher than three mills. They have been allowed to go up to three mills for donations or grants for hospitals or nursing homes or something of that type in their area, and they are now, it would seem by the bill, allowed to go higher than that and make the decisions themselves and the moneys would be collected by taxation throughout the area. Now, Mr. Speaker, if the limit is going to come off as to how much they can donate, then I would think that if they decided to have a referendum on it and the money was spent to do so, I think that the municipality should have to consider the results of that referendum. Now the Minister may have very good reason why the municipality doesn't have to abide by a referendum, and I know that this was probably - I believe that this was a request of the municipalities, but I might say that I'm not always in agreement with their requests. I think we should study them and know the reasons very seriously for making those changes.

Mr. Speaker, the other area that I would like some clearing up is the moneys for parks and the like, as far as turning the money over; I know that it says in the bill that it "shall" be turned over immediately. The legislation here changes it to "may", but I would like the legislation very clear that they still have to turn it over some time. I can see that it

## BILL 58

(MR. F. JOHNSTON cont'd). . . shouldn't have to be done the minute the taxation and everything is arranged, but I would say that it has to be very clear that it has to be turned over to them.

The changing of the sizes of the rural municipalities or towns and villages is a good one. I can't be sure but I think that there will be some benefits to some of your villages and towns by being larger size in the way of protection and policemen and things that the Provincial Government supply. I would certainly hope so, and that would be another question that I would have on this bill.

Mr. Speaker, that is mainly the comments that I have. I am concerned about holding referendums and not having to abide by them, and I am sure the Minister will have an explanation for us when we get into Law Amendments. Thank you.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I beg to move, seconded by the Honourable Member for Portage, that the debate be adjourned.

MOTION presented and carried.

BILL NO. 65

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

MR. FERGUSON: Mr. Speaker, I adjourned this for the Honourable Member for Birtle-Russell.

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

MR. GRAHAM: Mr. Speaker, Bill No. 65, The Law of Property Act, was introduced here some time ago. I took the liberty of consulting a few friends in the legal fraternity, some of whom expressed some doubts as to the one clause in the bill as to whether or not it goes far enough. However, Sir, I find nothing in the bill that at this time should prevent it from going to committee stage, and I hope at that time that members of the Legal Society would make presentation.

QUESTION put, MOTION carried.

MR. SPEAKER: Bill No. 70. The Honourable Member for Morris. (Stands)

THIRD READINGS

MR. GREEN: . . . proceed now to the Third Readings on the Order Paper, Mr. Speaker.

BILL NO. 4 was read a third time and passed.

BILL NO. 25

BILL NO. 25 was presented for third reading.

MR. SPEAKER: The Honourable Member for Gladstone.

MR. FERGUSON: Mr. Speaker, in the absence of the Honourable Member for Brandon, -- I don't know whether this is in order or not - but could I adjourn this?

MR. SPEAKER: The honourable member may adjourn.

MR. FERGUSON: Thank you. Then I beg to move, seconded by the Honourable Member for Rhineland, that debate be adjourned.

MOTION presented and carried.

BILL NO. 30 was read a third time and passed.

MR. SPEAKER: That covers all the third readings.

CONCURRENCE - AGRICULTURE

MR. GREEN: . . . proceed to the Concurrence motions.

MR. SPEAKER: We were on Agriculture. The Honourable Member for Gladstone.

MR. FERGUSON: Thank you, Mr. Speaker. I'd like to make a few brief comments on this concurrence of the Agriculture Estimates. Following as many speakers as we have had, I think our party has covered most of the points that we are faced with in agriculture. Again, I think that everyone has stressed the fact that the rural population have lost complete confidence in our Minister of Agriculture. We have expected, the rural people have expected the government to stimulate the farm economy and supply some guidance or some creative ideas, but we have found that under our present Minister that we are governing by confrontation not by guidance or by advice, and I think that this is becoming quite generally known throughout the province. It definitely showed up last year during the election when, I'm quite sure, the Minister in his shining light had probably promised the Cabinet a few of the rural

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(MR. FERGUSON cont'd). . . seats. He found when he went out to the rural area that his policies and his attitude were not being accepted and I think that if he went out today he would find that he's in a lot worse shape now than he was then.

We're involved today, Mr. Speaker, in an industry that in all the years that I've been involved in the farming business, I don't think I've ever seen it in a more precarious position. This of course is not due to the Minister of Agriculture's policies or anything that he has done, but I think that it's due to a fellow that's probably up above and we've had a little bit of a, oh, I don't know what just the exact word would be, but we have been shown that the policies that are laid down by farmers or by politicians can be very quickly led into disarray, and this is happening. And I feel that if we don't get a crop in in this particular year . . . we felt three or four weeks ago that we had never been in better shape, that things were never more buoyant, and this was a correct statement. I realize that the people that are involved in the business of agriculture are chronic bitches. I have been one of them at most times but a lot of the time it's done with tongue-in-cheek and the fact that, you know, you wait it out and usually things turn out better than what you expected. This year may not be the case. And we are faced with a budget of \$840 million in current expenditures plus our capital expenditures, plus the fact that we're borrowing on a world money market at roughly 9 1/4 percent, and I don't think that our province is in any position to be taking a dip in economy that may come to pass. We may find ourselves in a position whereby we do not have the feed grains to finish our livestock. We have made many a lengthy speech about the pork producers, etc., and there may not be grain in the Province of Manitoba to feed them. Now this is something again that may not come to pass, but the next ten days is definitely going to be the deciding factor and we may find ourselves in a very precarious position, as I said.

Again, going back to the Minister, he has had a - and you've got to admire him for it - he is a supply-management theorist. He believes that you can control markets, that you can establish a bureaucracy that can make things work. He is finding out that the rural people will not buy this; that in most cases the theory doesn't work. If he could take a look at his brother nations that are trying it - Russia, China - whereby they are continually getting themselves in trouble having to import food, and if you take the incentive out of the agricultural economy and put it solely into the hands of the bureaucrats, there's just no way that it will work. Mind you, as I say, he's quite convinced that it will. His appointments have all been along the line whereby my colleague from Lakeside said the Deputy Minister of Agriculture, Red Bill Janssen, is his confidant, and this of course is to be expected; he is his Deputy Minister. --(Interjection)-- Well, Mr. Speaker, the only way that I could define it would be that his theories have been along the same lines as what the so-called socialist states of the world have been, and I guess that it's probably, it might be a misnomer, I don't know, but it's been a name that has been attached to the Deputy Minister, and it wasn't me that put it on him but I'm just quoting from what I've heard. So I don't think the Minister will pull anything like that.

Now we can go back again and take a look at the Minister's record. I'm not going to spend a whole bunch of time on it because it was covered this morning by the Member for Minnedosa and the Member for Lakeside, the Stay Option Program, whereby it was presented in all its glorification, but the fact still remains, Mr. Speaker, that at the end of those five years the interest subsidies plus the reassessment of the farm land would almost make it impossible for a young farmer to buy it. If he buys it on the first shot, he's got a chance of coming out, but if he doesn't, I would expect that it's going to be awfully difficult for him to ever own or control a farm, regardless of what the Minister says.

The lease rentals, again, have gone out of sight. They're more than doubled; in some cases they're more than doubled. And again the Minister stated this morning that this was arrived at by a formula in the livestock. Well of course, if this has been arrived that way, we can look for a reduction next year. I would expect that this will happen. --(Interjection)-- Well the prices have gone down. As of August 11th or 15th, I think that we can look at at least a third drop.

The Farm Machine Bill, a 38 clause bill with 57 amendments. We're back into this again. It's going to be more costly to the farm community. The implement companies have stressed their concern, and basically I am not too far out in agreement with the Minister in many cases. We're not going to be intimidated by the machine companies but we are facing a fact whereby there's a limited product and if we don't get it in Manitoba, some of it, we

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(MR. FERGUSON cont'd). . . still have to have new machinery and we could put ourselves in a position whereby we could find that we don't get any new machinery in the Province of Manitoba.

A.I. program. I'm not going to mention this. It's been covered by the Member from Minnedosa.

The warning on hog production, over-production, has been stressed many times. I'd like to quote a little article in the Free Press on March 15, 1973, when the deal was signed with Japan, the 300,000 hogs over a three-year period. At that time we were told by the Minister that a California group was interested in a larger purchase and everything was going to be rosy. And all of a sudden, Mr. Speaker, we find that even in the Province of Manitoba, for a hog to be killed he's got to do it by appointment only, which I feel, even to a hog, he shouldn't have to make an appointment to be slaughtered.

This morning the Minister made the statement, and during the question period so many times the Minister's asked questions, he either gives a snide remark, he goes around the corner, he never answers the question, as compared to his seat-mate the Minister of Mines and Natural Resources, who gives an answer or says "I will check it and give you an answer". (Applause) The Minister, to my experience, has never yet given a straight answer on an agricultural question. He made the statement this morning that all transactions come across his desk. Then when someone gets up and asks about the price of hogs, or what's going on, that's handled by the Commission. He knows nothing about it. Well, this to me just doesn't stack up.

The cattle programs started out. I imagine they're a very good thing. But we're starting to reap some of the benefits of the fact that we've got a lot of green cattle producers in the business that have no business being in there. They didn't have proper feed, reserves -- you bet they didn't. They haven't got proper pasture reserves, and this has put the cattle industry in a very precarious position, outside of the fact that we have, too, a Federal Government that has stuck their nose into the business which they shouldn't have done.

The feed grain plebiscite was another one of the fast shuffles whereby in most cases we spend months and months, or weeks and weeks on advertising, if it is to the Minister's advantage to advertise. When it isn't, we bang a plebiscite through as fast as we can get it through before the information can reach the public. We asked for an extension. Of course it was denied, because it wasn't to the Minister's interest to have it this way.

Today, the front page of the paper, May 27, 1974, we're faced with a strike of the killing end of the livestock deal, the packers, whereby it could be the straw that breaks the camel's back. I don't know, it seems quite unfair to me when a \$1.12-an-hour increase over a two-year period, which is 55 cents, which I would expect would possibly be in the range of a 25 to 30 percent increase, is not accepted, whereby the packers, rather than face the wrath of the consumer public and consuming public, have decided possibly that they may lock out their employees. I know that the Member for Crescentwood, the fellow that can make a living on a 32-hour week, will not go along with this at all because his idea is that everyone in the Province of Manitoba should be able to make a living on 32 hours a week, and I would like to know what his thoughts would be on the fellows that are not able to market their hogs through the fact that it's by appointment, and then if the people go on strike and you can't have them killed, then where do you go from there? On \$2.50 barley, \$1.75 oats, you know, it's quite something to look at. --(Interjection)-- Well, we may be heading for disaster, but this remains to be seen, of course.

I don't believe, Mr. Speaker, that I have any more much to say, except the fact that again . . .

A MEMBER: Say it all again.

MR. FERGUSON: . . . we are facing the fact that we have lost all confidence in the Minister of Agriculture. The people of Manitoba have lost all confidence in him. I would suggest to the Minister that we as farmers would be more inclined to put our faith possibly in the Honourable Member for Wellington or the one from Point Douglas. They at least might be able to have the rain turned off. But we did have a healthy agriculture and the Minister, even in good times, has made a mess of it. So consequently I think that the First Minister should take a real long, hard look at removing this Minister of Agriculture, because the next year it's got to be someone that's going to have to be very competent and someone who's going to be able to look after the interests of the people of Manitoba. Thank you.

## CONCURRENCE

MR. SPEAKER: The Honourable Member for Swan River.

MR. BILTON: Mr. Speaker, in this matter of Concurrence I feel that I would like to add a few words on behalf of the people that I represent, the majority of whom are farmers. I listened with a considerable interest this morning to the Member for Lakeside, the Member for Minnedosa, and now the Member for Gladstone, and it seems to me, Mr. Speaker, that they covered the whole waterfront, and I don't know what condition the Department of Agriculture is in if everything they said was on stream.

A MEMBER: It's on stream . . .

MR. BILTON: And I've got a feeling that it was on stream, Mr. Speaker, because the Department of Agriculture I feel has let the farmers down. I agree with everything that has been said and I'm sure the farmers in my area would support those few words just as brief as they were made. I'm fed up, Mr. Speaker. I went home this weekend and I was just deluged with people that were calling me on this hog problem and did you know, Mr. Speaker, day after day, week after week, we have talked to the Minister and we have asked questions of the Minister, and he has continually said that the hog producers elected their own Hog Marketing Board, and that the Hog Marketing Board makes the regulations, and it is for him to abide by them and he knows nothing that is going on.

Mr. Speaker, this is abominable. How are we, as members representing farm communities, to go back and answer the people at the grass roots? They're just frustrated. They don't know what to do. Sir, I had a call over the weekend from a farmer that's got a half barn of hogs waiting to be shipped and he can't ship them. They're frustrated, Mr. Speaker. The uncertainty of the number of hogs on the farms has got to the stage that they're creating chaos in the industry. It's my understanding, Mr. Speaker, I'm no farmer, but I'm told that when hogs are ready for the market there's a lot of work and a lot of effort and a lot of thrust gone into producing those hogs to the market, and they must go at a given time. And delay, I understand, lowers the initial return to the farmer in many directions. This I suggest to you, Mr. Speaker, is unfair. And when we asked the minister for answers as to this problem, he said the commission makes the regulations. He says the Commission makes the regulations and you must get it from them.

I asked a question today, Sir, with regard to quota restriction. The situation today, Mr. Speaker, is that they have to phone into the Commission 310 miles away from here and determine as to what they are authorized to bring in. And the private shippers, if the Hog Commission says to them, "There's no quota this week", they in turn have to tell the private enterprises - that is the producers - "There's no quota this week and we can't come around and pick up your hogs". What a horrible situation.

It's been related to me, and referring again to that question, that the co-op livestock shippers have carte blanche authority to bring in. There's no quota insofar as they're concerned. And this I understand is going around the province. It has been indicated to me that this organization has preferential service over the independent shipper and the farmer, Mr. Speaker. And this, I suggest to you, is grossly, grossly unfair.

We are told that the Hog Marketing Commission in the beginning would assist in this so-called stay option program that this government is touting about all the time. Well, from what I can learn, Mr. Speaker, they're not doing anything for the small family farm, the man that grew the thirty hogs a year. They're killing him. Because if it goes on the way it's going now, only the large producers are going to be able to stand the impact of conditions as they are today. The present operation, Mr. Speaker, through the Hog Marketing Commission, is killing the small family farmer, and these people, Mr. Speaker, are abandoning the hog production; they're leaving the field and, it's got to be admitted, with their life's work going down the drain, because these people understand the growing of quality hogs. It seems to me that the commission is only adaptable to quantity hogs and not quality hogs, and in the end the industry is going to suffer. And it's not good enough in my humble opinion, Mr. Speaker that when we ask questions -- and we're not asking questions on our own behalf, we're asking questions on behalf of the people who are making a living through hog production, they're frustrated and they don't know whether they're coming or going.

The Reeve of the Rural Municipality of Minnitonas called me yesterday afternoon and pleaded with me to bring it and emphasize the matter to the Minister that he get the answers for these people. It's not good enough to pick up a phone and say "What is my quota this week?"

## CONCURRENCE

(MR. BILTON cont'd) In days gone by they could bring in their hogs and they could sell them wherever they could get the best price for them. Maybe we should come back to this. Who is this man Hofford anyway, that he can dictate to this House and the Minister won't even speak for him?

A MEMBER: He belongs to the Swan River Mafia.

A MEMBER: He's in your town.

MR. BILTON: He comes from the Swan River Valley, Mr. Speaker, and I know him personally.

A MEMBER: The Swan River Mafia.

MR. BILTON: I whipped the hell out of him in 1969 in an election, but he's sitting in the driver's seat today dictating to the farmers of Manitoba as to what they'll do with their hogs and what they won't do with their hogs. And when we ask the Minister, who is answerable for that department, what it's all about --(Interjection)-- The elected members of the board make the regulation and they'll have to answer. How was that board elected, Mr. Speaker? I stood in a meeting in Swan River when the three or four members put forward their names to stand on this board, including Mr. Hofford, and at the proper time he withdrew his name. He withdrew his name. He wouldn't stand the test of time. He'd had it in 1969 and he was going to get it that night. But no way. He withdrew. The next day, the next day in Dauphin, when the eight elected members from the three districts were brought together, they chose Mr. Hofford, and the Minister has been talking about how pleased he was that the people of the Swan River Valley elected Mr. Hofford to that exalted position. Like hell they did. Try it again! And yet he's dictating to the hog producers of this province and I say this is not right; it's wrong.

A MEMBER: Five people elected Hofford.

MR. SPEAKER: Order please. Order please. The Honourable Member yielding to the Member for Lakeside?

MR. BILTON: No, Sir.

MR. SPEAKER: I hope not. Thank you.

MR. BILTON: In my day when the Speaker called "Order", the speaker sat down, Mr. Speaker, and I was simply carrying that out.

MR. SPEAKER: Thank you.

MR. BILTON: I've got a lot to say yet. Since last June, Mr. Speaker, the Honourable Member for Roblin and myself have put a great deal of business before this House with regard to the unfortunate people in Cowan that were flooded out. The government did us a favour last June by sending in a task force and agreed to the fact that there was \$130,000 worth of damage suffered by the 30-odd farmers in that area. And as time progressed, with a constant prompting I finally got a letter from the Minister a few weeks ago, indicating to me that there was no way any relief could be given to those marginal farmers. They should have covered it by insurance.

A MEMBER: Shame. Shame.

MR. BILTON: I appeal to the Minister once more that in view of what has happened to the farmers in southern Manitoba where millions of dollars are going to be spent, and so it should be spent to assist them, to consider my constituents in Cowan and make it retroactive, and give them some consideration under the circumstances, because, Mr. Speaker, the 130,000 dollars that they asked for was based on the price of grain 18 months ago. They were asking for little enough, and I'm asking now, Mr. Speaker, because of the fact that in --(Interjection)-- no, in no way -- in bringing to the attention of the government last June and many months thereafter, they have not raised a finger to remedy that situation, that flood situation, and those people are flooded out now, again. They're not going to be able to get crops in. And I'm appealing to the Minister with everything that's in me to give those people serious consideration in their additional requests, and if he does, Mr. Speaker, I think they'll try and get by without asking him for more. All they're asking for is a remedy to the situation which is a natural run-off from the Duck Mountains; it's out of their control. It's in the hands of the government to do something about it. Twelve months have gone by, Mr. Speaker, and no remedy has been given. --(Interjection)--

MR. SPEAKER: Order please. The Honourable Minister state his point of order.

MR. USKIW: Yes. The member is now discussing the affairs of the Department of

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(MR. USKIW cont'd) . . . . Mines and Natural Resources when he wants to talk about drainage problems in the Cowan area. That has nothing to do with the Department of Agriculture, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Swan River.

MR. BILTON: Mr. Speaker, I thank the Minister for his comments. But, you know, he just picked me up on two or three words. He forgot that only a few moments before, Mr. Speaker, I was replying to the letter in which he denied the farmers the assistance we'd been appealing for. I realize, my last few words, that it is the responsibility of the Mines and Natural Resources with regard to flooding. But again, Mr. Speaker, even though it is, I appeal to him to talk to his colleague, who sits right next to him, and get together on this subject so that for all time it'll be straightened out to the advantage of those people.

I have another subject here, Mr. Speaker, and that has to do with the milk production in this province. I believe the Minister has a petition from the Swan Valley Milk Producers' Association, dated March 4th. I don't know whether he's replied to it or not, but they make it abundantly clear, Mr. Speaker, that this Producers' Marketing Board was imposed upon them without prior warning. This, of course, comes natural with this government, but some day they're going to learn that they've got to take these people into their confidence. These people that I'm talking about, Mr. Speaker, have got setups there, cattle, barns, of the first order, and along comes restrictions such as this.

The Member for Lakeside this morning emphasized the dictatorial attitude of this government and particularly this Minister in this milk marketing arrangement. Mr. Speaker, I am no authority on this matter but there's the brief, and the Minister's had it since March 4th and I don't think he's answered it yet. I don't know what he's waiting for. But I say to the Minister, these are conscientious men; there's only six milk producers in that association and every damn one of them I'd bet my last dollar on. But you're frustrating them. The Swan River Valley lends itself to mixed farming; it was a mixed farming area; it produced milk, butter, eggs, geese, ducks, go it all the way. What is it producing today? It's staying with the grain and the hogs and the cattle. But it's got a capability, Mr. Minister, it's got a capability of being the bread-basket of Northern Manitoba and you're frustrating it. These men are producing milk and it's being shipped to The Pas 110 miles away, and they're meeting the high freight costs and they're doing everything that's coming to them, and they're making a good living. All they need from you, Mr. Minister, is encouragement, not restrictions and dictation. They'll produce, but encourage them or they'll go out of business. Read this brief seriously and give them a serious answer and give them a break. Thank you, Mr. Speaker.

MR. USKIW: Mr. Speaker, I wonder if the honourable member would yield to a question at this point.

MR. SPEAKER: A question of clarification?

MR. USKIW: Pardon me?

MR. SPEAKER: A question of clarification.

MR. USKIW: Yes.

MR. SPEAKER: The Honourable Minister.

MR. USKIW: Yes, I wonder whether the Member for Swan River was suggesting that we give the Cowan area flooded victims the same kind of treatment as we did with respect to other areas in the province.

MR. BILTON: Mr. Speaker, a flood's a flood. A flood's a flood. And those people suffered and they have stayed with that suffering for twelve months. Two wrongs don't make a right. If you're going to take care of the people in the south, as you must, and as the government's policy suggests that you will, what's wrong with asking it to be retroactive? You made it retroactive for the potato growers. What's wrong with that?

MR. USKIW: The member has misinterpreted my question. I thought that he spoke about crop damage, Sir, and I gather he is talking about damage to buildings, so that if I am wrong, I would wish that he would correct me.

MR. BILTON: Mr. Speaker, if the Honourable Minister will examine the file, and it's about that thick - at least mine is - he'll find that homes were flooded, he'll find that barns were flooded, and he said in his reply to me, "They should have covered it with insurance." That's what he said. And all I'm asking is that they be given the same consideration as other Manitobans that are suffering the same thing today.

A MEMBER: And they're getting paid for it.



LAW AMENDMENTS COMMITTEE SUBSTITUTIONS

MR. SPEAKER: The Honourable Member for Gladstone.

MR. FERGUSON: Thank you, Mr. Speaker. I'd like to make some changes in the Law Amendments, so I move, seconded by the Honourable Member for Minnedosa, that Mr. Bilton be substituted for Mr. Craik, Mr. Brown for Mr. McGill, and Mr. McKellar for Mr. Henderson.

MR. SPEAKER: Agreed? (Agreed) Resolutions 7 to 19, pass? The Honourable Member for Birtle-Russell.

CONCURRENCE Cont'd

MR. GRAHAM: Thank you, Mr. Speaker. I think, Sir, that anything I say after listening to the impassioned plea of the Member for Swan River, asking for reason, understanding, tolerance from the Minister of Agriculture, and nothing was forthcoming, makes my speech somewhat superfluous.

Sir, this is all the farmers of Manitoba have been asking for the last four or five years; a little bit of understanding; a little bit of help when help was required. And, Sir, a farmer will not ask for help unless it is required, because a farmer is placed in a rather strange position, Sir, that he is one of the few individuals in today's society who is completely at the mercy of government. Government will not protect him in any of his costs of operation, but government controls everything that he sells. Sir, I think that there is no other element in society that is placed in such a straitjacket as the farming community, and that in itself, Sir, is probably the main reason for the malaise that exists in the agricultural industry today. They've heard sweet talk from the Minister of Agriculture, but all the wrong actions. They've heard promises that either aren't fulfilled or else action is taken in the reverse direction.

Sir, I've been in the agricultural industry a long time, and if there's one simple message that I have got since I have sat in this Legislature, a simple message that farmers have been telling me, they've been telling the Minister of Agriculture, they've been telling the press, or anyone else that will listen - it's a very simple message, Sir. It's a message to government to "get your cotton pickin' fingers out of my business and leave me alone."

A MEMBER: Hear, hear!

MR. GRAHAM: I've heard that consistently, Sir, in the five years that I've been in this Chamber, and I hear it more so today than at any other time since I've been a member. The actions that this Minister has taken in his so-called crusade to save the farmer have been sheer disaster, Sir. Any farmer who has listened to this Minister of Agriculture is heading down the road to ruin. If they followed the advice that this Minister has given to the people of Manitoba, it has been financial disaster. And, Sir, some place, somewhere in this province, I hope that there will be enough opinion and public interest built up to either force this Minister to voluntarily resign or force the government to oust him, because what he has done to the agricultural industry in Manitoba, Sir, has been a disaster.

Sir, agriculture should never become political. It involves the livelihood of people who are entirely dependent on government decisions, but it has become political and is becoming increasingly more political every time this Minister opens his mouth. And, Sir, every time this Minister opens his mouth, all it does is hurt the majority of the farmers in Manitoba and help his privileged few.

MR ENNS: The future commissars of agriculture.

MR. GRAHAM: Sir, I don't know how to express it in clearer terms.

MR. ENNS: You'll be appointing them.

MR. GRAHAM: You know them far better than I do.

MR. SPEAKER: Order please.

MR. ENNS: You'll be appointing them.

MR. GRAHAM: Sir, when that question is posed from the other side, I suggest that they are the ones that know.

MR. ENNS: Bet you a dollar they won't have to run for election.

MR. GRAHAM: Sir, I have seen farmers in my area who in all conscientiousness have followed the advice of this Minister, and today they're out of business. Sir, when one farmer goes out of business, what happens? Either his neighbour takes over his farm and you get a larger farming operation, or else those that qualify under pretty rigorous regulations laid down by the Minister, and I don't know what all those regulations are because I've never filled out one

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(MR. GRAHAM Cont'd) . . . . of the questionnaires. And quite frankly, Sir, I would be afraid to answer all the questions they would probably ask me.

MR. ENNS: It would be kind of an indecent exposure, an act of indecent exposure.

MR. GRAHAM: Sir, the comments of the Member for Lakeside, while they may be more correct than those that I would care to place on the record, do indicate that all is not well in the agricultural industry. When farmers start looking over their shoulder to see who is watching, where Big Brother is . . .

MR. ENNS: Right. Or Big Sam.

MR. GRAHAM: . . . then, Sir, it is time that this department be cleaned up.

--(Interjection)-- Sir, I'm very pleased to hear the Minister say that they're in the process of cleaning it up, but, Sir, when he tells me that he is going to clean it up, quite frankly, Sir, that scares the very devil out of me - and most of the farmers in Manitoba at the same time. If the farmers in Manitoba knew that that was the intention of the Minister of Agriculture, then I would suggest to the Minister that he go out into rural Manitoba and tell that to the farmers. But when he does so, Sir, I suggest he take a very strong bodyguard with him. Confrontation, Sir, has never . . .

MR. ENNS: Don't press it now, Harry.

MR. GRAHAM: Confrontation has never been a policy that I would espouse.

A MEMBER: Them's fighting words.

MR. GRAHAM: I would say, Sir, that any of the problems that exist today in the agricultural industry can be solved with reason, with co-operation and a certain amount of respect and trust for those that are sitting down at the bargaining table. Sir, that does not exist whenever this Minister is involved.

A MEMBER: You're preaching violence now.

MR. GRAHAM: It is most unfortunate, Sir, it is most unfortunate, that the confidence this Minister has in the Province of Manitoba is so low, Sir, that it would cause trouble to the smallest snake in the Province of Manitoba.

MR. ENNS: Examine his position on the Women's Institute for a moment . . .

MR. GRAHAM: There's another avenue that falls under the purview of the Minister of Agriculture, and that is dealing with an educational program that exists in the Province of Manitoba and has existed for many years, and this is the 4H program. And over the last 25 or 30 years, Sir, 4H and its forerunners have done a tremendous job in encouraging young people in rural Manitoba --(Interjection)-- encouraging young people in Manitoba to improve their lot in life, to improve those tools that are at their immediate disposal. And what do we find happening today, Sir, in the 4H program? The Minister has brought out a new program; he says. He says, 4H is so good that we're going to enlarge it to cover all parts of Manitoba, and when he says that, Sir, I'll heartily agree with him. Well what does he do with the existing program in rural Manitoba which has worked so well? He has absolutely scuttled it, Sir. He has absolutely scuttled it.

A MEMBER: Right.

MR. USKIW: Nonsense.

MR. GRAHAM: And when he says "nonsense", he had better go out and talk to the 4H leaders in Manitoba and tell them that. Sir, I've talked to the 4H leaders in the Province of Manitoba, and they say: "What is the use? There is nothing we can say that will ever make this Minister change his mind." There is nothing they can say that will ever make this Minister change his mind. He says: "I know best, I know what is good for the young people of Manitoba."

A MEMBER: He tells the women the same thing.

MR. GRAHAM: "I know what is good for the women in the Province of Manitoba," and he says: "I know what is good for the farmers in the Province of Manitoba." Sir, the Women's Institute don't think too highly of him. The youth in the Province of Manitoba don't think too highly of him, and the farmers of Manitoba would like to have their thoughts recorded in Hansard. Unfortunately, Sir, I would suggest that most of the terms would be unparliamentary.

MR. SPEAKER: Resolutions 7 to 19, pass? The Honourable Member for Swan River.

MR. BILTON: I realize I've spoken, but I thought I asked some very pertinent questions. I wonder if the Minister is going to answer, in order that the people I represent at least are satisfied with the question I put before him today.

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MR. USKIW: Mr. Speaker, if that is a question put to me, I'm prepared to answer a question.

MR. SPEAKER: This is not the time for having questions back and forth. Shall we take up 52 to 56, which is Finance, at this time?

MR. McKENZIE: I just can't let the Minister of Agriculture off the hook. With all the allegations . . .

MR. SPEAKER: Order please.

MR. McKENZIE: . . . and I'd like to speak on . . .

MR. SPEAKER: Order please. The honourable member has already spoken on Agriculture. Resolutions 52-56: Resolved that there be granted to Her Majesty a sum not exceeding \$4,542,300 for Finance. The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, at this point in concurrence on the Department of the Minister of Finance, there are a few things that should be said in summary, and a few items that have not yet been covered, particularly in the Public Accounts Committee, so, Mr. Speaker, I'd like to take the opportunity of concurrence on Finance to mention these items.

Mr. Speaker, by way of summary, I think that the most important thing that has to be noted that provides concern of course to Manitobans, is to realize that the combination of estimates of current expenditure, plus the borrowing authority, the Capital Authority requirements, provide Manitoba with the highest amount of money by far, Mr. Speaker. And noteworthy, not cause it's just the largest, but it's the largest by such a large amount that it should be underlined and brought to the attention of the public.

In the 1974 Schedule we have a total of borrowing authority requirements asked for, \$699 million, and of course by the time you take "carry forwards" and subtract those that are likely to be carried forward, I suppose that estimate is probably still somewhere approximately accurate. So with a 700 million-dollar borrowing authority, plus the estimates of expenditure running slightly higher than that, we've reached a point where the combination of the two give us a total of roughly one and a half billion dollars; and out of a gross provincial product of little better than five billion, we see that we have a self induced economic well being state in the Province of Manitoba that to a very large extent depends on the expenditures of the Provincial Government. It represents a good quarter, Mr. Speaker, of the total expenditures in the Province of Manitoba, and combined with the Federal Government and the municipal governments we can see that Manitoba's economy is very very largely dependent on the spending of governments; and primarily, Mr. Speaker, the Provincial Government first, and the second would be the Federal Government.

Mr. Speaker, it's perhaps noteworthy that one of the largest Canadian engineering companies reported in the last week that the reason their stocks have held up so well and that they're such a stable Canadian company, in view of the fact that the stock market has been in great difficulty for months now, was stated as the fact that they had such good contracts for the work on the Nelson River project. So, Mr. Speaker, Manitoba is certainly making its contribution to the economy of Manitoba, and evidently is making its contribution to the well-being of national companies with regards to providing them with a very very stable income and one which they consider to be stable enough to fight off the down trend in the economy, or the down trend in the stock market to the point where their stocks are as high - just about as high as they have ever been in their history.

So, Mr. Speaker, I think that it's important to note for the people of Manitoba at this point of summary, that Manitoba's economy appears to be in a state of health at the moment in terms of the activity of the economy, but a large portion of that state of well being is a self induced state that is brought about by the massive government spending, 50 percent nearly of which is borrowed capital money invested for the purposes primarily of the Hydro Electric developments of northern Manitoba.

I have some other questions that I want to bring to the request of the Minister. For instance, it has been suggested from time to time that a fairly significant debt will have to be paid off with regards to the operations of Churchill Forest Industry. Mr. Speaker, I raise it because it has been raised in this fiscal year, that a move by the government will very likely be possible. Mr. Speaker, I would ask the Minister where in the estimates of Capital Authority or otherwise, the money is going to be made available for a debt retirement of that size, which

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(MR. CRAIK Cont'd) . . . . I presume will be in the order of tens of millions of dollars; and there would appear to be no place in the --(Interjection)-- I said that I presume that the amount will be in the tens of millions of dollars, multiples of tens of millions of dollars, so presumably, Mr. Speaker, there should be some indication in the estimates before us of where that money would come from. I presume that there isn't adequate room for it in the borrowing of the Manitoba Development Corporation, since the amount requested here for the MDC is \$38.9 million, and the commitments were not indicated by the Minister to include any debt retirement - dead weight debt, I assume would be the right terminology - to cover the Churchill Forest Industries' debts. So, Mr. Speaker, this item has not been clarified; it hasn't really been requested of the Minister, but there's no evidence of it showing up in the Capital Authority requirements of the Province of Manitoba. Perhaps, Mr. Speaker, it is contained in the recent bill that has now gone into committee stage, past second reading and into committee stage, where the government is given power to actually assume the debts of the Crown corporations. Historically this has never been the case; there is a clause in the existing Act that says that a Crown corporation must carry the debts, the bad debts, by its own undertakings or through its own financing. And I understand that - if I read the Act correctly that has been presented to the Legislature, that this is perhaps the place where the government intends to write off the very large expenditures on Churchill Forest Industries. So, Mr. Speaker --(Interjection)-- I can't remember the number, it's the one that just went through the House, through the second reading state. --(Interjection)-- Well, Mr. Speaker, I can look it up in a moment, but I would presume the Minister is dealing with the powers - the Financial Administration Act, I guess - it deals with the powers of the Cabinet to write off the expenses of a Crown corporation, the bad debts of a Crown corporation by Order-in-Council.

So, Mr. Speaker, that is ancillary to the question. The main question is, has the government allowed in the estimates that have been supplied to us for capital and for current expenditure, an amount of money which will be used in this fiscal year to write off the bad debts of the Churchill Forest Industries' project? We haven't yet had an indication from the Minister that this is contained.

Mr. Speaker, if I might deal next with the items under the Provincial Auditor's - Mr. Speaker, I'll have to look at that again. I think probably that is it, Bill 62. Mr. Speaker, I want to now look at the Auditor-General's report, and since we didn't have an opportunity as yet to deal entirely with the Public Accounts or with the Auditor-General's report, I want to make a few summary remarks in that connection, too.

Mr. Speaker, one of the items that's contained in here is one that comes as a surprise to the members of the Legislature, and must be a general surprise - on Page 5 of his report, it's indicated that the government loaned out to the Manitoba Development Corporation \$15 million at one stage, and then took back all but the interest charges - took back the amount of money, about two million dollars of which would be interest charges, and took back the remaining amount out of the \$15 million as a revenue. Mr. Speaker, this is a case then of lending money out to a corporation as capital and bringing it back from the corporation and showing it as revenue. Well, Mr. Speaker, if that is the case, which is indicated on Page 5 of the Auditor's report, this is a very convenient way for the government to balance its books. And . . .

MR. SPEAKER: Order please. I must indicate to the honourable gentleman, we are on Resolutions 54 to 56, which does not include the Auditor's report. The Auditor's report was under the Department of Legislation. The Honourable Minister of Finance.

HON. SAUL CHERNIACK, Q.C. (Minister of Finance): You're quite right, that the estimates dealing with the Provincial Auditor have already been passed. The Auditor however reports to the Legislature through the Minister of Finance, and I assume that that's the method by which the honourable member wishes to qualify. Speaking in order, I personally don't have the objection, although I think your point is probably valid, we are dealing with estimates. But he's talking about my salary I suppose, and to that extent I should show that I can give him some answers.

MR. SPEAKER: Well, the point is that we are now under concurrences, and it doesn't give the Chair the latitude we had before. We are not in estimates, we are in concurrences. The Honourable Member for Riel. The Honourable Leader of the Opposition.

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MR. SPIVAK: On a point of order, Mr. Speaker, concurrence deals with the Minister's Salary. The Minister here is the one who answers on behalf of the Provincial Auditor, and the way in which we normally debate it is to be able to debate the wide range on the Ministerial Salary, and that's one element of the concurrence. The other point, Mr. Speaker, is that the Department of Finance deals with the question of finance, capital borrowing and the finances of the province, and the Auditor's report as it happens has relevance generally to many departments, and specifically to the general financial condition of the province.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, the point I'm trying to deal with here really is accountability and accountability generally of performance to the Legislature and to the people of Manitoba. And as a demonstration of that, I think that there's a very important point contained in the report that I made reference to. And to establish accountability, it means that proper procedures have to be used, and procedures that will allow the province and the people and the members of the Legislature to be able to determine from year to year by a constant basis of comparison what the financial position of the province is. And I want to make reference here to one particular quotation that would cast some doubt as to whether this is happening. And I want to quote here where it says: "It seems that financing should be arranged in such a way that there will be an orderly prescribed method of accounting for risk losses and equity investments on a broader basis with the Province of Manitoba." In our view the province should not have included in its revenue and expenditure accounts for the year ended March 31, 1973 receipts from the Manitoba Development Corporation amounting to \$15 million as an offset to its interest expense, when in fact most of this amount was not realized from the MDC earnings but financed from the province's advances.

Well, Mr. Speaker, what we're talking about here is financial accountability, and in this particular case loans were made to the MDC, and when they were paid back were not paid back and accounted for as repayment of those loans but were included entirely as revenue to the Province of Manitoba, showing the entire amount as revenue, and none of it showing the contribution back of a debt that was owing to the Province of Manitoba.

So, Mr. Speaker, when we combine this sort of a practice - at one time it's capital, it's paid out as a loan; when it's brought back in, it's shown as a revenue. Mr. Speaker, when we have shifts going on from current expenditures for items that would normally come under year to year budgeting and are shifted over so that they're borrowed for instead of being paid out of current expenditures - and I make reference here to such items as the STEP programs and the other make-work programs for which money is borrowed and not paid out of current, Mr. Speaker - we have a situation where the traditional procedure of borrowing for capital investment purposes is distorted, and we have borrowing going on for current purposes and also borrowing going on and revenues coming in which are really not interest returns, but are in fact repayment of loans. So what it means, Mr. Speaker, is that it's almost impossible, without some sort of standard accounts practice to determine what the real financial position of the province really is; and it's compounded by these procedures that shift from year to year to suit the requirements of the government. We have this year for all intents and purposes, if we look at the estimate books, a balanced budget, because the figures and the revenue - the budget address of the Minister indicates out of an 800-odd million dollar budget, that the income and the outgo are almost identical. But, Mr. Speaker, that can be made - if you take the variations I've listed - you can make it look like that any year you want to pretty well, because all you do is keep shifting more into the borrowing column. And then the government, Mr. Speaker, comes out with a statement that says the deadweight debt per capita is going down in Manitoba. Well the population is remaining the same, roughly the same, so the implication is, if you look at only those two items, a balanced budget as far as the Minister's statement is concerned, a deadweight debt that's barely changing - you get the impression that we're really in a state of pretty good financial position, financially sound in the Province of Manitoba. But that, Mr. Speaker, may not be the fact and isn't the fact, because the ground rules are changing; money is going out as a capital loan, it's being brought back in as a revenue; we have shifts going on from current into the borrowing side. Mr. Speaker, it's doubtful if Manitoba's financial position is anywhere near as rosy as it would look if you simply took the Minister's budget statement, and particularly if you looked at this one column, deadweight debt, because the deadweight debt really is pretty meaningless in terms of the total picture. The actual debt

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(MR. CRAIK Cont'd) . . . . of the province is very high. Mr. Speaker, this is the difficulty we face until we go to a standard accounts type of practice of presenting to the people of Manitoba what their real financial position is.

Mr. Speaker, there's one other item with regards to Public Accounts that should be commented on in the Legislature, and that is the method of presentation of the estimates. We had presented to the Public Accounts Committee a number of examples of new methods of presentation. Mr. Speaker, I think these are very commendable. It would help markedly if there was a different technique presented than what has been boiling down to be a traditional type of a technique in the last few years. Typically, under estimates we have a category, say Administration, with only two breakdowns: (a) Salaries; (b) Other Expenditures. And if you go through the Estimates Book, you will find the same thing. For instance, Education - Curriculum Development: (1) Salaries; (2) Other Expenditures. It doesn't tell you anything about the programs that are going on in any of these departments. And this goes on through all of the departments, Health and Social Development, Social Services Administration; (1) Salaries; (2) Other Expenditures. It tells us very little about the programs of government, and it's becoming increasingly difficult to scrutinize the estimates adequately, and this is not in the best interests of the public. So, Mr. Speaker, the Minister of Finance's Department has prepared this year two or three examples of techniques that might be used to give us a better breakdown, and from what we've seen of them in Public Accounts it would appear to be a highly desirable direction to go in order to better facilitate an examination of the programs of the government. So we look forward to that happening.

Mr. Speaker, the probable other important observation that I want to make is one that has been debated at some length in the Legislature, and I don't intend to deal with it at any further length, and that is the responsibilities and freedoms that are to be granted to the Auditor General, the Provincial Auditor of Manitoba. And, Mr. Speaker, I would repeat that from all the observations that can be made now, the real role of the Provincial Auditor is really not much different than it was prior to the new Act that was brought in in 1969, and that his role is essentially the same. The one thing he has done is presented this year a report that goes in greater depth, and points out some of the items that he thinks are important and that should be looked at. For that we give him credit. But we also read into the report a plea, if you like, for a greater involvement of the members of the Legislature in the scrutiny of Public Accounts, and I have to say that if that is to come to pass, the only way it will happen is if the Auditor himself makes those openings available. And I think he perhaps well knows it in his suggestions that he makes in his report to the Legislature.

Mr. Speaker, I expect the government knows very well that the official opposition, or all members of the opposition have a fairly limited research capacity to get in and do the necessary background work that is necessary to really scrutinize the accounts of the province. I think this is the improvement at the Federal level; we've seen a Federal Auditor who has performed an extremely important and valuable role, a role that might be theoretically expected of the opposition - but realistically, the opposition cannot perform, because it just does not have the research capacity to get it done. So, Mr. Speaker, the Auditor-General of Canada has to some extent pointed out those things that only a full-time person with a staff and the proper accounting background and training can do. And we're really, in the interests of Manitoba, asking that the Provincial Act, 1969, that was brought in be interpreted, and if necessary be expanded to the extent that the Provincial Auditor is more of a financial Ombudsman than he is now and perhaps I think was assumed to be when the Act was brought in in 1969. It was stated by the Minister of Finance at that time that the Provincial Auditor was the servant of the Legislature. Well, Mr. Speaker, the Provincial Auditor can hardly be interpreted in that role at this point. He is still a person who fulfills his role but whose primary responsibility still lies in a line function beneath the Minister of Finance, and to that extent there is very little difference to what his role was prior to 1969.

So, Mr. Speaker, we have debated this at great length. There has been a private resolution on the Order Paper which was debated, and it has been debated in the Public Accounts Committee, and we in summary would have to conclude that the role that he is playing is not that greatly different than it was prior to 1969. And we do detect in his report, that where he suggests that the members of the Legislature play a greater role in the examination of the accounts and in the financial watchdogging of the province's activities, that the only way

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(MR. CRAIK Cont'd) . . . . that that is going to happen is if the Auditor himself is given the degree of freedom where he can undertake those investigations that he feels that may be brought to the attention by the members of the Legislature; or may in fact be brought to life by his own curiosity and inquisitiveness; and that he feels that his duty is to report in a direct manner, as direct as possible, to the Legislature, rather than to the government, and primarily to the Minister of Finance.

So, Mr. Speaker, I have little more to say on the Minister's department at this time. And I realize that in 1974 that this is probably, more than any other year, the most important and critical year in Manitoba's history in financial affairs. We have supported the Capital Supply budget; we have no intention of opposing the capital requirements of the government; we have passed our comments on where they have been critical, and where they have been laudatory - and, Mr. Speaker, that's the extent of my comments at this point as financial critic.

MR. SPEAKER: Resolutions 52 to 56 -- pass? The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I looked with interest to see whether any other member of the Legislature in opposition wished to make a contribution to the debate at this stage, because I felt that no doubt anybody who had wished to speak would want to speak before I did so that they would have an opportunity of expecting and receiving a reply to what they had to say. So I must express some disappointment that - or satisfaction, I suppose, that only the official critic of the Conservative Party felt it advisable to speak at this stage, and speak on behalf of his Party. And I would like to deal with what he said; it certainly can't take long, because there wasn't that much covered by him which would require a detailed response - mainly because the matters he raises have been discussed before in this House, as well as in committee.

The point he made about the retirement of the capital debt for the Churchill Forest Industries is one that is not new to us; we have discussed it. There has been the suggestion made in the past that we should immediately write down or write off the advances to the Churchill Forest Industries Complex and we've made the point time and again that in order to write down one had to know a figure to which one was writing down. And unless it was felt that it was completely a waste of money, that there was no value there; and just assume that it is completely not repayable, Mr. Speaker, nobody has had the temerity to suggest that Churchill Forest Industries isn't there. Nobody has suggested that it isn't operating, and no one has suggested that many, many people are employed by the operation, and no one is suggesting that it be closed down and wiped off as being a completely bad debt. However, there have been suggestions made that it is over-capitalized now, in that the moneys that have been advanced to it are in excess of its value and that may well be true. Frankly, I think so, and yet I know that there are other members of our Cabinet who do not think so because they feel that with the rising market price for the product, that indeed even at that - what I considered, I think we all considered to be an outrageous cost - even at that it may be working its way into a financial position where it would be repaid. But, Mr. Speaker, much of this kind of discussion is just an accounting discussion. How should you show it? And the important thing is, how did it work out? How does that operation at The Pas work out in the future; to what extent does it justify the decision of the previous Conservative Government to support it; to what extent does it justify the expenditure of moneys; to what extent is there a justification for a continuation of support and continuation of operation? What I have said, Mr. - the Member for Swan River wishes to make a contribution?

MR. BILTON: . . . they issued the money.

MR. CHERNIACK: The Member for Swan River did not rise to a question. I thought he would obey the rules, to the extent that he knows them and respects them and only rise if he had a Point of Order or a Point of Privilege or a question to ask, but he had nothing but to do a parrot job of what has been said in the past by his colleagues and himself; and instead of honouring us for recognizing and honouring a contract and commitment of his own party when in government, he wishes now to say that we did it. And of course the whole point I was getting to - which is supported by what the Member for Swan River would have said had he said it in order and at the right time - the whole real point of this discussion is, when we get the report from the Inquiry Commission, we know that it should contain what was requested of it, amongst many other things, and that is a recommendation as to the capitalization, future

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(MR. CHERNIACK Cont'd) . . . . capitalization of the industry. And I said not once, but I am sure a number of times in the last few years, that we were waiting for the report from the Commission. At least then we would have some yardstick by which to measure the extent to which we should write down, and when we do, it would then be a simple forgiveness of a debt due by MDC. I suppose it would be first a recognition of the bankruptcy and receivership situation, a recognition of the capitalization of the newly incorporated entity; and then a forgiveness to the MDC of the extent of that write down, and then it would become deadweight debt instead of as it is now shown, a recoverable debt.

Mr. Chairman, we hide nothing from anybody. I wish the honourable member would check to see what kind of information is being given on the perspectus, let us say. Or maybe he should check on the speeches I've made outside of this province where we have never, I believe never, omitted in discussing our financial position - omitted to refer to the fact that there is an Inquiry Commission reviewing the Churchill Forest Industries Complex, and that when a recommendation is received the Cabinet would then consider it and arrive at its decision. But, Mr. Speaker, it cannot in any sense be an unacceptable - in the sense of being uncontrollable - a write-off, because as the Member for Riel said, the financial situation of this province is good, is very good. He says he blames it rather than credits it to the way we have devised our revenue formula - which is, I think, properly a matter for debate. The fact is that, regardless of whether he agrees or not with what we have done, the result is that the finances of the province are good, and the extent to which there might have to be a write-down is not that great as to prove embarrassing. In any circumstance, as is evidenced by the fact, Mr. Speaker, that throughout the time of our being on the capital market - this government being on the capital market - we have fairly consistently improved our rate relative to the rates being paid by other governmental institutions. So certainly, our acceptability on the market is not worse, I would like to think a little better, but it's certainly not worse than it had been in the past or than it ought to be in relation to this province's general economic picture.

The accounting adjustments will have to be made at the right time. And when the Provincial Auditor made his statement, he did, I am sure - he did it with a full knowledge of what had been said in the past; and not so much as a quarreling with it I believe, as a recognition that it was his responsibility to state the fact as it was - and the fact was always admitted - that until the debt was written off the MDC was liable to the province for the interest rate payable for all moneys borrowed by the MDC. And whether it was shown as an account payable, as an expense firstly and then an account payable by MDC; or whether it was shown as an expense and an account paid by MDC, is again a matter of bookkeeping. I don't know whether it would have served any useful purpose to leave it as an account outstanding and then acquire a liability for the compounding of interest on it, which would still be a charge to MDC because - or whether you lend the money to MDC and it's liable for payment of interest. Now let's make it absolutely clear, there's absolutely no difference from an accounting standpoint whether the money is advanced to MDC and used to pay - and then they owe the capital debt - or whether it is not advanced to MDC, but is allowed to accumulate on the books of the MDC, still is a capital debt.

The only important difference, Mr. Speaker, is the point brought to the attention of the world by the Provincial Auditor, that by lending the money and by their using it to pay us back, their debt is increasing and it's the same dollars that roll around, and that's freely admitted. There was never any question about it. It is also not something that we would like to continue indefinitely, because it always needs footnoting and eventually there's a time when it should need the footnote, the picture should be apparent without the explanation. Well, that's something I've been anxious to do too.

Mr. Speaker, we felt rightly or wrongly, that we are not fooling anybody, because we are telling everybody; and we are not fooling anybody, because the Provincial Auditor in any event is telling everybody, and that he is doing not under the instructions received from this government, but because he is an independent person and has both the authority and responsibility to do so, but surely we would like to straighten it out. But I think it would be foolish to do it on some kind of assumed amount, when we know that the Enquiry Commission has been spending a good deal of time and effort and will be giving us a recommendation. Surely it would be more sensible to wait for a recommendation from those who have been



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(MR. CHERNIACK Cont'd) . . . . studying it than cause our own independent study to arrive at a figure. So, Mr. Speaker, it's interesting that we are again discussing what we have discussed before; we are learning nothing new, we are not making any particular points because there's no point to be made. I don't think there's any disagreement as to the facts, nor is there any disagreement as to the desire to straighten out that accounting form to the satisfaction of the government and to the satisfaction of the Provincial Auditor. We all want to do it, it's a question of timing, and I would hope it'll be done in this year because I expect that report to be made in this year.

Mr. Speaker, the honourable member then dealt with the manifestation of estimates and a very brief discussion that we had in Public Accounts on the presentation of estimates, and he has indicated that he thinks that the revised forms which my department prepared on the Consumer Affairs Department were an improvement - I think he used the word "desirable". I think they're interesting, Mr. Speaker. I do believe that they are so much more complicated, that in order to work your way through them you've got to spend time on them. And I regret the fact that although these forms were in the hands of honourable members for weeks before the estimates came up, I am informed - and this is only on information I've received, I wasn't present - that when the estimates' review on Consumers Affairs came up there was no particular reference to those forms as distinct from the estimates in the printed form. And if my information is correct - and I'm not sure just the extent to which honourable members opposite made use of these forms of presentation that we had filed, the Quebec and Ontario forms. Nevertheless, if they are desirable then we have to start early in the audit year to agree on that, because it means substantial revision - and I suppose the Premier won't like to hear me say - additional staff to be hired to prepare these forms in a different way. And then of course the accounting system would probably have to be adjusted, the computer would have to relate to different forms of allocations of money. But the important thing is that we not go through the form of saying, these are better, let's have them that way, unless we are prepared to use them that way; unless we are prepared to use them that way; and that's why we discussed - the Member for Riel and I - the possibility of dealing with estimates in a different way. And I mentioned to the House before that I thought that they could be sent out into two or three committees, sitting concurrently, each dealing with a different department. And I thought that the Member for Riel had agreed with me in committee, until I heard the Member for Brandon West say, no way, as if that suggestion I made was completely unacceptable. So now I'm stuck, and I don't know what is best, and hopefully we can still meet in Public Accounts and discuss it. But I must say that the Public Accounts in the three meetings we've had were not very fruitful of a positive manner of discussing the manner of dealing with estimates, or the presentation of estimates; they were concerned with matters other than the way estimates were to be reviewed by the Committee of the Whole House or committees thereof, except as I say for that very brief discussion that the Member for Riel and I had during the committee meeting.

Well then, the honourable member dealt with the role of Provincial Auditor and, Mr. Speaker, that's one of the longest running discussions that we have concurrently with Hydro and other issues that have been going on. All right, he made his contribution today, which I think was no different, nor any enlargement of what had been said in the past. I suppose I should reply to the same extent, with nothing more said, lest we get into a greater debate. The real role of the Provincial Auditor is to make a report to the Legislature and through it to the people of Manitoba. I said on one occasion that the Provincial Auditor is a servant of the Legislature; I believe that to be true. Members opposite don't think that is true, and I think they don't think that I think that it's true. Well, that's interesting, but I do. Because, Mr. Speaker, the Member for Riel seems to - well, he said that the Auditor, the person, is primarily responsible, is still a line function under Finance. Well, he's so wrong, Mr. Speaker, and I don't know how many times we have to say it to get him to say it's wrong, because I know that the Leader, his Leader is gracing us with his presence because he's going to get up and say, "You're the line function;" and I'll say, "He's not a line function;" he'll say, "Yes, but he is;" and I'll say, "Well, no, he isn't;" and he'll say, "The fact of the matter is that he is," and then I won't be able to answer him because he will have had the last word. So he will have that satisfaction.

Mr. Speaker, there is no way that the Provincial Auditor is accountable, is accountable to the government as such, except when the - and when that section is brought into being where

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(MR. CHERNIACK Cont'd) . . . . the Minister of Finance directs him to carry on an audit of some non governmental agency. And in five years that this government has been in power, I remember only one occasion where we directed him, and that was when we directed him to make the investigation on CFI; and where we directed him as a result of our direction that he do that, when he announced to Stewart - and I speak then of Jim McPhee, the former Provincial Auditor - and Alistair Stewart actually went to New Jersey to start investigating. That was the result of our direction to him: We want you to go and find out what's happening. And, Mr. Speaker, I must make the point - the Leader of the Liberal Party isn't here - I must make the point that it was Alistair Stewart's chartered accountant, Jim McPhee, Chartered Accountant, Provincial Auditor, who are the ones that were the first to find the real problem of the accounting method that was established by Rex Grose and what was happening as a result of it. And they are the ones who first found that out. And it was a Provincial Auditor who did it at the request or direction of the Minister of Finance, and with the assistance of Alistair Stewart, and not the auditors, whoever they were, for the then MDC or whatever paying agency there was in use.

So, Mr. Speaker, the Member for Riel said that the Provincial Auditor must have the freedom to investigate what has aroused his curiosity and inquisitiveness. Mr. Speaker, there is absolutely no restraint on the Provincial Auditor to do exactly that. None. There is not even the ability to restrain him from doing that. There is no way, Mr. Speaker, that somebody can say to the Provincial Auditor, "You shall not do it." I suppose one can say, "Oh yeah, you could restrain him. Give him less staff, give him less financial ability to hire people, to get him an old car," as the Leader of the Liberal Party had the devious mind to suggest. That you give an old car, so that he doesn't really have the same fringe benefits as he would have otherwise. I suppose that way - and that is why, Mr. Speaker, during committee, this last meeting - or during the three meetings we had on Provincial Accounts, I asked the - well if I didn't ask, somebody asked the Provincial Auditor whether he has adequate staff to do his job, and he said, "Yes." They referred to the fact that he had applied for some additional staff, they went through the Management Committee process, the whole administrative process, and the staff was granted to him, and he expressed satisfaction with the size of the staff that he felt he needed.

So, Mr. Speaker, the only way in which he could have been restrained is in the budget. And when somebody pointed out to him that his budget hadn't grown - I again think it was he - but certainly in committee, it was pointed out that it hadn't grown because he had transferred certain responsibilities, including five, may I say bodies, since I don't know whether they were men or women, and that's unimportant - five bodies were transferred to the Minister of Finance together with a --(Interjection)-- No. If you say person then you may be saying eliminating per daughter and maybe you should say per child, so I wouldn't use the word persons in that respect. But, Mr. Speaker, it was pointed out that his staff was reduced because he had turned over a function to the Department of Finance and therefore gave up the staff that went with it.

Mr. Speaker, I don't suppose it matters much how many times I say it. It doesn't even matter how many times the Provincial Auditor says it, that he has no restraint on his ability to do the kind of investigation he thinks he should because he said it, and members opposite continue to say that he doesn't have it. So it doesn't help very much, does it? The Provincial Auditor said, for example, that the knowledge that departments or government have, that he may, if he wishes to, report in his annual report such matters which he feels require the attention or the knowledge of people other than the department. The mere knowledge they have that he can do it, he said, is a very strong weapon in his hands to get action on those things that he thinks need straightening out. But they don't accept it. So there's no use repeating it. The question now is, why did I repeat it?

So the question may be why don't I just sit down and permit the other members of the Party of the Opposition to continue their debate on the Department of Finance, and if they do, if they decide to speak, now that I have spoken, they of course speak in the knowledge that there is no way that I can respond to what they will have said. Nevertheless, I welcome as I always do, the rights of the Leader of the Opposition to speak, and I don't promise to listen, but I promise to recognize his right and not to complain about it.

MR. SPEAKER: The Honourable Leader of the Opposition.

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MR. SPIVAK: Mr. Speaker, even if there was no intent on my part of speaking, the honourable member has provoked me enough to speak.

Mr. Speaker, you know, the honourable member says that the mere knowledge that the Provincial Auditor has, or the department have, the mere knowledge that the departments have, that the Provincial Auditor has the right to go in and examine has to --(Interjection)-- Well, the fact that he can do it, and that we use that terminology he can do it, that mere knowledge has an effect and is important. Mr. Speaker, I would suggest that the mere knowledge that the government ministers would have, and that the department would have, that the committee of the Legislature could instruct the Provincial Auditor to examine a particular matter, would have a greater effect, would be a greater accomplishment in allowing him to carry on his function correctly and in protecting of public interest in those questions of misuse and mismanagement.

Mr. Speaker, I want to rise just for a few moments, and I want to deal with one matter that has not been discussed, and that has to do with the insurance branch and the insurance branch activities of the Department of Finance. I'll deal with that in a few moments. But there were a couple of statements that were made by the Honourable Minister that were very interesting. First he talked about the outrageous cost of CFI. Then he indicated that Mr. Alistair Stewart, who was a C.A. - he pointed that out - and Mr. McPhee, who was a C.A., brought to the government's attention accounting methods of Rex Grose which were not proper and as a result, Mr. Speaker, action was taken.

Well, Mr. Speaker, if there is an outrageous cost of CFI I'd like to understand from the Honourable Minister why when all of this information was brought, they still paid out some \$60 or \$70 million. --(Interjection)-- Well, Mr. Speaker, I want to know why, you know, why, Mr. Speaker, the cost --(Interjection)-- Yes, and that's going to be interesting. The Commission is going to tell us. I want to let the Commission make the judgment about the outrageous cost; let the Commission make the judgment about the accounting method of Rex Grose. Yes. But the Minister is prepared to say it now. The fact is, Mr. --(Interjection)-- Yes, I'll give my opinion. Mr. Speaker, the Honourable Minister of Finance, along with the First Minister, met with the people and read the deal and said it was changed and altered, announced that there were changes that were going to make it satisfactory to the New Democratic Party, and Mr. Speaker, you know --(Interjection)-- Yeah, that is true, Mr. Speaker, that can be documented, over and over again. And one of these things happened. As a matter of fact, Mr. Speaker - and the record will show - the letter summarizing the discussion that took place with them never even covered the things that they suggested took place. And there is no documentation that it ever did take place.

So when I listen to the honourable members opposite about CFI, I listen with a great deal of scepticism with respect to any of the things that they have to say. And I must have to tell the Honourable Minister that when he talks about CFI he talks as a bag of wind, because, Mr. Speaker, he cannot in any way justify statements made by his First Minister and positions taken by his Party, and the actual action that took place.

Mr. Speaker, if we're talking about the question of forgiveness of the loan of CFI and the amount to come in the future, I would have to ask, what will be the forgiveness for the loan for Saunders; and what will be the forgiveness for the loan for Flyer Coach Industry? Because, Mr. Speaker, you know, we can now suggest that there may be, because it's been mentioned before by the government, a forgiveness that will take place, for what appears to be in their terms an outrageous cost with respect to CFI, at least for some of his Cabinet, because obviously there is a difference of opinion. There's going to obviously have to be a forgiveness for the amounts of money that have been loaned to Crown corporations who have no capability, and do not appear that they will have the capability of ever either breaking even, or even be in a position to pay back. --(Interjection)-- Yeah, yes. So the reality is, Mr. Speaker --(Interjection)-- Yeah, well, like I would suggest Moose Lake Loggers and others, I mean the fact is, Mr. Speaker, that you know, there is going to be a substantial sum of money over a period of time that is going to have to be forgiven, and it should be understood that the amount will not only be with respect to CFI.

Now the Honourable Minister stands and talks about the financial situation being very good for Manitoba. And I would say, Mr. Speaker, it's relatively easy to borrow for energy, to borrow on the support on the development of programs for an energy supply. And,

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(MR. SPIVAK Cont'd) . . . . Mr. Speaker --(Interjection)-- Well, not if you're spending too much money. My God, you know, if anyone really wanted to make an analysis of how much additional cost is being borne by the utility as a result, as a result of the failures, one could suggest that, you know, that there could be a point where someone would suggest that the costs are too high. The thing that disturbs me, Mr. Speaker, is the representation at this point that the financial position of the province is good, and I would hope that it would be, and the apparent, I would think, contradiction when I hear the Minister of Finance say that there is something like \$50 million that was borrowed recently, in offshore borrowing, I believe, at 10 percent over 20 years, and I believe the fixed term was 20 years. Now, Mr. Speaker --(Interjection)-- Well, I believe it was offshore. I thought it was . . .

A MEMBER: Canada.

MR. SPIVAK: It was in Canada. Then I am mistaken in that. But the information of the --(Interjection)-- No, you, well, it may have been eight and three eights, but you indicated, I believe --(Interjection)-- ten percent. And I could be wrong, but I'm half --(Interjection)-- I could be. But I would want . . .

MR. SPEAKER: Order please.

MR. SPIVAK: . . . I would tell the Minister - I would think that his statement will indicate that it was ten percent and it was offshore, and I'll look that up in Hansard to try and indicate that. At the time that the announcement was made - it was made at the time of the Saving Bonds announcement. But the fact is, Mr. Speaker, if the province is borrowing on a fixed term of 20 years at 10 percent, then I think there is some thing that can be questioned with respect to how relatively easy it is to borrow, or how strong the financial position of the province is. Ten percent, ten percent for 20 years, ten percent for 20 years is high, Mr. Speaker. Ten percent for 20 years for a government at this point I think is somewhat of an undertaking that has to be questioned, and I think would put into question the, you know, the statement, the easy statement that flows from the Finance Minister's mouth that the financial position is as good as he suggested.

Mr. Speaker, we deal with the government's estimates, and we deal with the government's borrowing, and we know what the percentages of increases have been, and we must deal with the Department of Finance in the ability and the obligation of the people to pay off the indebtedness by recognizing as well what the provincial product really is and what our capability is. Mr. Speaker, in 1971, and I'll only go back for the last three years, four years, the actual increase in public expenses, that is the general administration expenses of the province, was 15.3 percent; in 1972 it went up 11.5 percent; in 1973 the increase over the previous year was 20.4 percent; and the increase in government spending for this year is 20.3 percent. So, Mr. Speaker, if we look from a period of 1970, the increase in government spending is an 86 percent increase. And the increase from 1969 - that's from 1970 - 1969 is 109 percent increase. Now, Mr. Speaker, we have to look at the growth of our provincial product in real terms and in the inflationary terms, and determine how and why the expenditures of the government are rising in a proportion so much higher than the real growth that's taking place in the province.

Then when we look at the borrowing, Mr. Speaker, we recognize that 1971's borrowing over '70 was 10 percent; the 1972's borrowing was 120 percent over '71, that there was a decrease of 22 percent in '73, and there is an increase of 130 percent, 130 percent over last year. So that the total increase from 1970 of our capital borrowing is 330 percent. Now I recognize part of that, Mr. Speaker, is in the energy field. We talked about that as well. But then we have to say, well what has been the actual provincial output and the provincial growth in its productivity and in its capacity and capability? Mr. Speaker, then one has to say, well how does this relate to the problems we have in this province in dealing with questions of cost of living, in dealing with the questions of inflation. And you get the impression, Mr. Speaker, which supports the general thesis, the government still is the greatest contributor to inflation; the government profits by inflation; that there is too much government activity in our economy, and the net effect of that government activity is to continually push and push and push our inflation even higher.

The fact is, Mr. Speaker, that the increases that I have talked about of general government spending, combined with the capital spending - and the Honourable Member for Riel has already made reference to that - only supports the concern that so many have expressed

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(MR. SPIVAK Cont'd) . . . . that government is too heavily involved with respect to our economy and that while the nature of the inflation we have in the western world is not something that Canada controls completely, we can insulate ourselves from some of the effect of it by in fact controlling our costs and getting government out of the marketplace as best we can. Because, Mr. Speaker --(Interjection)-- Well, I wonder, the honourable member says to us, what a stupid statement. Government pays more than the private sector for services and for goods supplied; government is one of the reasons why costs go up, and the fact is, Mr. Speaker, the government wastes money much more than the private sector. Mr. Speaker, what do I have to do to tell the honourable members? Do I have to recite to them the whole host of programs undertaken by the government, the whole and, you know, to try and indicate the efficiency and the degree in which it operates, and the kind of restraints that are exercised by them. There is no restraint whatsoever, Mr. Speaker. And as a result, that effect causes prices to rise, the consumers have to pay more, wages have to go up, and in the case - as soon as wages go up, costs go up and it's passed on and the continuous spiral goes on. So, Mr. Speaker, we're not going to have in this country, and we are not going to have in this province any control of the rate of inflation unless government spending is controlled.

The whole argument with respect to the Provincial Auditor is the suggestion that we require, Mr. Speaker, and we need, you know, the kind of presentation to be made and the ability for research to be undertaken by one who can be a critic really without an ulterior motive. Because when we criticize we have ulterior motives; we are involved in the political process. The whole object of the Provincial Auditor is to be able to bring to the attention of the government and the committee, you know, the kind of criticisms and the suggestions of where there is non-productive operations of government, to an extent or to a degree that will have a contribution to be able to control government spending and control the actions of government, and to be able to steer to a large extent the government in those matters that the government and the opposition in those matters that must be brought to public attention in his view, because he is in a better position to do it.

I don't think that the arguments that we have talked about right from the very beginning of accountability, of the necessity of an expansionary position with respect to the Provincial Auditor, are not justified. I think they've been borne out time and time again by the kinds of questions that have been asked in the House and the statements that have been given, and they've been borne, Mr. Speaker, by the misinformation that has been presented, and by the confusion caused because of some of the answers to try and cloud over the issues, and the need for the strengthening of the Provincial Auditor's position I think is there.

Now, Mr. Speaker, I'd like to talk about the Insurance Branch. The Insurance Branch is involved in the Department of Finance. It's a small branch, it's \$48,000 of a part of the concurrence, and it includes the Superintendent of Insurance. I wonder how many members of the government caucus have sat down with the Superintendent of Insurance and discussed with him the needs in this province. I wonder how many of them, I wonder if many of them, I wonder how many of them --(Interjection)--

A MEMBER: Mr. Speaker, would the honourable member permit a question?

MR. SPIVAK: At the end. At the end. I wonder, Mr. Speaker, how many of the members opposite have asked the Superintendent of Insurance how many complaints have been registered with him over the years with respect to people who have found that in their dealings with the fire insurance companies doing business in Manitoba, there has been some difficulty, there has been some difficulty with respect to claims and to the way in which they've handled themselves. And I wonder then, Mr. Speaker, whether the government as a result of it has identified the areas in which the private sector has not participated, or in which the gaps exist within the Insurance Act so that the government when it undertakes its obligations with respect to fire insurance will be able to meet it. I would think, Mr. Speaker, that the kind of thing that could have happened, and should have happened, would have been what has happened, you know, was brought to the attention of the members who have asked, would have been the kind of thing that we know happened in the last two weeks, or the last week at least in Winnipeg. We know as an example that there has been a tremendous storm, there was a sewer backup, there was flooding that occurred of basements, and we now know that most insurance companies do not cover that.

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(MR. SPIVAK Cont'd)

I would then think, Mr. Speaker, if that was the case, that the honourable members opposite would say, this is an area in which the private sector is not involved, this is a gap which the government must undertake, and therefore when the Insurance Act is introduced they will stand up and suggest immediately that they're going to cover backing up of sewers, and they're going to cover flooding, in a way that the private insurance companies are not covering, because their purpose, Mr. Speaker, would be, their purpose, Mr. Speaker, would be to enter in those areas where the private sector isn't fulfilling its obligation, to be able to undertake on behalf of a public corporation the areas--(Interjection)--No. I am only repeating, Mr. Speaker--(Interjection)--I am only repeating, Mr. Speaker, the comments of the Leader of their Party who has essentially said, and has been quoted over and over again, that the only justification for becoming involved in the private sector is to in fact deal with those areas in which the private sector has not handled themselves correctly with respect to the public. --(Interjection)--Yes. And I would think, Mr. Speaker, that one of the first things that the honourable members would do before the Insurance Act is presented would be to determine from their own point of view the areas in which the gaps occur, and to bring in an insurance bill that would undertake to service in those ways and provide the kind of service that's required. Now I don't know what their Act contains, Mr. Speaker, until we see it in a published form--(Interjection)--Well, I don't know. I would hope, Mr. Speaker, that it's not just a small little Act getting permission to regulate. I would hope, Mr. Speaker, that--(Interjection)--I would hope, Mr. Speaker, that it would be something that we can deal with in substance, and that we'll be in a position to know with a degree of accuracy what the government intends to do. But I--(Interjection)--. . .

MR. SPEAKER: The Honourable Member for Radisson.

SUBSTITUTION - PRIVILEGES AND ELECTIONS COMMITTEE

MR. SHAFRANSKY: I hate to interrupt the Honourable Leader of the Official Opposition but I have another substitution for the Privileges and Elections Committee. Schreyer for Jenkins. Thank you.

MR. SPEAKER: The Honourable Leader of the Opposition.

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MR. SPIVAK: Mr. Speaker, the Superintendent of Insurance is under the Minister of Finance. I would hope that we in this Legislature would have the opportunity of having the Superintendent of Insurance as a witness before the Legislative Committee that will deal with the fire insurance matters in this province. Mr. Speaker, I think it is imperative that the man who has been involved in dealing with this for the last little while be given the opportunity to be examined by the Committee; and I think, Mr. Speaker, that the government has an obligation here to provide and to allow him to be brought before the Committee to give us the information with respect to the Act. The honourable members opposite seem to think this is out of order.

A MEMBER: Well you are.

MR. SPIVAK: Well, I wonder, Mr. Speaker, I'm dealing now with the Department of Finance Estimates in which the question of the Insurance Branch is discussed, in which the Superintendent of Insurance's salary is discussed.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: The honourable member apparently wishes me to formalize my point of order. I know that it's so difficult to make a point of order on the point of view of relevance that I was willing to let it go, but if he wishes it formalized, I formalize it.

He is discussing a bill which is to come, which was not part of the Estimates of the Department of Finance, which will be on the floor, yes, the first reading was given. But furthermore, not a penny of the Estimates of the Department of Finance had anything to do with that bill, and the honourable member knows that the bill will be before the House when the subject matter of fire insurance, and whether the government should enter into it, will be the subject of debate, so that on the two points, Mr. Speaker, which I will formalize, and then I will sit down because the honourable member will say whatever he wants to say anyway, it is neither in the estimates which he is now discussing, and will be in something which will be debated before the House.

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MR. SPEAKER: The point is well taken. The Honourable Leader of the Opposition.

MR. SPIVAK: On a point of order, Mr. Speaker. The question of the government entering the fire insurance business was in the Speech from the Throne.--(Interjection)--Well, Mr. Speaker, I allowed the honourable member to make his point, I wish he'd allow me to make mine. It was in the Speech from the Throne. The salary of the Superintendent of Insurance is contained in the Minister of Finance's Estimates. Mr. Speaker, he is the one expert on insurance in that government. And, Mr. Speaker, the question that I pose is really whether the government ever consulted him before going into the fire insurance business. And the second question I pose is whether government will allow him to come before the Committee, will the government allow him to come before the Committee, so that we can draw on his expertise in this field, so that we can have answers specifically to a bill that will be introduced tomorrow or the next day. The announced intention of the government policy is known. So, Mr. Speaker, notwithstanding what the Honourable Minister of Mines and Natural Resources says, I believe it is very relevant.

Now in the case of the auto insurance debate we were not allowed to have the Superintendent of Insurance come before us. We asked that to happen, and we took the position that the government was hell bent on getting into the auto insurance business whether the facts were in support of their position or not, and really it didn't make any difference. Mr. Speaker, we have the impression that the government entering the fire insurance business is based on the same thing. It's based on the position that they're going to go into it whether there are some facts to support it or not, and I suggest, Mr. Speaker, that because we are asked in this concurrence to approve the salary of the Superintendent of Insurance, who I think has a particular expertise, and who, if anyone, would be the person knowledgeable about the kind of complaints that have come with respect to the way in which the insurance companies have handled themselves in Manitoba, that with respect to that, and with respect to his particular budget, or item in the estimates, that it's relevant to repeat again . . .

MR. GREEN: Mr. Speaker, I wonder if the honourable member would permit me a question.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, if the honourable member becomes Prime Minister of the Province of Manitoba, will he produce before the Committee Mr. Dutton, the head of the Insurance Corporation of the Province of Manitoba to determine on a question of policy whether the government should or should not go into fire insurance?

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, first of all I must tell the Honourable Minister of Mines and Natural Resources, if I became premier of this province I would not be entering the fire insurance business.--(Interjection)--Mr. Speaker, the kind of response that I witness on the other side, and particularly that of the Minister of Mines and Natural Resources, is almost that of an imbecile. You know, really I am shocked at his reaction because I say his reaction is one of an imbecile. Because if he would follow logically what I'm going to say now, he would understand very correctly what I would do. Because, Mr. Speaker, if it's necessary for reform to take place, I'd bring in the reform as a government having discussed it with Mr. Dutton, but with no necessity, Mr. Speaker, of entering into the private sector once again to get government into a losing business just for the sake of some ideological satisfaction, or satisfaction of some ideology of some of the members opposite, and some of the members in the New Democratic Party.

MR. SPEAKER: Order please. Order.

MR. SPIVAK: Mr. Speaker, Mr. Speaker, in this particular area because we've already gone through a harangue with respect to auto insurance, and because most of the statements that the government made at the time were not true at the time, have proved not to be true, Mr. Speaker, and most of the representations have been proved to be false, and because, Mr. Speaker, --(Interjection)--Mr. Speaker, because of the debate that occurred then, before we begin this, it would seem to me that it would be very relevant to have the honourable member present, the Superintendent present and to be in a position to examine him, because it's relevant, Mr. Speaker, he is the one point of contact to whom people would have complained. I would say to the Honourable Minister of Mines and Natural Resources that I think the position that I'm talking about is a very substantial one. It's not often that civil servants, or people who

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(MR. SPIVAK cont'd) . . . . are in civil servant capacity, would be asked, or hold a position which would be equivalent of a Civil Service position in some administrative body, would be asked to come before Committee for examination. But I believe, Mr. Speaker, this is one. I believe that, you know, on the eve of what will be the debate in connection with this matter, and we've been waiting now for some three, three and a half months, and you know, the Honourable Minister of Finance is sort of upset at the fact that the procedures allowed in this House meant that once he spoke he could not speak again in this debate. --(Interjection)--Well, I know--(Interjection)--Well, Mr. Speaker, I want to tell the Honourable Minister of Finance, we had seven bills introduced today. We're going to have another 13 bills introduced in the next two days. You look at some of these bills and you realize the taxation implications, you realize the significance it has with respect to the total legislation, and you say to the government, you didn't really want the time to debate; you left it to the end; you're trying to push it through. There are many clauses that are tricky; there are many clauses that will not be caught in the debate in speed-up in the matter of the last week, and we'll have the equivalent of a mineral land acreage tax debate again next year, and we'll be blamed, Mr. Speaker, for putting it through.

MR. SPEAKER: Order please.

MR. SPIVAK: Yeah. So when the Minister of Finance stands up, when the Minister of Finance stands up and says, you know, in tones, well, you know, sanctimonious about the implications of the fact that we have in some way manoeuvred a strategy so that someone would follow him and he couldn't have an answer - he didn't have the opportunity to be able to rebut, let me say, Mr. Speaker, that I, you know, with a fair amount of contempt, and I must say that, look at the whole range of bills that we now have before us, and the issues we have to discuss, and I suggest that the honourable members have in their own way handled themselves in a way that does not do credit to themselves, and, Mr. Speaker, Mr. Speaker--(Interjection)--No, credit to themselves, and Mr. Speaker, obviously for what would be considered the minimum kind of debate.

So I'm sorry, Mr. Speaker, that we were not in a position to get some detailed information. I think one of the things that would be interesting to know is what the Superintendent of Insurance is there for. I mean what's his purpose and function now, Mr. Speaker? --(Interjection)--I'm sorry. The Garbage Act, did you say? --(Interjection)--What did you say? You know, Mr. Speaker, I think that this puts in the whole question, you know, the Insurance Branch. The Superintendent of Insurance was not capable of protecting the people from the Automobile Insurance Corporation. Mr. Speaker, the Automobile Insurance Corporation was not answerable to him, but private sector is answerable to him to a certain extent under the Insurance Act. But the public corporation is not. We're going to go into the fire insurance business. The fire insurance corporation, the new Crown corporation, not the present Autopac Corporation, but the new Crown corporation was promised in the election, Mr. Speaker, and I want the honourable members to recognize that. The new Crown corporation, separate Crown corporation, that was promised by the government, is that going to be subject to the Superintendent of Insurance? Is that going to be subject to the kind of scrutiny that he now undertakes with respect to the private sector? And, Mr. Speaker, why shouldn't the public corporation be responsible in the same way? And supervised in the same way.

So, these questions, Mr. Speaker, will have to wait I guess until the bill is forthcoming to see whether in fact the suggestions by me are correct or not; I don't know, and I won't know until I see the bill. When I do see the bill I will be in a position to know. But if they're not, Mr. Speaker, --(Interjection)--Mr. Speaker, if not, well the point is that the Public Auto Insurance Corporation--(Interjection)--No, but, Mr. Speaker, the Public Auto Insurance Corporation isn't. And, you know, I don't know why, why shouldn't the Public Auto Insurance Corporation be subject to his supervision. Why shouldn't he have the same rights to examine, to report, on the Public Auto Insurance Corporation as a private corporation. Why should it be any different? Is it because it's government? Does government have to operate it and is it different procedures? So I would assume, Mr. Speaker, that insofar as the fire insurance corporation is concerned, they'll follow the same pattern. But that I do not know.

Mr. Speaker, in the remarks of the Minister of Finance he made reference to the auditor and the additional costs that will be borne for the program budgeting example if it's introduced, with respect to the government, or additional cost - not of the Provincial Auditor's Office,



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(MR. SPIVAK cont'd) . . . . I'm sorry - the additional costs that would take place by his department for program budgeting and for the changes in the computer, to be able to furnish the information along the lines that were suggested.

Now, Mr. Speaker, I think that there is one cost that we in the Opposition are going to be prepared to bear, and I've said this before, and I want to repeat it again . . . on behalf of the people and without any question, and that's to change the accounting system and the way in which estimates are presented, and the way in which the financial position of the government and all its Crown agencies and boards and administrative bodies are presented, so that there is full and detailed accounting and documentation of what takes place. Now we've had this debate before and the Minister of Finance has said it will be a substantial sum of money. And I agree, Mr. Speaker, it will. It will be a substantial sum of money that will have to be borne by the taxpayers, but in the long run it will save the taxpayer millions and millions and millions of dollars. Mr. Speaker, until we have estimates which will give us the kind of detail line by line with respect to our own estimates of general expenditures, line by line with respect to the Crown agencies, line by line with respect to the universities, line by line with respect to the Manitoba Development Corporation and the Manitoba Agricultural Credit Corporation, the Communities Economic Development Fund, and I could go on and on and on. Until we have the equivalent of public accounts for all the Crown corporations, and this is a debate that we've had before in this House, and the Honourable Minister of Finance may not be prepared or interested in hearing this again, but until we have all of that information furnished, Mr. Speaker, there is absolutely no way in which the kind of accountability that should be undertaken by government to the Legislature of the people, will be discharged properly; and there is no way, Mr. Speaker, that we in this House are in a position to know what we're really talking about. I have to say that, Mr. Speaker, because the members opposite don't know what they're talking about. Well, the Member for Churchill knows less. He doesn't know what he's talking about. He'll approve a billion five hundred million dollars, Mr. Speaker, and you just ask him some specific questions about anything and he won't know anything, and he won't be able to find it, and it won't be in the details furnished in this House.

Again, Mr. Speaker, if we have to, you know, combine the effort of dealing with policy and legislative matters and at the same time act as the check and balance on the control of government spending, and on the approval of government spending, there is no way we can do that adequately now with the kind of documentation and information we now have.

So, Mr. Speaker, the difficulty I have at this time in responding really to the remarks of the Minister of Finance, is the sort of suggestion that somehow or other there will be additional costs borne by him and his department. My God, Mr. Speaker, I don't see any department in which that has really been a consideration at all. I don't see any restraint being exercised by anybody else. But the Minister of Finance talks about a restraint to be exercised by him to be able to provide, you know, particularly for this House, specific accounting information that's necessary for us to understand what's happening, and even for him to understand what's happening. So, Mr. Speaker, I think that it's a foolish remark on his part, and one which, Mr. Speaker, is not borne out by the way in which the government has spent its money in the last little while, nor is it borne out by the restraint, by any restraint that's exercised by any of the departmental estimates that we've dealt with.

Well, Mr. Speaker, the people of Manitoba are going to assume \$700 million worth of borrowing debts. The people of Manitoba are going to have to pay for this, because notwithstanding the fact that Hydro is involved, as we've indicated, in \$400 million of that, in our opinion, and this is the opinion of others, and I think that their information will bear it out to be the truth in years to come, will bear out to be true, \$400 million of that Hydro borrowing was unnecessary. So when I say that the people of Manitoba have to assume a responsibility of \$700 million, I believe that's correct. And they're going to be paying it out one way or the other, in increased Hydro rates in one case, in increased tax rates in years to come. The Minister of Finance who is broadening his budget has to bear a responsibility, which history will record correctly, which is his and his government's, of an excessive amount of cost borne by the taxpayer, unnecessary because of some of the political shenanigans and political manoeuvring undertaken, and particularly with the tampering of the Hydro project.

So while the taxpayer today does not know that, or does not understand it, and while he may not feel it next year or the year after, in a very short period of time the continual cost of

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(MR. SPIVAK cont'd) . . . . the New Democratic Party's, you know, experiment in government, which has been a mismanaged experiment, will be paid for and will be felt by the taxpayer as he has to dip in his pocket and shell out again and again and again. He'll find that out. History will record what I'm saying to be correct. I, Mr. Speaker, must say to the Minister of Finance, that in presenting his budget, and his borrowing budget, unfortunately for him he has to be tagged at this point because of that capital amount with an excess of waste and mismanagement which the public will pay for, which is not his own doing, but which is his government's doing, and of which he's been a part.

MR. SPEAKER: The hour of 5:30 being here, the House is now adjourned and stands adjourned until 10:00 a. m. tomorrow morning. (Tuesday)

Committee on Law Amendments meets at 8:00.