

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Thursday, April 24, 1975

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 loge to my left, where we have representative Oscar Solberg, Representative Jim Peterson and Senator Walter Eidman of the North Dakota Legislature, and members of the Board of the International Peace Garden. On behalf of the honourable members, I welcome you here.

In the gallery we also have 32 students, Grade 11 standing of the St. Jean Baptiste School. These students are under the direction of Mr. Maharaj and Mr. Goulet. This school is located in the constituency of the Honourable Member for Rhineland.

And we have 27 students, Grade 9 standing of the St. John's High School. These students are under the direction of Mr. Sanders and Mr. Bohinsky. This school is located in the constituency of the Honourable Member for Inkster, the Minister of Mines, Resources and Environmental Management.

We have 31 students, Grade 4 standing of the Agassiz Drive School. These students are under the direction of Mrs. Moffatt. This school is located in the constituency of the Honourable Member for Fort Garry.

And we have 40 students, Grade 6 standing of the Laidlaw School. These students are under the direction of Mr. Bramwell. This school is located in the constituency of the Honourable Member for Charleswood. On behalf of all the honourable members, I welcome you here this afternoon.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills. The Honourable Member for St. Johns.

INTRODUCTION OF BILLS

MR. SAUL CHERNIACK, Q.C. (St. Johns) introduced Bill No. 38, an Act respecting Guaranty Trust Company of Canada.

ORAL QUESTIONS

MR. SPEAKER: Questions. The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q.C. (Leader of the Opposition) (River Heights): Mr. Speaker, my question is to the First Minister. And I preface it by saying I realize that tonight is Budget night and we have to wait until we know the good news or bad news, but I wonder if he can tell the House when the by-elections in Crescentwood and Wolseley will be called.

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, I believe that the Honourable the Leader of the Opposition asked that question perhaps three weeks ago or so, and I indicated that as soon as we had it definitively in mind as to the date we would announce it to him and to the world.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Health and Social Development. I wonder if he can indicate whether the government is undertaking contingency plans in the event of the doctors' strike.

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

MR. SPIVAK: I gather the Honourable Minister of Health did not hear my question. I wonder if he can indicate whether the government has undertaken contingency plans in the event of a doctors' strike.

MR. SPEAKER: The Honourable Minister of Health.

HON. LAURENT L. DESJARDINS (Minister of Health and Social Development) (St. Boniface): Mr. Speaker, I think it is quite clear that the doctors who have no contract, because we're not talking about the government employed doctors, with the government are not striking with the government. If they want to withdraw services from their patients, this is something that they will have to take up with their patients.

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

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. I'll direct my question to the First Minister in the absence of the Attorney-General. I would like to ask him if the visitors to our country are expected to live under the laws of our country and our province or do the laws of their own country prevail?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, that kind of question will really have to await the Attorney-General because when it comes to law the Honourable Member for Birtle-Russell and I are about equally ignorant.

MR. GRAHAM: The second question, Mr. Speaker - and I will also indicate here that the ignorance is mutual, that if the Attorney-General or the First Minister - has there been a Cabinet decision made with respect to the Liquor Commission to enforce the age of majority of 21 years on American visitors when they're in the Province of Manitoba?

MR. SCHREYER: Mr. Speaker, my understanding as a layman is that a person in any given country is subject to the laws of that country, unless there is provision otherwise under treaty law.

MR. GRAHAM: I would also like to ask the First Minister if the government has considered the implications that might occur on Canadian-U. S. relationship if the directive issued by the Manitoba . . .

MR. SPEAKER: Order please. Order please. The question is hypothetical. The Honourable Member for Brandon West.

MR. GRAHAM: Mr. Speaker, may I then rephrase the question?

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

MR. GRAHAM: Will the First Minister then confirm that the directive issued by the Manitoba Liquor Commission is now government policy, that Americans under 21 years will not be served in Manitoba in licensed premises?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, not having seen the directive or being aware of it, I cannot answer the question. It would seem to me that the laws in a given jurisdiction apply to those who are not only domiciled but who are moving about in that given jurisdiction, but there are many exceptions, my colleague advises me, with respect to the law of divorce as being one obvious example, and then too, sometimes it is that as a matter of courtesy and international co-operation and courtesy, that undertakings are given to attempt to try to so conduct affairs as to make it easier rather than more difficult for the jurisdiction across a provincial or international border.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, my question is for the Honourable Minister of Industry and Commerce. Recognizing his return after an absence of some days from this Legislature, I wonder if he could tell the Legislature if in his travels during that period, that a visit to the Soviet Union was included?

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

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): Mr. Speaker, the answer is negative.

MR. MCGILL: I wonder, Mr. Speaker, if in his travels there were any particular trade problems discussed with relation to the products of Manitoba and possible markets in the U. K.

MR. EVANS: Mr. Speaker, of course part of the time I was away I was with the First Minister in Ottawa regarding the conference on energy and the economy, and I also took some time on another day in Ottawa to discuss matters of the air service which the honourable member would be very interested in, that is with Mr. Benson, the head of the CTC. But specifically, it was not with regard to trade matters.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, I have a question for the Honourable Minister of Tourism, Recreation and Cultural Affairs. I wonder can the Honourable Minister advise the House the distribution of the Olympic tickets. If people want to attend the Olympics, are the tickets available on a provincial basis or per capita basis, or how is the distribution of them to take place, the Olympic tickets? Would the public buy them through

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(MR. McKENZIE cont'd) the regular outlets or - I've had many questions on the subject matter.

MR. SPEAKER: The Honourable Minister of Tourism.

HON. RENE TOUPIN (Minister of Tourism, Recreation and Cultural Affairs) (Springfield): Mr. Speaker, I will undertake to research the matter and bring forward the more specific answer to my honourable friend.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I wish to direct a question to the Honourable Minister of Labour. I wonder if the Honourable Minister can report to the House if negotiations are continuing between the Winnipeg Builders Exchange and construction trade workers, or have the negotiations broken off?

MR. SPEAKER: The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): Mr. Speaker, may I indicate to my honourable friend negotiations are never terminated. It is a duty and responsibility of the Department of Labour to continue consultation with all segments of the industrial areas of Manitoba.

MR. PATRICK: A supplementary, Mr. Speaker, to the Honourable Minister. I'd like to ask the Minister if he's getting weekly reports - any progress between the Winnipeg Builders Exchange and the Union, or is strike imminent May 1st?

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Yes, Mr. Speaker, I do get weekly reports and I rely more on those reports than I do through the press media where apparently my Honourable friend from Assiniboia gets his information.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: A supplementary, Mr. Speaker. Can the Minister indicate to the House if there's been any progress made from his last report that he received?

MR. PAULLEY: Yes, Mr. Speaker, I am, as I indicated a moment ago, far more hopeful from the reports that I receive from my own intelligentsia than that that is supplying the Honourable Member for Assiniboia, namely, press reports.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Mines, Natural Resources and Environmental Management. The Federal Government has announced a new program of assistance to fishermen in Canada. I wonder if he can indicate the amount that the fishermen in Manitoba can expect and any particulars.

MR. SPEAKER: Order please. I believe that question could be better asked under the Estimates. It would take a lengthy reply. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, I'm sorry, I would have directed it to the Minister of Co-operatives. Well, let me just then phrase it another way and I leave it open to questions on the Estimates.

First of all, was there consultation with the Provincial Government in connection with this program?

MR. SPEAKER: The Honourable Minister of Co-operatives.

HON. HARVEY BOSTROM (Minister of Co-operatives) (Rupert's Land): Mr. Speaker, I'll take the whole question as notice and bring more specific information back.

MR. SPEAKER: The Honourable Minister of Urban Affairs.

HON. SAUL A. MILLER (Minister of Urban Affairs) (Seven Oaks): Mr. Speaker, yesterday the Leader of the Official Opposition enquired whether I had received any communication with regard to the Arena or the Stadium in the City of Winnipeg. I indicated I wasn't aware of any and I'm now advised there'd been no communication whatsoever.

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

ORDERS OF THE DAY - ADJOURNED DEBATES

HON. SIDNEY GREEN Q.C. (House Leader) (Inkster): Yes, Mr. Speaker, would you please proceed to the Adjourned Debates on Second Reading in the order in which they appear. I'd like to advise honourable members that the Minister of Highways is apparently ill, so we will not proceed with the simultaneous committee until he is back, because it's Highways that we had ready for an outside committee.

ADJOURNED DEBATES

MR. SPEAKER: Thank you. Bill No. 15. The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Stand.

MR. SPEAKER: Stand. Bill No. 16. The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Stand.

MR. SPEAKER: Bill No. 17. The Honourable Member for Portage la Prairie is absent. That's it.

MR. GREEN: Mr. Speaker, I move, seconded by the Honourable, the Minister of Agriculture that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

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

COMMITTEE OF SUPPLY - CO-OPERATIVE DEVELOPMENT

MR. CHAIRMAN: Order please. Order please. I wonder if we could have just a little bit of decorum in the House. I refer honourable members to their Auxiliary Estimates Book, to Page 5: Standard Accounts Classification: Salaries, wages and fringe benefits, \$148,700 -- pass? The Honourable Minister of Co-operatives Development.

MR. BOSTROM: I have some more specific information for the Honourable Leader of the Opposition with reference to some questions he directed yesterday.

One of the questions, Mr. Speaker, was specifically: "I wonder if he could indicate when the Co-op Loans and Loans Guarantee Board authorized the amount of money to be guaranteed for the Co-op Federation." The Co-op Federation being the entity referred to in the Auditor's report. And Mr. Speaker, the answer to that is, May 28th, 1973, \$45,000, and an additional amount, August 27th, 1973 of \$47,000. And further to that, Mr. Speaker, these were fully repaid through nine installments from October 20th, 1973 to December 31st, 1973.

A second question, Mr. Speaker, was "When was the Federation started, the date and the year?" I assume he meant by that the month and the year. Mr. Speaker, the answer, May 26th, 1972 is the date when the first order was placed by a co-operative. June 5th, 1972 is the date when the first money was received, that is in the records that are in the department. The Co-op Services Branch, however, was co-ordinating purchases for co-operatives as early as 1971, but the Co-op Federation name was not used at that time. And as referred to earlier, Mr. Speaker, the Co-op Federation was not an incorporated group, so therefore, the name was really an attachment to an operation that was not legally incorporated; as a co-operative that is.

The third question, Mr. Speaker, was, "Who were the members of the Co-operative Federation?" And I assume he meant by that, which co-operatives were member-shareholders or whatever, and the answer, Mr. Speaker is, the Co-op Federation never had members as such. It had customers or a client-group that was served by the operation, and these were namely the Dauphin River Co-operative, Moose Lake Co-operative, Ilford Co-operative, Grand Rapids Fishermen Co-operative, Wanipigow Co-operative, South Indian Lake Co-operative, Easterville Co-operative, Big Black River Co-operative, Kee-Noe-Zae Co-operative, Norway House Co-operative, Brochet Co-operative, Manitou-Sakahicun Co-operative, and Seymourville Co-operative. These were co-operative groups, Mr. Speaker, that were served through the operations of this group.

Mr. Speaker, he asked me to list the names of the employees within the department who formed the Co-operative Federation, and I believe I indicated yesterday my reluctance to supply names for this matter when, according to the Auditor and the Attorney-General's department there are still a couple of things in there that are under scrutiny, and until that scrutiny and investigation is completed I don't believe it would be proper for me to give their names in the House. I undertake to supply those names at a time when that investigation and scrutiny is completed and according to the Auditor, whom I talked to this morning before attending this Session with respect to this matter, he is having discussions with the Attorney-General's department and he believes a report should be forthcoming from them soon. So I'm waiting further word on that, Mr. Speaker.

The fifth question, "What involvement they," that is the Co-op Federation, "may have had with any particular co-operative." And as I indicated, they acted as an agency that

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(MR. BOSTROM cont'd) provided goods and errand service to participating co-operatives, they acted as a facilitator.

The sixth question, Mr. Speaker, is whether they had the power of attorney of any particular co-operative. The information I have is that the Co-operative Federation as such never had power of attorney for any co-operative.

The seventh question is the nature of the goods purchased by the Co-op Federation that were sold to them. That is sold to other co-operatives I imagine he meant by that. The nature of the goods handled by this agency were those kinds of goods that were used by co-operatives and required by co-operatives and individual people in the north that were owners and members of co-operatives. And that is in this case, commercial fishing supplies and equipment, nets, boats, motors, snowmobiles, items of particularly high commercial value on which there was a significant markup and the Federation acted as an agency to assist them in buying goods at a reduced price strictly straight from the distributor.

The eighth question, Mr. Chairman, is, "Could you indicate whether these goods were purchased in advance by Co-op Federation and then resold or were orders taken that were bought through this structure?" In some cases, Mr. Speaker, by way of answer, estimates of requirements of the co-operatives that I named were made, and orders placed with distributors. Merchandise that was received was placed in storage and sold or distributed as ordered by the co-operatives. In other cases, Mr. Chairman, merchandise was purchased after orders were placed by co-operatives, and as I understand it this is how this Federation worked at the very beginning, was that they acted as facilitators of ordering supplies for co-operatives.

Mr. Chairman, a ninth question is, "How much private money was involved in the transactions?" Now, as I indicated yesterday, I believe, there is one matter in particular that's under investigation, and that is where there was - to be more specific about it - there was a loan made by an individual to the Co-op Federation which was later repaid. This is the information that I have from the Auditor, that a loan was made of \$2,100 to the Co-operative Federation on October 3rd, 1972, and repaid November 20th, 1972. Now, as I indicated, this matter is under investigation, therefore I do not feel it would be proper for me to identify the person at this point.

Number 10, Mr. Chairman, "How many members of the Co-op Federation put their money in it and when?" And as I'd already indicated, Mr. Chairman, the Co-op Federation had no members as such, therefore its customers never put any money in except in payment for goods or services.

Number 11, "List the expenses that were charged by the officials of Co-operative Federation." Now, as I understand it from the information supplied to me is, the Co-op Federation had one employee from August 1st, 1972 to June 22nd, 1973. His salary was \$277.00 bi-weekly plus 10¢ per mile for running errands on behalf of the operation of this service of the co-operatives. Mr. Speaker, if more information is required on that as to the specific expenses, I could endeavour to get that, and/or if my Estimates were finished then I could do it through possibly an Order for Return.

Number 12, Mr. Speaker, "the travelling that took place at government expense with respect to this particular operation, and whether those expenses were charged to this operation." Now that question I must confess was not clear to the staff. Travelling by whom - Government employees or Co-op Federation employees? If it was the one Co-operative Federation employee as I indicated already, this person was paid ten cents per mile for running errands on behalf of the Co-op Federation activities. Now if it's for specific government employees, then I would have to take that question as notice and try to reconstruct the information, although it could be done as I suggested on the other question through an Order for Return if the Estimates are completed.

Number 13, Mr. Speaker, is "whether any supplies of any material paid for the expenses of any of the departmental people to travel around or overseas for the purchasing of any equipment." Now this is another matter, Mr. Chairman, which would require a detailed listing and some time would be required to dig this information out of the records. Now as I indicated this could be done through an order for Return but I will endeavour to get the information.

Mr. Chairman, the 14th question, "how was this allowed to continue and why no action was undertaken." As I indicated, Mr. Chairman, the operation was operated by government

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(MR. BOSTROM cont'd) employees in the department who considered it as a part of a service to the co-operatives that they were working with in order to facilitate them in the purchasing of large equipment. The operations of this ceased some time in 1973, towards the end of 1973 and, Mr. Chairman, it was never incorporated as already indicated.

Number 15, "list the co-operatives that were under the Co-op Federation supervision and control and management." And I think it should have already been clear from the other questions I answered that there was none. Co-ops were only using the Federation services if and when they saw fit. There were no contractual arrangements.

Now Number 16 is somewhat similar to another question asked, and that is, "were suppliers provided any kind of expense money for these projects?" Now I'm not exactly clear on what the honourable member wanted here. Is he referring to the same kind of questions as whether any suppliers of any material paid for the expenses of any of the department people to travel around or overseas for the purchase of any equipment? Now as I indicated, Mr. Chairman, we would endeavour to get that information more specifically.

Mr. Chairman, if I could continue, I would like to make some comments on the administration of the department, and indicate more clearly perhaps the changes that have occurred which we hope will make a change in the more efficient supervision and control of public moneys, more efficient operation of the department with respect to assisting co-operatives.

I have to point out, Mr. Speaker, that previous to 1969 while the Conservative Government was still in office and there was the Co-operative Services Branch which operated under the Department of Agriculture, there were a few co-operative development officers who provided a regulatory and incorporation role along with some advice to incorporating co-operatives. In other words, Mr. Chairman, if a group wished to form an association and contacted the Co-operative Services Branch, as I understand it a Co-operative Development Officer would meet with them to assist them in becoming incorporated. Now the co-operative of course would be governed by its own board of directors, who could in turn select and hire any required staff.

Now in a case of fishing co-operatives, Mr. Chairman, this could include a manager, bookkeeper, sometimes those two positions were combined as I understand, in the co-operatives; packing station foreman and possibly further employees in the fish packing stations. Mr. Chairman, I have to emphasize that these people were employed by the co-operative to manage their own affairs.

Mr. Chairman, the audit of the co-operatives' books was conducted by the Co-operative Development Officers who would also usually attend the annual meeting of the co-operative to answer any questions about the audit. This was done, Mr. Chairman, while the Conservative Government was in power and in charge of this operation.

Now, Mr. Chairman, I have to point out very emphatically that this same administrative procedure was continued for some time by the Co-operative Services Branch after the New Democratic Government assumed the responsibilities of administration. The same procedures of co-operatives being responsible - individual co-operatives being responsible for maintaining their own books and their own records, with the Co-op Development Officers employed by the Branch stopping in once or twice per year to inspect and audit the books.

Now, Mr. Chairman, as I understand it, there were problems with bookkeeping then, as now, with some records not kept adequately. Mr. Chairman, it is obvious that finding bookkeepers in the local communities was difficult, and I have to point out that the Co-op Services Branch of the old Department of Agriculture was not staffed adequately to perform the functions of training and education required to assist these bookkeepers in learning the skills necessary to maintain proper records.

Mr. Chairman, the Co-operative Services Branch within the Department of Agriculture continued with the same administrative procedures, exactly the same administrative procedures after the New Democratic Government assumed office, until 1971, Mr. Chairman, when the Co-operative and Credit Union Services Branch of the Department of Agriculture became the Department of Co-operative Development. In other words, from 1969 until '71 there was practically the same administrative procedures, with some increased staff to carry out the assistance more adequately.

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(MR. BOSTROM cont'd)

Mr. Chairman, a reorganization process was begun after 1971 to improve the administration. An Administration Branch was established in 1972-73 fiscal year, and in the interim between 1971 when the department was first formed, while reorganization was taking place, the procedures for supervision and audit of local co-operatives by the new department remained the same as those of the old Co-operative Services Branch.

Mr. Chairman, as I indicated, or tried to indicate yesterday, the audit function of the department in particular was changed. The audit function as I have already described, was initially a part of the duties of a Co-operative Development Officer, who was also assisting the co-operatives. So it was recognized that there could possibly be some conflict of interest there, so that an audit service was set up separate from the Co-operative Development Officers. This service was begun in October 1973 with the employment of a qualified auditor, and as a result of this reorganization of the Co-operative Development Branch, audit as I mentioned was subtracted from the general program area of development and inserted as an administration function support service to co-operatives.

The department proceeded to review its audit policy and established this comprehensive audit service that would be made available to all co-operatives in the development stages and to existing co-operatives without a parent society they could offer such service. These audit services, Mr. Chairman, are presently available to co-operatives that are unable to provide it for themselves. Most co-operatives in this category are the northern co-operatives and not affiliated co-operatives such as the service co-operatives I mentioned yesterday. It also, Mr. Chairman, ensures adequate safeguards to the Co-operative Loans and Loans Guarantee Board by way of information, clear information on the financial state of the co-operatives involved.

Mr. Chairman, there's no specific or legal obligation to do this audit service. However, the fact that co-operatives receive grants or loan guarantees from provincial sources necessitated the department to re-emphasize the regulatory role of its programs, recognizing that this same department has no real legislative authority to do audits except by dictate from the Registrar where no auditor is appointed by the co-operative membership. There were 22 audits conducted or supervised during the 1973-74 fiscal year, and it is expected, Mr. Chairman, that some 43 will have been conducted during the 1974-75 period.

Now if I may go on, Mr. Chairman, I would like to briefly describe the Co-operative Loans and Loans Guarantee Board which comes in under this section of the administration of the department. By provision of the Co-operative Loans and Loans Guarantee Act of 1971, the Co-operative Loans and Loans Guarantee Board was established. The Board's purpose is to assist Manitoba co-operatives in developing and expanding viable enterprises for the social and economic benefit of its members. One of the basic objectives is to ensure co-operative organizations have access to basic financing, managerial, professional and technical services necessary for the successful operation of their members' affairs.

The Board is an additional vehicle available to co-operative members to achieve the greatest benefit through economic activity. It offers loans or guarantees for productive purposes, generally for financing capital costs, inventory, member production expenses or operating costs.

Financing has been made available to the following types of co-operative enterprises; resource development, marketing, transportation, housing, manufacturing and construction and service and consumer. In the fiscal year ending March 11th, 1974, eleven applications for guarantees were considered, of which eight were approved, two were denied, one was deferred. The general requirements and conditions for a loan or guarantee: Applicant co-operatives must demonstrate that the loan or guarantee is required to assist the association in carrying out its aims and objectives for productive purposes. It must demonstrate also, that its projected earnings will be sufficient to ensure continuity and ability to pay any debts incurred. It must demonstrate that the required financing is not available from other sources on reasonable terms. In other words, it's a financier of last resort. It must demonstrate that the required financing is not required solely for refinancing. It must demonstrate that normal co-operative principles and business practices are maintained and followed. In other words, loans are not made to non-co-operatives. Reasonable security must be available to the lender. Provisions must be made for proper accounting records, adequate accountability

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(MR. BOSTROM cont'd) and appointment of qualified auditors.

Now, Mr. Chairman, the historical notes on loan guarantees to co-operatives I believe was made available to members through the report that I tabled in the House, but there were a number of guarantees issued since 1971, 28 in total. The number of guarantees outstanding as of March 1st, 1975, is 18 - 18 out of the 28 that have originally issued. And the total guarantees outstanding as at March 1st, 1975, is 1.5 - well 1,537,226. Total guarantees since board established in 1971 was 2,829,922. In other words, there was a remainder of 1.5 million out of the 2.8 that was originally guaranteed - 1.5 million outstanding left to be repaid.

Mr. Chairman, as I indicated in my opening remarks in introducing the department, a number of these co-operatives that have received loans and guarantees through the Loans Guarantee Board have serious financial problems because of the particular problems associated with the fishery in Northern Manitoba, and the fact that fish prices have simply not kept pace with the costs associated with operation in the industry, Mr. Chairman, and is part of the problem of operation in these northern areas, the major part of their problem is simply the prices not keeping up with the costs.

MR. CHAIRMAN: Order please. The Honourable Minister's time has expired.
The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, under normal considerations I would think that we would allow the Minister to continue to complete his statement that would provide information for us. But at this particular time I rise because the procedures are such that the Minister - or any Minister - is capable of doing just what he's done in the last half hour, which is to both give us information and then attempt a snow job instead of allowing us an opportunity to deal with the various specific kinds of things that we are entitled to do and should be in a position to do within the Chamber.

Now, I admit as well that we've changed the Act, or changed the procedures at least, so we now know that talking the matter out, as the Minister has attempted to do here, is not in any way going to preclude the ability we will have to come back and to question again; and while it's going to be maybe a tedious task for him and for ourselves, and it may mean that the session will be a little bit longer than in the past, there is no way that we're going to allow the kind of technique that's just been used to continue on and on and on without coming back to the points that are germane and to the questions that have to be asked.

I appreciate the fact that the Minister answered a number of questions that were asked yesterday, much of which he should have been in the position to answer yesterday directly from the assistance of the person who sits in front of him, who should have been capable of furnishing that information automatically. And one has to contrast the answers today with the answers that were given yesterday to realize that the information furnished is very different, and it's only 24 hours, which means that either - I don't expect the Minister to know about it - but that means the Deputy either did not know or gave him misinformation. This is one of the problems that we've had from the very beginning in dealing with this matter.

Now, our problem is to understand the nature of what took place with the civil servants forming an organization called "Co-operative Federation" which had no legal basis per se. But the Minister keeps referring by saying that the co-operatives who are in the North, and he listed a number of them, were not members of the Co-op Federation. Well, naturally, we never suggested, no one's ever suggested - the people who made up the Co-op Federation were people within the Department of Co-operative Development . . .

A MEMBER: His people . . .

MR. SPIVAK: . . . who used . . . The former Minister of Agriculture is sitting with us and after I get finished he may want to leave, I don't know. That's something we'll have to determine after I finish my remarks. I do kindly to him but he knows my opinion and I've expressed publicly and privately to him that there has been a degree of irresponsibility on this that is either chargeable against himself or against the officials and should never have been allowed to continue, and the taxpayers of this province are going to be paying through the nose because of the waste and colossal mismanagement.

But I want to now talk, Mr. Chairman . . .

MR. BOSTROM: Mr. Chairman, on a point of order.

MR. CHAIRMAN: Point of order. The Honourable Minister of Co-operative Development.

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MR. BOSTROM: If the Honourable Leader of the Opposition is referring to the Co-op Federation, I don't believe there was waste in that particular section of any magnitude.

MR. CHAIRMAN: Is not a point of order, is a difference of opinion.

MR. SPIVAK: The Co-op Federation was made up of civil servants . . .

MR. BOSTROM: Yes.

MR. SPIVAK: . . . who obviously hired an employee who was not a civil servant, that we now find out and the salary range has been given. Their purpose, as I understand it, was to purchase or to take orders for equipment that would be required by the fishing co-operatives to assist them, and I assume, as a result of the bulk purchase, to be in a position to relieve part of the cost of the co-operatives. I think that probably was the motive. But having said that we now have to understand procedurally what took place. Many of the co-operatives that were mentioned, who obviously used the facilities of the structure of Co-op Federation, were either under the direct management of the development officers within the department, and in some cases there were powers of attorney held by them. In many cases they had the responsibility of countersigning cheques, and they purchased in some cases by getting orders in advance, and in other cases by obviously purchasing from equipment that was already brought forward and stored, equipment for their own use. The problem of course of the conflict of interest is very severe. I don't care what intentions there were. What I cannot understand and what I cannot fathom, is the reaction of the government when they found out that the government itself was helping to finance this undertaking by the Loans and Loans Guarantee Board, chaired by the Deputy Minister, and in fact, becoming part of a guarantor to the bank, or to whatever institution was used, to furnish the money for this project, and how the government allowed this to happen.

Now, there are two possibilities, Mr. Chairman. Either the Minister did not know, in which case the Minister is relieved of that responsibility and that blame, in which case I want to know what action he took when he found out. Or the Minister did know - and I'm not now talking about the present Minister, I'm talking about the Minister to my left - when did he know that his officials were carrying on a business that in fact was financed improperly by public money and what did he do about it when he found out? Now, again, if he knew about it from the start, then I think that he allowed his people to participate in something that was not only illegal, and I say that, but was improper, and is a reflection directly on the capabilities of the Minister. But if on the other hand he did not know about it, and he found out about it, what kind of action does one take?

Now, Mr. Chairman, it would be interesting for the Minister to find out from the Minister of Agriculture when the Minister found out about the Co-op Federation? When did he know that a Co-op Federation existed? Did he know in October of 1973 that a Co-op Federation existed? Did he know in March of 1973? Did he know earlier than that? Did he know in October - well, Mr. Chairman, did he know in December of 1972? When did he find out that his officials had, in fact, formed a structure and were involved in this, and what action did he take? When did he ask the Provincial Auditor to immediately check this? Now, I want to know, Mr. Chairman, because it's important and he can tell the present Minister, he can rise in his seat, I want to know when he found out and I want to know what action he undertook. Because one of the very severe situations is to determine exactly how he conducted himself about this particular area in which there was a conflict?

The Minister stood up and gave us the basis on which the Loan and Loan Guarantee Board operates, and he said the following: he said they were to assist associations who were co-operatives. And I haven't got the exact language. He said the projects that were able to pay the money back. They required financing because it was not available. Financer of last resort.

A MEMBER: That's right.

MR. SPIVAK: And certainly was not for loans that were not co-operative. Those are the criteria just set. Well, if you look at those criteria, the Co-op Federation, which was a structure set up by his own civil servants, did not in any way qualify for the loan guarantee undertaken to the extent of \$92,000 by his officials under the Minister, and we'll go back to the dates. Did the Minister know in May of '73 that this money was being guaranteed? Did he know on August 27th of '73? Did he know when the payment was made by December 31st, '73? What has to be answered, Mr. Chairman, by the Minister, is when he found out and what

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(MR. SPIVAK cont'd) did he do about it? Or, Mr. Chairman, did he find out only after this matter was raised in this House and the Provincial Auditor walked in, and in the Provincial Auditor's survey of the situation he found the loan to the Co-op Federation? In which case, Mr. Chairman, then the Minister has to answer for the kind of actions he undertook when this was brought to his attention, and so do the officials involved.

Now, there are a number of other questions that come into play. In some cases orders were taken and supplies were then furnished. I'd like to know whether the suppliers who supplied the snowmobiles and the nets, did they supply it on credit to the Co-op Federation, or did they directly bill the Co-operative? And if they billed the co-operative directly, was it the development officer who issued the cheque for payment. And if credit was not given, did the Co-operative Federation get some advances on their own privately, before they required the guarantee from the government to finance this? Then when they started to purchase in bulk and started to warehouse it, was it only money that was received or were they given credit; was the credit given by the suppliers to the Co-op Federation, or was it given to the various co-ops who were not part of that Federation?

This is a bizarre situation. You know, in my years in government, and there are other honourable members who have been here longer, I do not know of another situation in which civil servants organize themselves in a way to be able to purchase - whatever their motives may have been - supplies to be ultimately paid for by institutions to which they were in direct contact, and in some cases were actually managing and in control, and it's bizarre to suggest that somehow or other they were able to finance it with the government endorsing to the lending institution and guaranteeing the lending institution that moneys would be paid. I don't care whether the money was paid back or not. The whole thing is bizarre. And one of the questions that we've had constantly when we hear this story and other stories with respect to the government, is how do they handle themselves with respect to all of this? So, our problem --(Interjection)-- you'll have the opportunity, believe me, and I think we'll be here for a long time. I really am interested in the specifics, and I must say to the Honourable Minister that while I try to present this in as brief a manner as I can and to deal with the specifics, the questions that I've asked will have to be answered, because they go to the heart of the way in which the government deals with mismanagement, with incompetence and the way in which it deals and accounts to the people for the money that is going to be lost, or has been lost.

Now, did a Co-op Federation, made up of the employees, sell the goods at their cost; did they buy a snowmobile for \$500 and sell it to the Co-op Federation for \$500, or did they sell it for a profit? If, in fact, they were only taking orders, was the invoicing directly to them, or was the invoicing into the Co-op Federation? We have asked and will insist on a formal inquiry, not just on the Co-op Federation but on the whole department with respect to the whole issue of the bankruptcy of the companies, of the co-ops that have been involved, and the way in which the matter has been financed and the actual loss, and whether there is in fact an accounting to be given to the fishermen, whose livelihood in many cases has been taken away from them by the very actions of the people within the department? And that's not a Provincial Auditor's accounting, that is an inquiry which can in fact directly relate the kinds of issues that I mentioned.

But I've asked a number of questions with respect to the Co-op Federation, and as I suggested is a bizarre situation, and it's not going to be answered by the honourable member standing up and saying, this is how it operated before 69, these are the procedures we've now taken to try and correct it. You know some how or other the fishing co-ops in the north are in difficulty. The difficulty was with the people who were within the Department of Co-operative Development. The people within the Department of Co-operative Development had no objectives set for them, were running out of control, were inadequate for the positions that they had, were assuming responsibilities they should never have undertaken. And who's responsible for that? Nobody. It's the fault of the people up north who are involved in the fishing co-ops, they're the ones to blame. They're not to blame at all.

The problem isn't philosophically with the co-op movement, the problem is with the operation of the Department of Co-operative Development and there's no way in which the honourable member can stand up and say we've now corrected procedures because it was very difficult to be able to handle it before. And in the case of Ilford we had to arrange to have pigeons instead of two-way radios for the fishermen, so we can have communication. It's no

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(MR. SPIVAK cont'd) good, it's no good to answer that way now because it's not going to wash at this point. The Provincial Auditor's Report is devastating with respect to that, and while the honourable members will stand up continuously and will attempt to try and snow us with the repetition of the same old things, there is an accounting that has to be undertaken. So I ask the Minister, I've asked him many specific questions but I want to come down to one thing very basic; when did the former Minister, the Minister of Agriculture, find out about the existence of the Co-op Federation, what action did he take as a result of that and why didn't he know earlier, and if he did know earlier, in other words in stages a year or two earlier, why did he allow it to continue? When did he find out that the Government was endorsing a loan and providing that loan, and what action did he take? And when did he call the Provincial Auditor in to examine the Co-op Federation?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Mr. Chairman, I am in the unfortunate position of not having heard all of the remarks made by the Leader of the Opposition, but notwithstanding that I want to take a few moments to point out to the members of the House, indeed to him, that this debate we had last year we are repeating essentially a large portion of it, and of course I can appreciate that the Leader of the Opposition would want to try to bring some embarrassment onto the Department and to the Government in any way he can. That is fair ball, I have no objection to him doing that, but I should like to point out that I believe I stated in the House here before on a number of occasions that we have had problems with the Co-op Services Branch, or subsequently the department, and basically, Mr. Chairman, I think the Leader of the Opposition should know that that was a very weak organization, and it was weak because they never gave it any emphasis whatever when they were the government. So we did have people that had assumed responsibilities which perhaps were beyond, which perhaps were beyond their capacity to deliver and that there were attempts being made, and indeed attempts were made and carried out, to upgrade the status of the, not the branch, a department of co-operatives was created, with new staff positions created, reclassifications have been brought about in order to attract a more qualified group of people into the service.

Now the Leader of the Opposition wants to ignore all of that and he wants to take advantage, and I say advantage, Mr. Chairman, because he knows that he has a new Minister who doesn't perhaps recall or know all of the history, and therefore he wants to take advantage of his position in the debate knowing that he has a new Minister that may be vulnerable in terms of the historic development of the Co-operative Services Branch and the Department of Co-operative Development. --(Interjection)--

I'm sorry I didn't get . . . Well, Mr. Chairman, I should like to advise the Leader of the Opposition that the Minister of the Co-operative Department does not know every time a new co-op is established. It doesn't flow across his desk, and therefore if there is one established it may very well be months or even years before he's aware that there's a new entity created. --(Interjection)--

My honourable friend the Leader of the Opposition wants to know when I found out. I never knew there was a Co-op Federation quite frankly, you know, until the issue was raised. And I want to tell the Leader of the Opposition, I want to tell the Leader of the Opposition that I give him credit for raising it, because that was an irregularity which should have not occurred. But that is a far cry from implying, Mr. Chairman, that the irregularity went beyond that and that it was criminal, or that it was negligent, or that it did the public service any harm. And I think that's the essential point.

I think the Provincial Auditor has indicated that he hasn't seen anything wrong in that sense, there's nothing fraudulent about the operation that he is aware of. He doesn't believe there will be findings that will show that there were fraudulent activities or negligence on the part of the staff in carrying out those functions. The fact of the matter is the department or the staff and I think - you know this is one of those situations where maybe you want to slap the hand of someone in the department who was trying to be innovative, trying to facilitate a need and perhaps not following the rule book. That's the worst charge that the Leader of the Opposition can make. That members of the department that were responsible to the Co-operatives in Northern Manitoba because of the distance involved and the fact that they had to communicate and establish linkages and that it was so difficult to do so because of climatic

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(MR. USKIW cont'd) conditions, transportation problems, took upon themselves responsibilities that perhaps were bending the rules, Mr. Chairman. And nothing more than that. I don't believe that anyone will stand up in this House, I don't believe it will happen, and point a finger to anyone of those individuals who bent those rules and say that they committed a criminal offence or a fraudulent act. And you know I think that is the important part. Now I appreciate . . .

MR. CHAIRMAN: A point of privilege has been raised by the Honourable the Leader of the Opposition. Would the Honourable Leader state his point of privilege please.

MR. SPIVAK: . . . on a point of privilege?

MR. CHAIRMAN: Yes. Would the member please state his point of privilege.

MR. SPIVAK: At no time did I in any way in discussing Co-operative Federation, I believe that's the case of everyone, in any way suggest any matter of a criminal nature. It's been suggested by the honourable member opposite.

MR. USKIW: Mr. Chairman, obviously I'm not prepared to remind my honourable friend of the debates of a year ago where there was some implication in the debate that there may be such activities.

MR. SPIVAK: Mr. Chairman, on a point of privilege.

MR. CHAIRMAN: What is the point of privilege?

MR. SPIVAK: The Minister has acknowledged and I've acknowledged that he didn't know of the existence nor did I know of the existence of the Co-operative Federation which is what we're talking about. So I don't know how there can be a reference to anything that happened last year.

MR. CHAIRMAN: All you're having is a difference of opinion. The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I'm sure that if one was to look up Hansard of last year one would be able to pick out, at least the inference, out of the remarks of the Leader of the Opposition, perhaps not with respect to the Co-op Federation but with respect to the activities of the department, that there may have been fraudulent activities or criminal activities engaged in by members of the staff. And that's what I am alluding to and I don't believe that that has been established.

Now, Mr. Chairman, I know the Leader of the Opposition is somewhat uncomfortable because we have had the Auditor's Report, the auditor has made specific reference to some of these activities where he suggests that the procedures were not quite right, that they should be amended, and that they are in the process of being amended or that the procedures have already been changed to make sure that the proper procedures are followed in line with the law of the land, and therefore that is all the auditor has to say. And if that means that some member of staff will interpret that his knuckles were rapped because he bent the rules in trying to sort of bend over backwards to assist a northern community, you know, I guess that has to be accepted. Maybe that is the import of what we are discussing here. Maybe it is a position that we must take and we must say to the staff you know you mustn't do those kinds of things, even if it is in the best interests of the community that you are trying to service. No there's nothing wrong with that. But that is the worst charge that can be made, that can be the worst charge that can be made in this House that someone bent the rules in order to do a favour for a community in northern Manitoba. And you know I accept that, I think that we have to accept that that was done in the best will, you know, in the interests of the people. And if staff sometimes sort of gets overly enthusiastic and on occasion commits that kind of an error in judgment I don't think that one has to forever condemn the staff that committed that error of judgment. Surely they're entitled to a discretion and certainly once the issue is before us and once they have been advised that they shouldn't do those kinds of things and then if they continue to repeat it then it becomes a problem. But I don't believe, I don't believe the Leader of the Opposition would suggest for one moment that some of those people who bent the rules in the interests of the people that they were serving that they should be fired because they bent those rules. I think it's fair to say that they should be reprimanded if the rules were such that you know one wouldn't want to sway one way or the other. But certainly when the Leader of the Opposition suggests that some people should lose their jobs because they were over enthusiastic in the support of those communities in northern Manitoba and that they cut some corners in the administration of their program . . .

A MEMBER: They used public money.

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MR. USKIW: Yes, of course they used public money, Mr. Chairman. But the fact of the matter is that they have not lost that money, that money was fully recovered. Now if there had been a loss --(Interjection)-- Well the Leader of the Opposition says that restitution is the important thing and I thought I dealt with that when I indicated that the worst one can do is bring about a reprimand to staff that behaved in that way. But once having done that I don't think it's worthwhile to belabour the point with respect to any staff person forever and a day. I think that person has learnt that those rules cannot be bent. And it is not worthy of the exercise and of the time of this House to keep pointing out the fact that some members of a department bent the rules last year or the year before. The Provincial Auditor has looked at that whole area and hasn't come out with a report that indicates that someone has to be fired or that someone cheated the system. That is not what came out. All that the auditor is saying is that we should improve the performance of that branch or of that department. And I think that is well taken and that has been put in effect some time ago to the auditor's satisfaction I may add, to the auditor's satisfaction.

Now because it happens to take a little while to do these things and because there is still one or two minor items that have not yet been finalized, the Leader of the Opposition, the Leader of the Opposition wants to take advantage of that situation knowing that in the next Auditor's Report, which he will receive a year from now, will likely be a report that says we have looked at all of this and those two outstanding items that we have not finalized last year have now been cleared to our satisfaction. So in the light of that, the Leader of the Opposition wants to take advantage, in advance, not knowing what the final disposition of those two items is going to be with respect to the Attorney-General's findings or with respect to the Auditor's findings. He wants to make his points today knowing that he may lose all of his ground tomorrow.

Now that's fine, that's politics and I accept that, but let's understand what it is, because my colleague the Minister for Co-operative Development has discussed these points with the Provincial Auditor and he is led to believe that things look pretty good. He's led to believe that corrective actions were brought about, that errors are not continuing to be made and that it doesn't appear at this point that there is going to be any findings that would suggest to us that someone was fraudulent or committed a criminal act. Now that may not be true and I hope that the findings are that everyone is clean.

In the event that that is not so, and I doubt that that will happen, but in the event that that is not so, if someone is found to be guilty of a fraudulent act then of course the natural course of law will take place. But I don't think it's fair on the staff involved to keep sounding on their integrity, to keep pointing to the fact that maybe there is something wrong here, until we have that report. I don't think it's fair to staff to work under that kind of pressure and under that kind of a cloud.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): Mr. Chairman, I want to - I suppose I could raise it just in the course of the debate - it does involve partly a point of order and I wonder if I could ask the Minister just precisely . . . I first of all want to ask what item are we under? Planning and Research Economic Analysis?

MR. CHAIRMAN: We are still on Administration.

MR. JORGENSEN: Well, Mr. Chairman, I know that the format in which these estimates are placed before us is somewhat different and it might be that we're having some difficulty adjusting to that new format. But I appeal to you again, sir, that the debate as I see it being conducted under this particular item is completely out of order. On the next page when we are going to be dealing with Co-operative Program, we have all of the items that can be debated under that particular page, and what I foresee is that we're going to have a debate now on this section and then when we turn the page we're going to have the same debate all over again, and the whole purpose of the change in the rules, the whole purpose of the new format is to prevent duplication in debate. And I see that in the manner that we are proceeding now we're not going to achieve that. We're going to have the same debate two or three times.

I would suggest, sir, that if the Minister could outline just precisely what is involved in that first item then we'll know what we are supposed to be debating. Also on the next item and the following one, so that we know what we can debate under those items. When we come to

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(MR. JORGENSEN cont'd) Page 7, I see there the opportunity that we're seeking, to debate the very subject that is now being debated, which I submit, sir, is debated under the wrong item. I hope that we don't have a continuation of the kind of thing that's been going on in the last couple of days, and then have it all repeated when they get to Page 7, because that will defeat the very purpose of setting up these estimates in the manner that we set them up, in order to prevent duplication of debate.

MR. McKENZIE: Mr. Chairman, on a point of order.

MR. CHAIRMAN: The Honourable Member for Roblin on a point of order.

MR. McKENZIE: I wonder if the Minister could advise the House where we're to deal with the Wildlife section which I understand comes under his Estimates. I don't see any place in the estimates for that portion of the department.

MR. CHAIRMAN: Is that a point of order?

MR. McKENZIE: Yes.

MR. CHAIRMAN: Oh. Well perhaps I should refer honourable members to their books, just so we'll be clear what are points of order and points of privilege. I think our House Rules are far more explicit and precise than Beauchesne's, so I would refer honourable member - I'm sure you all have books. Read Pages 59 and 60 which deal with points of order and points of privilege. The Honourable Member did not have a point of order.

MR. SPIVAK: I'm assuming that the Honourable Member for Morris did have a point of order and you accept that as a point of order.

MR. CHAIRMAN: Yes, I think that was . . .

MR. SPIVAK: Well then on that point of order may I just simply say this, and I think that the debate has been very illuminating and from that point of view I think that it's been a very good thing. The Deputy Minister's salary is included in the first item. I think that we established that at the beginning and the Minister acknowledged that at the time by his actions and he's acknowledging now. The purpose of the debate was to deal with the Deputy Minister to the extent that he was Chairman of the Co-operatives Loan and Loan Guarantee Board and for that reason the debate dealing in this particular item dealt with this, debate on the general approach to co-operatives, to the northern co-operatives will come in the other items. Now I am quite prepared, because I think that the Minister of Agriculture's last statement is quite revealing and I'm quite prepared to acknowledge that the debate on this matter is probably concluded, unless the other members opposite . . . I have one or two comments to make and from that point of view I'm prepared to move on. But I want it clear with respect to the question of the point of order, that we are dealing with the item that deals with the Deputy Minister's Salary - and reference was made in my opening remarks to that - and that's why we have been debating this point at this stage.

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MR. CHAIRMAN: The Honourable Member for St. Johns.

MR. CHERNIACK: I would like to discuss further the point of order. I don't have to raise it as a point of order, I think it has been raised. I would like to point out that I have - I almost feel as if I have a personal interest in the manner in which debate is being conducted on this new form of Estimates. We've been discussing it in Public Accounts for, I think, a couple of years and within the Department of Finance for more than that, and with the Provincial Auditor, and I think it's very important that we do adjust to changed forms. Now I mentioned last year I believe, that the cost of producing this kind of an estimate is very great in time given for that rearrangement, and I urge that we give it a good trial, because if it's not going to work then, Mr. Chairman, we might as well save the money involved, the time, the staff time involved in setting up this format. And one of the things that as members of this committee we ought to watch is whether or not this format is helpful.

Now under the rules we've always followed, the Leader of the Opposition I suppose is absolutely correct, if he wanted to debate the Deputy Minister, then he could debate it under his salary. Well, that's fair game. But we all know that we can take advantage of the rules to our own personal satisfaction very frequently. As pointed out by the Member for Morris, the same debate could take place under another item, I think he said Page 7. But I assure you that anybody could find other items in which to conduct this very same debate. Frankly, and now I express only an opinion, and no experience, and none of us have experience with this kind of presentation, my own opinion is that these items being dealt with on the illustrative pamphlet should be dealt with in terms of program that is ongoing and discussion of program itself. I think questions such as have been raised up to now, which I think are properly a matter for debate, really should be under the Minister's salary, but I don't discount the fact that they could be discussed under the Deputy Minister or under Administrative Salaries or anything else. All I'm doing really is agreeing with the Member for Morris and suggesting that the debate whatever it be, be held once, and if there were kind of an understanding then really there wouldn't be any problem.

But frankly, Mr. Chairman, the Leader of the Opposition indicated that now he learned that the former Minister of Co-ops didn't know about this Co-operative Federation during the time it was developing within the department, now that he's heard that, he's satisfied, as not really an assurance that the debate will not be brought back in connection with the whole administrative problems under other items. I think it would be helpful if we could come to an understanding of what we want to accomplish with these estimates. If we want to accomplish a review of programs, past, present and future, and we want to talk about individual administrative problems or the capacity of any person, especially the Minister in serving in that capacity, we should be able to find it within these estimates. Under the old estimates we would have had three resolutions to deal with, and it was rather precise under the old form on Page 17 of the old estimates. Three resolutions and each of the headings are, (1) administration, (2) co-operatives, (3) credit unions. We know that any member present could debate what has been debated up to now under administration and under co-operatives and finally under the Minister's salary which is the last item. But we are dealing with a new form.

I appeal to members of the committee that we should all try and have an understanding of how we handle it, and stick to it, and I'm happy that the Member for Morris suggested that we do agree. And I'm wondering now if it's necessary to go further, to really make further agreements or whether we can actually go along with the estimates as they are presented to us in the illustrative booklet and agree that at the conclusion when we discuss the Minister's salary then of course everything can be discussed that went on prior to that and reviewed again.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSEN: My reason for raising it in the first place was the concern that I had over the experience that we were having in the handling of these estimates when the consideration began. I think it was under the Attorney-General's Department, we started out by having a general debate on the Attorney-General's Estimates. I think it was generally agreed it didn't work out very well, and what you had was a duplication, because you had the debate on the first item, which was repeated during the ensuing item. So under the next set of estimates which was the Department of Agriculture, we agreed that the Minister introduce his statement and then forego debate on that first item until the last, and I think the House will agree that that system worked very well. It prevented all the duplications of debate that were inherent in the consideration of the Estimates of the Department of the Attorney-General.

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MR. JORGENSEN (cont'd)

What I see now is that we've reverted back to that system, and that's what worries me; that what we're going to have is a duplication, and an unnecessary one. I would much prefer to have come to some arrangement. As I said at the outset of my remarks we are now having a new experience in dealing with the estimates under this format, and we should come to some understanding as to how we're going to deal with them, to ensure that we don't have that duplication. That's the only point that I made, and it's one that I think we should have clarified to some extent so we know where we're going.

MR. CHAIRMAN: Order please. Order please. Order please. I wonder if I could make a suggestion here to the Honourable Member for Morris - and our House Leader is not here, but I see the House Leader for the Liberal Party is here - if we could have a meeting between myself, Mr. Speaker, and the Member for St. Vital who will be chairing the other committee out of the House, to come to some agreement on how we're going to proceed on these Estimates. Because we seem to be, and I quite agree with the Honourable Member for Morris, we seem now to be back to the old system that we have operated under for many years. Perhaps it's a hard habit to break, but I think that we've got to come to some agreement on how we're going to proceed with these new type of Estimates. I'm entirely in the House's hands as far as how you want to ride, but at least I would want to try and come to some understanding with the House Leaders and the other members that I've spoken of. Would this be agreeable? Perhaps we could set up a meeting during the supper hour to set something up on this line.

MR. SPIVAK: The honourable members would agree to that, I'm quite sure that there is no difficulty in that. But in order to facilitate today that I would suggest, because I think this meeting can take place - and I want to again point out that I think what has happened - it's program budgeting, or it's a new form of budgeting, of presentation of the Estimates, and as a result there may be some confusion on that, but I think it's appropriate to recognize one thing, that what was really involved here was the question, not just of a Ministerial salary but a Deputy Minister's salary, which I think has been rather unusual. Now I'm quite prepared I think to move on, on the basis that we can conclude - not conclude, but with respect to the Deputy at least, one part of the Co-operative Loan and Loan Guarantee Board. There are a number of co-operatives involved who would more appropriately come under the co-operative section in terms of the loans involved and specific information that would be requested of the Minister.

And as I said, I think that the Minister of Agriculture has furnished information that we did not know, which is invaluable in understanding and evaluating what has taken place. I want to make this one comment and then from my point of view then I'm prepared to leave it and then move on, recognizing that we'll come back to this particular board when we deal with co-operatives. What the Minister of Agriculture has said is that, in effect, if there was something improper there was no loss and therefore no corrective action had to be taken other than a reprimand. --(Interjection)--Yes he did. This is basically what he said, and I make the comparison, Mr. Chairman, and I think this is important, that in the case of a bank teller who would essentially use money for whatever purposes, well motivated or otherwise and return it, that there would be no loss, but at the same time normally there would be some disciplinary action that would be taken. And I at this point must say to the members opposite, and it's not a question of in any way becoming involved in personalities, because this is not the issue, the issue was that a fund controlled, public fund chaired by the Chairman, was allowed to in fact support an enterprise that had no legal basis. The Minister was not aware of it. He indicated as a result of our activities last session, he became aware of it when the Provincial Auditor entered into it, and the fact that there was nothing wrong in a sense that there was no money lost, which is what he believes to be the case, is not the issue. The issue is, it was an administrative practice that should not have been allowed to occur, and surely at this stage with respect to the problems involved, disciplinary action of a major nature should have been undertaken. I think that this is the problem area in this, and I think it's a problem area which the government will have to accept and which we are going to have to deal with in a public way, because it is a reflection of how they express concern for the way in which public money is used. Has nothing to do with the fact that no money was lost. I cited the example of the teller, and in the case of a teller with whom money may have been taken, for whatever purposes, and put back, I don't care about the purposes, that it's pretty obvious what the course of action would have been. Not in terms of any particular criminal nature, and that isn't what I'm suggesting, but in terms of the kind of

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(MR. SPIVAK cont'd) discipline that would have been exercised by a private concern for that kind of situation.

Having said that, Mr. Chairman, the Honourable Minister may want to reply, and I accept that. I accept that we should move on, because our purpose is really to facilitate the procedures in this House with respect to the changes that are taking place in the experimentation. There's no intention on our part to in any way not do this, I think it's in the best interests of the House for this year and for the years to come. But having said this, I want it clearly understood that in relation to the loans referred to in the Co-operative Loans and Loans Guarantee Board, when we deal with the co-ops, I will deal with the other loans that are involved. And there may very well be reference again to the Co-op Federation as it is appropriate with respect to the problems of the co-ops up North.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSEN: I wonder, Mr. Chairman, before the Minister rises, if he would undertake to respond to the request that I made to him a moment ago to define just precisely what is involved in the expenditures that are contained in this first item under Administration so we know more precisely what we can discuss.

MR. CHAIRMAN: The Honourable Minister of Co-operative Development.

MR. BOSTROM: Mr. Chairman, I would like to respond to that. I would like to first of all respond to some of the comments made by the Honourable Leader of the Opposition, and one in particular when he said that the Provincial Auditor brought this to the attention of the Minister as a result of the enquiries that they were making in the Legislature last session. I would say, Mr. Chairman, that this particular item, Co-operative Federation, would have been brought to the Minister's attention in any case because it was included in the Auditor's report for 1973-74, it was an item included in the report. And the reason, Mr. Chairman that it was included in the report is that the loan that was made to the Co-op Federation, which I referred to in the answers which I gave to the questions asked yesterday, was that the loan was made during the fiscal year '73-74. So in speaking with the Auditor this morning, he was describing to me the procedures by which they audited this particular section and he indicated to me exactly what I just said, that he would have brought this to the Minister's attention in any case.

Mr. Speaker, with respect to the Co-operative Federation - and I understand now that the honourable members wish to move on, and I am in agreement with that - the Co-operative Federation question and the questions asked by the Honourable Leader of the Opposition I'm quite prepared to answer. There are some specific ones which he asked today and which were asked yesterday which I will attempt to get more specific information for, and the honourable member may enquire further about it in the Public Accounts Committee when this comes up as well, because the Auditor will be there to answer any questions specifically with respect to this Co-operative Federation and the way in which it operated.

Now the enquiry which the Honourable Leader of the Opposition seems to be still insisting on, in his comments, he mentioned that he would be still insisting on the enquiry. I'm wondering if in fact he cannot be satisfied with the kind of enquiry that the Provincial Auditor is doing, and in fact if the enquiry already being conducted and having been conducted to a large extent by the Auditor, if in fact further information is required, the Auditor has the authority, as I've repeated several times, he has the authority to investigate further, in fact to summon witnesses and question under oath if it's required for him in the course of his investigation. So that if there is further enquiry, I can assure honourable members that it will be undertaken and that all the answers will be given to these questions.

And with respect to the particulars of the \$2,900 which he mentions in his report as part of the legality of the operation, doubtful expenditures - as I've indicated in my answers to questions today, \$2,100 out of that 2,900 related to a specific incident where an individual loaned money to the Federation and was paid back. Now the Auditor informs me that there is questions to be raised about this, he does not see it as an illegal procedure, but he would still require and ask for further information on it.

Now the remainder of that, approximately \$800, which is included in that \$2,900 figure, there's three transactions which he has indicated to me are still under investigation. I assume that we will get answers to those through the Provincial Auditor and the Attorney-General's Department very shortly, and when those answers come forward I'll bring them to the attention of members opposite.

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(MR. BOSTROM cont'd)

Mr. Chairman, with respect to the specifics of the details of moneys allocated in the estimates for the part on Administration, on Page 5 of that section you see a fairly detailed breakdown, and if you look at the very back page in your book, Page 23, it gives you a definition of each, or an explanatory note on each one of the categories outlined. So that salaries, wages and fringe benefits are identified and described, clearly defined as to what is included there, fees, facilities equipment, specialized equipment, construction, other operating costs and so on. And if there are further specific questions on that I'd be prepared to answer them.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSEN . . . was attempting to make, and I try once more, is that if the Minister's salary, which is an item that covers the entire gambit of the Estimates, is to be lumped in with other items, then it makes it difficult to separate the Minister's salary which is an all-encompassing debate from a specific one. And the only thing I can do at this stage then is to make a recommendation that when these Estimates are set up, if there's going to be a continuation of the consideration of Estimates under this system, that the Minister's salary be separate from the salary of the Deputy Minister or any of the other officials so that we can have that specific item; and then when they get to other salaries, then the debate can be limited to those salaries or the functions of those people whose salaries are contained therein. And if I can make that point now, perhaps it's one that can be followed when we reconstruct the Estimates for another year, and I think that will avoid the problem that we're facing right now.

MR. BOSTROM: I see the honourable member's concern. I'm not sure exactly how it can be worked in this debate. Although the Minister's salary in this case is indeed included in that section, Salaries, Wages and Fringe Benefits, so that if the procedure of the House can be governed accordingly, then that is exactly where we would have to identify the Minister's salary.

MR. CHAIRMAN: The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, just again on the point made by the Honourable Member for Morris, I think it's not until after we started on the Estimates' debate of this committee at this Session that we agreed that the Minister's salary should be dealt with last, a proposal which pleases me tremendously because it's one that I wanted to cease for some years. I think that these forms could easily accommodate to that one particular suggestion made by the Member from Morris; just at the foot or at the beginning, it could say, "Salary of Minister, 15,000", whatever it is, I've forgotten already, and just have that set out separately and then that could be set aside and not dealt with. Actually, by agreement of this committee, when we started this department, it was agreed that the Minister's salary would be taken as if removed from the item "Administration", which would have been fine had the procedure followed. And you know, sometimes I feel, Mr. Chairman, we have to ask you to be a little more rigorous in keeping us on the matter before us rather than letting us make our own mistakes and rules in attempting to debate it.

So I think that by agreement the Minister's salary was taken out of these Estimates for debate until the end. But certainly I think that if this new format is agreed upon for the future, then probably it should be - I'm guessing - it wouldn't be a difficult matter for the item to be set out separately. I think that in the end it would have to be under a particular resolution number. I don't think you would want to encumber the pay procedure, the accounting procedure, by having a separate resolution established for the Minister's Salary alone. But surely for debating purposes it could be set out separately as a separate line and left for other purposes. So I agree with the Honourable Member for Morris.

MR. CHAIRMAN: So I think if - what I can understand - that the Minister's Salary must be in these first items. We're talking about under "Standard Accounts and Classifications, Administrations, Salaries, Wages and Fringe Benefits." I know that you're trying totalling them up, but the Clerk here is trying to total them up in the various sections here. But I think that is the portion, and that portion we will leave for now then and proceed to Fees, \$11,000 - does that . . . ?

MR. CHERNIACK: As I understand it, all we are leaving is Minister's Salary, \$15,600, or whatever it is. That's my impression, that the other matters will have been dealt with.

MR. CHAIRMAN: Right.

MR. CHERNIACK: And that, therefore, I would think that for the future this item under the first line of Administration, where it's Salaries, Wages and Fringe Benefits, (a) Minister, \$15,600; (b) all the rest. Then it could be agreed that that Item (a) would be left until the very

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(MR. CHERNIACK cont'd) end. And as we move on I would like to assume that we have dealt with the Administration item except the Minister's Salary and the Minister's Salary only.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. McKENZIE: Before you move forward, I have a couple of questions I'd like to ask the Honourable Minister. I wonder, can we have the dates of the various loans that are made in the year '72-73 . . . ?

MR. CHERNIACK: A point of order, Mr. Chairman.

MR. CHAIRMAN: A point of order - the Honourable Member for St. Johns.

MR. CHERNIACK: Isn't it clear by now that the question being asked by the member is agreed "out of order" at this stage? That is, particulars of breakdowns of loans, and referring to the report on the co-operative report at this stage?

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: I think there's a two-fold problem here, and let's sort of resolve what we can. Actually he was asking for information which would not be readily available immediately by the Minister.

MR. CHERNIACK: He can do it by note.

MR. SPIVAK: Well, he may, he may have that information. Secondly, the Deputy Minister is the Chairman of the Fund, you will agree. And I don't want to get involved in that. I mean . . .

MR. CHERNIACK: Well, you are.

MR. SPIVAK: Well, no, if you're going to suggest that we're going to be able to debate it and other matters when we come to the "Co-op" as far as north or south is concerned, then that's fine, I have no objection to that. But I think we have to understand whether we're still on that item or we're restricted as a result of what happened. I think what we're trying to do is get an agreement that will be an agreement and not a misunderstanding by one or the other side of what really is to happen. We are really trying to facilitate this thing, I want you to understand that. Now, the question is whether this information comes here or later on.

MR. CHAIRMAN: The Honourable Member for St. Johns.

MR. CHERNIACK: On a matter of procedure. I am looking ahead. I am not that familiar with this new form of Estimates, but I say that on Page 6 we have "Co-operative Program", we have Director, we have Development in northern, southern and other matters there. And now on Page 7 we have a different - I believe it's just a different form of breakdown of the items that appear on Page 6, and surely within these pages we can find the item that the member is asking for and I'm sure that the Minister can indicate which item should be dealt with.

Now, the point raised by the Leader of the Opposition, that the Member for Roblin is only asking for information that he's going to want at a later date, brings me back to the purpose of firstly, an Order for Return, which could have been filed and which would give that information, which would either be accepted or rejected by the government. Or it could be done as has been done since I've been in this House, and that is the manner by which you send a note across to a Minister saying that "when we come to this item, I expect to be discussing this, could you have the information available?" But to use up the time of the entire committee to ask him questions unrelated to the point before us is an awful waste of time which could be more usefully met by debating the item before us.

A MEMBER: Right on.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. McKENZIE: Mr. Chairman, I was only following the guidelines. We've been discussing this report since we started on the Estimates and I'm prepared to move over to Page 7, if I could find some . . .

MR. CHAIRMAN: No, no, no. You're not going over to Page 7.

MR. McKENZIE: Or 5, when we get there.

MR. CHAIRMAN: Oh, five. Fine. Right. We are then on 148,700, excluding the Minister's Salary--pass; Fees, 11,000. The Honourable Leader of the Opposition.

MR. SPIVAK: I wonder if the Minister can indicate - these I assume are consulting fees.

MR. CHAIRMAN: The Honourable Minister of Co-ops.

MR. BOSTROM: Mr. Chairman, as indicated on Page 23 of your same Estimates Book, it breaks them down; it includes professional fees, and in this case mainly legal fees.

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MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: Again, I want to be able to discuss this under the right item, so I'll ask the Minister whether it's on this item or the other and it relates either to an item for this year or last year. I wonder if he can indicate whether Professor Cameron at the University of Manitoba undertook for a professional fee - work for the Department of Co-operative Development.

MR. CHAIRMAN: The Honourable Minister of Co-operative Development.

MR. BOSTROM: Mr. Cameron, was it?

MR. SPIVAK: Yes. Dr. Cameron, or a Professor Deprez?

MR. BOSTROM: Professor Deprez?

MR. SPIVAK: Yes, or Cameron.

MR. BOSTROM: Deprez, I believe, was employed for some time. Cameron, not to my Deputy's knowledge.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: Well, then again I'd like to if I can . . . I assume that he was employed by way of a professional fee, and I'd like to know where and what kind of contract . . .

MR. BOSTROM: On a contract.

MR. SPIVAK: Oh. Well, let me understand. He would be employed under contract and that would be on Salary, Wages and Fringe Benefits as opposed to Fees, is it included in Fees? Excluding Fees, I'd like to know what particular section we would be dealing with it. I have no objection, if it's not in this section, to move on, but I want to know what section . . .

MR. CHAIRMAN: The Honourable Minister of Co-operative Development.

MR. BOSTROM: The particular study that he's referring to, I believe, is funded under the Manitoba Northlands, and it's on a contract basis, not on straight fees.

MR. CHAIRMAN: Fees, 11,000--pass . . . The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, under the Fees, the Minister I believe indicated that there was some legal fees involved in this too. Could he indicate what those legal fees were for? Professional fees.

MR. CHAIRMAN: The Honourable Minister for Co-ops.

MR. BOSTROM: The Estimates are for future requirements for legal fees, Mr. Chairman.

MR. GRAHAM: No, but does he anticipate these fees to be for acquisition of land, or is it for possible court cases that may be involved? Could he indicate what the intention is for the use of those legal fees?

MR. BOSTROM: As I indicated, Mr. Chairman, in my remarks in discussing this section of Administration, the department is undergoing a study towards drafting a new Co-operative Act, and basically this is a continuation of that, and some of these legal fees at least are for that purpose, for a legal person to be involved in the drafting of that Act.

MR. GRAHAM: Would that \$11,000 be entirely for that or would that be for some other fees as well?

MR. BOSTROM: I understand there are fees required for payments to the Attorney-General's department on matters that they undertake on behalf of the department.

MR. CHAIRMAN: Fees, 11,000--pass; Facilities and Equipment, 10,100--pass; Specialized Equipment, --pass; Other operating costs, 9,100. The Honourable Leader of the Opposition.

MR. SPIVAK: I assume that this would include travel costs as well and this would be travel - it's included in your list itself; it's travel - this would be travel of the staff itself, and I assume it would be travel and charges even on Government Air Service. Is that correct? That is, Government Air Service charges to this particular department.

MR. BOSTROM: That's correct, Mr. Chairman. That is correct.

MR. SPIVAK: Mr. Chairman, can the Minister indicate whether he has made any review, or his officials have made any review of the travelling charges of the department which would include those in administration and those who are the Development Officers? Has he made a review, or has he undertaken a review of their travelling expenses?

MR. BOSTROM: Mr. Chairman, this is pursuant to government policy, that there is a constant review of the kinds of travel expenses of staff, and in this case Development Officers are under the scrutiny of the same policy review.

MR. SPIVAK: During the past year, can he indicate - during the past fiscal year . . .

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(MR. SPIVAK cont'd) And again I have a problem, because I don't know the breakup of what is administration and what may have been research or planning staff - was there occasion in which the Minister's department - and he wasn't the Minister, the former Minister, it may have been brought to his attention - reviewed the travelling expenses of those either in administration or within the department with respect to travelling outside of the country and outside of the province?

MR. BOSTROM: Mr. Chairman, with respect to travelling outside of the country, my Deputy informs me that not to his knowledge is there any trips outside of the country in the last fiscal year and the previous fiscal year. The year before that you're referring to? I believe, you know, if it's in connection to the kind of thing that the Leader of the Opposition raised with respect to Cooperative Federation, as I indicated, I would try to get that information for him, that breakdown if any, of any trips out of the country. And, you know, I can't answer it off the cuff.

MR. SPIVAK: I wonder then, in a very specific way, I wonder if he can indicate whether there were any charges in the past year which would either relate to administration or other phases with respect to travel; or which were the travelling part, to indicate whether any one of the officials of the department travelled at public expense to Japan.

MR. BOSTROM: I will take that question as notice.

MR. CHAIRMAN: A point of order has been raised by the Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I'm very anxious that we try to make this system work, and we're all very tentative in the way we're dealing with it, with good reason, we don't want to lose the advantages of the old system, and we want to take benefit of this suggested new system. I don't want it to falter. And I want to, firstly, to make sure that honourable members do understand that the even numbered pages are repeated on the odd numbered pages, and we are indeed, I believe, dealing on Page 5 with Administration item which item totals 181,000, which is reflected on the page opposite under Administration, and we know that that is the total item.

I frankly, would have thought that we could deal with the left-hand page knowing that the right-hand page has the breakdown in easily defined explanatory notes that we have at the end of this booklet.

Now what I think we have to be careful about is not to confuse the function of this Committee of Supply with a Committee on Public Accounts. Now the Committee on Public Accounts needs to review Public Accounts which have the actuals of the items which were formerly estimated and questions such as have already been asked in the last short period of time are the kinds of questions which are asked and answered in Public Accounts. And may I remind you, Mr. Chairman, they are often not answered for some period of time because some of the questions asked require a detail which then takes a review back and some time to answer them. So that I think for this system to work, we have to recognize that we are talking about the expectation.

I would say to the Minister, how do you justify a figure of \$2,000 for specialized equipment for the future? And I would then say, well did it cost you \$1,800 last year, do you have new plans? But to start going into the investigation of last year, the fiscal year, and even going back to the previous year, I think, is confusing the functions of the two committees and is going to bog us down. And it's fair game if we're all willing to sit here to be bogged down to do things which are information regarding facts of previous years. But then the system will bog down and I assure you we'll be back to the old system which may be just as well. But honourable members did want to have details of programs for the future. And if they want details of expenditures of the past, I believe it's in another form. Now I don't care which one is used but in the end we have to come to an agreement as to how we're going to deal with it, and I think we ought to be sure not to be repeating ourselves. Not what did you spend last year in terms of an accounting but rather, how do you justify your estimates for next year. If we don't make that separation in our minds, Mr. Chairman, yes, we may be here for a long long time as the Leader of the Opposition suggested we would be for another reason.

MR. CHAIRMAN: I think the point is well taken. I think that we've got to try and make this new system work. If it's not, then I suggest we go back to the old system which everybody seems to be familiar with. But we are dealing with the Estimates for the year 1975-76. And

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(MR. CHAIRMAN cont'd)in the Committee of Public Accounts, I think that the expenditures that took place in the years 1974-75, that is the place where those questions really should be. We're trying here to make the system work and I must say again I think that until we can come to some agreement, then we are going to be bogged down.

The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, with all due respect to the Honourable Member for St. Johns, who has a habit of trying to tell the Opposition what they should be going, the reality is that when we deal with the Estimates of the future we are entitled to ask questions of the past. And I don't think that there will be any occasion in which we are going to agree that we cannot get information on the past from the Minister in the normal, conventional way and are confined only to Public Accounts as a means to be able to obtain our information because Public Accounts are always a year late even then.

Now I have attempted, and I think the record will show to try and obtain information to know specifically what we are talking about and the Minister obviously does not have the information and that's fine; maybe, he's going to try and get it and I accept that as well. And I point out there is a difficulty because I'm not sure whether the category or the group of people that I'm trying to identify, if I'm in the position to identify it, whether it would come under Administration or Planning and Research or what have you. And so therefore the question has to be of a general nature. And I accept the fact that the Minister is not in a position, and I don't think that that in any way impedes the ability to be able to handle this, I still think in the long run that this will work and the degree of co-operation we're trying to show, I think, has been demonstrated.

But it's very clear, I would not want this structure or this procedure to, in any way, prevent us from fulfilling the obligation that we have which is to obtain information. The Minister in this particular situation has indicated he would try and get it, and I await the next meeting when we will have an opportunity to hear directly from him on this particular matter.

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

MR. GRAHAM: Mr. Chairman, on the same point of order as raised by the Member for St. Johns, I want to say this that I think this is a far superior method of presenting the Estimates. But in the Public Accounts, if the scrutiny takes place here, I'm sure it will not take place in Public Accounts and the new role that is envisaged for Public Accounts may then very well function. So I would suggest that the continuity, the examination of the past plus the future in Estimates, as they are set out here with the past figures and the actual figures available for the previous year, make it a far better examination if it's done here than it is if it is taken out of this context and then in isolation dealt with in Public Accounts.

MR. CHERNIACK: Mr. Chairman, on this point, we have a minute or so. I, as one member of this Committee, intend to see how this operates both in this House with this Department, and then how it operates when it goes out of the department into Committee. Because I agree that there should be every opportunity for a detailed investigation of the past and the future. But, Mr. Chairman, the time that it will take will keep us here for double what it took before and I am suggesting that we may find, we have yet to see that, that if we go into Committee we can have the same amount of investigation, but at least we will be split into two halves and will be able to accomplish twice as much by being in two separate committees. And maybe that is the practical answer for the desire to get detailed explanation and the fact that we don't want to be here all summer. But I, for one, want to try hard to keep an open mind on this system to see if it's going to work but I don't think we should insist now that it's going to work unless we've proved that we can make it work.

MR. CHAIRMAN: Order please. The hour being 4:30, Committee rise and report. Call in the Speaker.

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

IN SESSION

MR. SPEAKER: Order please. The Honourable Member for Logan.

MR. WILLIAM JENKINS (Logan): Mr. Speaker, I beg to move, seconded by the Honourable Member for Ste. Rose, that the report of the Committee be received.

MOTION presented and carried.

PRIVATE MEMBERS' HOUR

MR. SPEAKER: Private members' hour. First item is Public Bills, Bill No. 12. The Honourable Member for Fort Garry. We are on Bill No. 12, proposed by the Honourable Member for Morris. The Honourable Member for Fort Garry.

MR. SHERMAN: Stand.

MR. SPEAKER: Bill No. 21, proposed by the Honourable Member for Flin Flon, the Honourable Member for Minnedosa. (Stand)

BILL NO. 22 - THE HORSE RACING REGULATION ACT

MR. SPEAKER: Bill No. 22, proposed by the Honourable Member for Flin Flon. The Honourable Member for Virden.

MR. MORRIS McGREGOR (Virden): Mr. Speaker, having spoken on 21 it pretty well is much of the same, certainly the same subject, and really all this does is allows more than one track per municipality and more than 56 days in any one track. Now a week ago, there was some concern with the Agricultural Society as to what these two companion bills meant but in talking to them and then in talking to other people, they seem to be satisfied that both of these bills they would approve of.

An I would just like to say, make a couple of remarks regarding the Honourable Member for St. Johns who gave us last week the regular lecture on gambling, and everyone has a right to think and say as he pleases and I was certainly expecting it because I got it before on the Sunday racing proposal. But I would just like to remind him that I come from farm folk, and raised in the tough years and if it wasn't for my parents having a real gambling spirit; and in that regard I just hope the agricultural people continue because if they don't continue gambling in a real high stake area, much higher than the philosophy of the Honourable Member from St. Johns, this country will be a lot less than what it is today. And with that, thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID BLAKE (Minnedosa): I regret that my watch is 30 seconds different than yours and I missed the bill. I wonder with leave when you get finished this one if I might . . .

MR. SPEAKER: If we may deal with the motion before us, which is 22.

QUESTION put, MOTION carried.

MR. SPEAKER: Now if the House wishes, we may go back to 21. Is that the wish of the Honourable Member from Minnedosa? The Honourable Member for Minnedosa.

BILL 21 - THE HORSE RACING COMMISSION ACT

MR. BLAKE: I adjourned this Bill on behalf of the Honourable Member for Birtle-Russell.

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

MR. GRAHAM: Thank you, Mr. Speaker. Mr. Speaker, I was tempted to rise when you called it but I felt that it would be improper of me to pre-empt whatever comments the Member for Minnedosa might want to make.

What basically prompted me to become involved in this bill, Mr. Speaker, is the fact that in my own constituency I do have people who are involved in the breeding of horses, both thoroughbred and standardbred. And I can say this to you, Mr. Speaker, at the present time, the livestock industry in Manitoba is not in its most healthy condition; that includes the producers of pork, the producers of beef, and those that breed and raise horses are also facing many of the rapidly escalating costs that occur in the farming industry today.

The decision that is being made here today in horse racing, I think can, if it is worked out with the co-operation of all those concerned, improve to some extent the industry in the Province of Manitoba. And that I think is most welcome news. The degree to which co-operation exists between the standardbred and the thoroughbred associations, I think, is dependent upon the membership of the commission that will be formed to head the whole thing. I would hope, although I don't insist on it, I would hope that when appointments are made to that commission that careful consideration be given to the needs and the requirements of both the thoroughbred and the standardbred associations in this province. When this occurs there is the other matter which was raised by the Member for St. Johns, and that is what he considers to be the detrimental part of it and that is the gambling aspect.

And you know, Mr. Speaker, I've heard and spoken to many that have gambled but the

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(MR. GRAHAM cont'd) only ones that I hear crying about it are those that lose. Now I don't know whether the Member for St. Johns considers himself to be a loser but at the same time we also see that he has moved back, moving into the background, and we don't know how long before he just fades from view entirely.

MR. CHERNIACK: With dignity.

MR. GRAHAM: Well he says "with dignity" and here you have to consider what his definition of dignity is compared to the definition of others.

Sir, I would hope that this bill receives the serious consideration of each and every member of the Legislature and I quite frankly would not hold it against anyone, I would hold no brief with any member for voting in whatever manner he chooses because that is part and parcel of the democratic society.

And I'm sure that those that want to express their views on this issue will do so and those that want to remain silent will remain silent. But, sir, I have no hesitation in indicating to the Chamber that I feel this is probably a good move and it will receive my support. With those few words, sir, I recommend the bill to the House.

MR. SPEAKER: The Honourable Member for Flin Flon shall be closing debate.

MR. THOMAS BARROW (Flin Flon): Mr. Speaker, will we be closing debate on both bills or just 21?

MR. CHERNIACK: They already won the second one.

MR. SPEAKER: 21. 22 is passed.

MR. BARROW: Oh, I see. Well, Mr. Speaker, I want to thank all the members for the contributions I think they were mostly affirmative and I think the bill will be supported. The explanation of the bill was very short and very clear. I'd just like to make a few brief comments on the bill and on the different members.

I was interested in the Member from Souris-Killarney, and he made the most valid point of any member that spoke on the bill when he said, "the public will decide on the length of the season," and I think this is true. If the public doesn't support horse racing, then the days automatically will be shut down whether they like it or not. He gave a very interesting speech or discourse on turtle racing and he also questioned my knowledge of horses.

Well, Mr. Speaker, I'm not a horse racing addict but I have worked with horses. In the coal mines horses were used, Shetland ponies. When I was 10, 9, 11, in that era and during strikes, they were quite common at that period, we'd bring these horses up for a holiday during the strike and as young boys we'd get down and we'd befriend one horse and it'd be yours for the length of the strike, and you'd develop maybe a liking or a love for horses.

The Member from Virden also said they needed a strong commission, needs upgrading and I have to agree with that. He also predicted 1975 as the biggest racing year, and I hope he's correct. He questioned whether it would be a free vote or not. I think it's quite apparent now, it will be a free vote.

The Member from Assiniboia always gives good contributions, I think, and he asked of course for a racing report. And I'll just pass that on to my Minister, my friend, my colleague, the Minister concerned, and he will respond to that and I'm sure he'll agree with that and he'll respond to any questions you may want to ask in Committee.

My colleague from St. Johns, and I respect his opinion, and he is hung up on the gambling aspect. I'd like to say a few words about gambling, Mr. Speaker. In Britain, they have a football pool, it's a gambling deal, a very very low ticket, and the idea of the gambling is to guess the result of 30 league games. And the reward is enormous, but it does give a working man one slim chance and it does happen, it has happened several times, where they would make in the hundred thousands of pounds on this gamble and it was a good thing - maybe a dream, but it was good for them. And when you talk about gambling, I think we have compulsive gamblers. We also have compulsive drinkers, and if you're going to go with my colleague's view, you know, because we have alcoholics there will be no drinking, so because we have gambling, we'll have no sport. Well, I go to the track occasionally and I enjoy it. We used to do it in Nova Scotia, take a whole day. To travel 60 miles in those days was a long trip. A picnic lunch; attend the horse races, the sulkies; bet \$2.00 or whatever you had - you never won very much but it was a very enjoyable day, and I approve of that type of gambling. I think it's a popular sport - they say it's the sport of kings - and I think we have to accept that drinking, gambling, is a part of our life.

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(MR. BARROW cont'd)

Now we come to the Member from Birtle-Russell, and I'm glad for once we agree. I don't know what breeding purposes had to do with the bill, but again, I'll revert back to the Member from Souris-Killarney and the whole crux of the bill: the people will decide. I thank the member for the contributions and I hope you have more to add or whatever, in committee. Thank you, Mr. Chairman.

QUESTION put, MOTION carried.

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MR. SPEAKER: Resolution 19. The Honourable Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I move, seconded by the Member for Assiniboia.

WHEREAS this House recognizes that people living in northern or remote areas face a higher cost of living than those citizens living in urban and southern areas, and that such cost of living increase is not presently taken into account in the tax and wage structure laws in Manitoba;

THEREFORE BE IT RESOLVED that the government give consideration to amending the minimum wage regulations of Manitoba to provide in northern and remote areas the minimum wage shall always and automatically be not less than 15 percent higher than the minimum wage in general use throughout the province.

MOTION presented.

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

MR. G. JOHNSTON: Mr. Speaker, I'm going to be extremely brief. I have to take my wife to the airport in five minutes, and if she's waiting, I'm going to catch it, I'll tell you. If she misses a plane, life won't be worth living for a week.

So, Mr. Speaker, I only make the point that certain governments, all government at the civil service level, both federal and provincial, recognize the fact that it costs more for their employees to live in the North and they give a northern allowance. The armed forces recognize this fact. The RCMP recognize the fact that members of their force posted to the North get an extra allowance over and above normal duty in other parts of Canada. The Northern Task Force, of which I was a member a few years ago, we found that the main concerns of the people in the remote communities was the high cost of living.

Now we know that in the urban centres like Flin Flon and Thompson, there probably is not that great of a need because the mining industry pays high wages and there's a spin-off to other industries associated with it, or the retail or service industries are brought along because of the high wage area, but in the remote communities where high freight rates, high air freight rates play a large part in hiking the cost of living, there should be some recognition given. I don't know whether the Department of Health and Social Services recognize this by having two levels of welfare payments or not, I don't know, but if they don't, perhaps they should examine this also.

So, Mr. Speaker, I hope that there'll be debate by members on all sides, and I hope that at least one or two of the northern members may consider supporting this sort of a resolution.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, I want to say a few words on this resolution. I've had the impression that perhaps one or two of the northern members on the government side wanted to speak on it and I nearly missed my opportunity in waiting for them to participate. I'm sure if they didn't participate in response to the remarks of the Honourable Member for Portage la Prairie, they will no doubt have something to say in response to mine.

Mr. Speaker, the ideal and the principle involved in this resolution is certainly admirable, and there would be no one operating under ideal conditions in the economy, in ideal conditions in our society, who would not wish to see this kind of a provision introduced and this kind of a subsidy incorporated into our northern communities and our remote communities. It's very difficult for anyone to quarrel with it, because essentially it takes into account the fundamental problems of people in our northern and remote communities with respect to maintaining a reasonable standard of living under extremely adverse economic conditions - extremely difficult conditions, economic and otherwise.

The problem, of course, Mr. Speaker, is that we're not living or operating under ideal conditions; we're not living or operating in an ideal economy, in an ideal financial situation at the present time, and many elements in our society are handicapped at the present time due to the spiralling cost of living and the spiralling inflation that has plagued us now for 10, these many years. So that for my part, and certainly on the part of many of my colleagues, I think I can say that we find ourselves in something of a crisis of conscience in addressing ourselves to a resolution of this kind. Although we would like to give it wholesale support and endorsement, we have to be consistent. We have to consider the position that we've taken with respect

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(MR. SHERMAN cont'd) . . . to the economy as a whole. We have to consider the position we've taken for the last several years in this House with respect to government spending, with respect to the overall provincial budget, with respect to the pressures that all Manitobans and all Canadians find themselves in now because of the enormous wage demands facing many industries in many sectors of our public service, and because of the enormous increases in the cost of living generally.

So we have to say, Mr. Speaker, that the requirement here, while acknowledging the idealism incorporated and while acknowledging the desirability of this kind of a piece of legislation, or proposed legislation, we have to say that the basic requirement here is for us to look at what is realistic, what is viable, what is practical. What we have to determine here is the sane and sensible approach to the economy at the present time, the realistic thing to do to ensure that we don't put further pressures and further strains on that economy, to ensure that we don't load further inhibitions and encumbrances on the private sector as well as the public sector, to ensure that we don't heap further loads on an already heavily burdened taxpayer, to ensure that we don't put stumbling blocks in the way of initiative and enterprise that would undertake investments and undertake industrial projects that would help in the development of our province.

The dangerous clause, as I interpret it, or as I read it in the resolution, Mr. Speaker, is the clause that requests that this differential be always and automatically incorporated in our wage scales for the North. What's happened here in the wording provided in the resolution, is that we are being asked to lock ourselves in to this special concession for all time to come, and this particular phrase is one which I find extremely difficult to accept, notwithstanding the general admirability of the resolution itself. I don't think that it would be responsible of this Legislature to undertake a commitment of the kind proposed in this resolution that would lock the taxpayers of Manitoba and lock the economy of Manitoba into the unforeseen future, into the kind of provision required here. There are, as I have suggested, basic considerations that I bring against the resolution anyway, the basic ones being the question of just how far we can go in increasing the costs of our economy, but even if I could get around that kind of consideration in my own mind, I would still be unhappy with the phrase that asks that we provide for this differential always and automatically. That leaves no provision, no opening for questioning, for re-examination, for re-assessment under changing conditions, and I submit, sir, that in the teeth and in the light of the cost of living cycle that we live in at the present time, that that's not a responsible request to make of this Legislature or to make of the people of Manitoba generally.

I think that the level of differential proposed, 15 percent as a minimum - and the resolution talks about an increase or a differential that would be not less than 15 percent, so there might be in the mind of the proposer a differential of 20 or 25 percent here - I think that measured against the level of the differential proposed, we have to stop and ask ourselves what kind of discouragement to initiative and enterprise and investment in the North and in the remote parts of our province is implicit in that kind of a provision. And I suggest that there is a real discouragement to such investment and enterprise implicit therein. I suggest that there is even a discouragement to government involvement contained in that kind of a request, because the government has to face the fact that it is answerable to the people of Manitoba for its spending programs, and hopefully we on this side are going to be able to make the government face up to the excesses in government spending that we feel already exist.

Therefore, it would seem to me that a government, in looking at projects it was funding in the North or in remote areas, would be very much persuaded to take a second look at anything that was going to involve the additional expense that is envisioned and proposed here.

I know that northern allowances are already paid in the federal and provincial civil services, and I don't quarrel with those. I know that they are paid with respect to various other services of a federal and provincial nature, and I don't quarrel with those. They are built into our system. We acknowledge them as having been justified in the circumstances, and I am prepared to live with them. But what I'm talking about here is involvement, investment, initiative, public as well as private, of a new nature, that would be designed to help further the opening up and the development and the cultivation of our North and our remote areas. And I suggest that there is a real discouragement, both to the public investor and to the private investor, contained in this kind of an additional statutory expenditure.

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(MR. SHERMAN cont'd)

Further, Mr. Speaker, - and I think I discussed this point on debates of this kind before in earlier sessions - I am not convinced that continual increases in the minimum wage for any region, for any sector of the economy, really have the effect in the end that they are intended to produce. I think that there is substantial evidence that continual increases in the minimum wage merely serve to exacerbate and worsen the inflationary condition; merely serve to make it more difficult for the productive aspects of society, both public and private, to generate the kind of activity, the kind of job activity, the kind of income-producing activity, that helps an economy and a society to pull itself out of sluggishness and out of difficulty and achieve the proper momentum. I have not had demonstrated to me in my experience in examining this subject - which albeit is not all that great but nonetheless has been sincere - I have not had demonstrated to me any very persuasive evidence that would indicate that increases in the minimum wage have that kind of an effect. I think that the initial impact of an increase in the minimum wage can be read in a constructive way. I think that one always hopes that the minimum wage is going to raise the status and the living conditions of the workers affected, the average worker, but one finds quickly that that increase itself touches off, generates increases in other areas of the economy that over a very short period of time, combined, create the same pressures, the same heavy load in terms of cost of living on that worker as existed before. And at the same time they create additional problems that didn't exist before, because they tend to frighten off and to discourage the healthy development of public and private enterprise itself.

So I don't think that the answer to the problem of meeting the cost of living in the North and in the remote areas of this province, which I recognize is real, is to go on continually leaning on the public purse - and on the private purse - and requesting continual escalation in the minimum wage. I think it's a self-defeating policy and I think it's a total illusion, Mr. Speaker. I think that there are other measures that can be taken that can have a far more productive and constructive effect. I think there are practical programs in the area of housing and housing subsidies, in the area of pensions, pension benefits, in the area of profit sharing - which has hardly been touched by private industry in the province generally, let alone the North and the remote regions - in the area of vacation considerations, that can help to compensate for the heavier living costs that persons in the North and in the remote regions encounter. I think those are more productive, more creative, more constructive approaches to the program than merely going into the continual cycle of increasing the minimum wage and facing all the consequences and difficulties that come from that, year after year.

Basically, Mr. Speaker, though, my position is one, as I said at the outset of my remarks, of the dilemma of conscience that I, as a member of the Progressive Conservative opposition, face on a question like this. I have asked and my colleagues have asked, and I think we're sincere in continuing to ask, that this government do everything it can to restrain the increases in the cost of living that are burdening our society today. Insofar as it's possible for a provincial administration to contain the cost of living, to stop the spiral, we want to see this administration, with the moral support of the Opposition and the public at large, undertake whatever programs can achieve that, and it would be highly inconsistent, to say the least, for us to endorse a proposal of this kind which will in effect contribute to an increase in the cost of living in all of Manitoba, not to mention the specific areas cited in the resolution. So we can't I believe, sir, support the resolution at this time.

I believe, as I said, that the idea, the concept, the principle, is humane and good, but there are many ideal, humane principles that I would like to follow but which I recognize are totally impractical in the world and in the conditions which we experience at the present time. In happier times, I would be the first to endorse the resolution proposed by the Member for Portage la Prairie. In the times, that we live in, I think that the responsible requirement facing us is to do what we can to reduce or at least to hold the line on government spending and on the spirals to which I've referred. And I have never to my satisfaction seen it demonstrated that increases in the minimum wage do that. I think they have the opposite effect, and therefore I think that this is an illusory kind of a policy that, although it looks good on the surface, would turn out to be self-defeating and to worsen the situation for those very residents it's designed to help, and I would hope that, as I've suggested, some creative and constructive policies and approaches could be introduced in the areas of housing, pensions, profit-sharing vacations, and other aspects of life, that would provide for the special consideration which

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(MR. SHERMAN cont'd) . . . residents of the North and of the remote regions of our province deserve. Those programs would far better serve them than resort to a type of bureaucratic handout which, in the end, only worsens the inflationary spiral.

MR. SPEAKER: The Honourable Member for Swan River.

MR. BILTON: Mr. Speaker, I just want to say a few words on this particular resolution. First of all, may I say that I agree with a good deal of what the Honourable Member for Fort Garry had to say, and I also would like to register my amazement that no member from the government side, particularly those northern members, would not rise on this occasion to outline, at least, to the members of the House and hopefully the public at large, as to the situation as it affects the people in Northern Manitoba by way of income. I don't entirely agree with increasing the minimum wage as such, but it always has been the interest of the people of Manitoba, and certainly Canada, to encourage people to go into Northern Manitoba, not only to live but to help develop that country, because as far as Manitoba is concerned, in my humble opinion, that's where the wealth of the province is, and as I've said before in this House on other occasions, somehow or other we've got to get our young people to turn their heads and their eyes to the North and endeavour to build it up.

I've always said, Mr. Speaker, that the people in Northern Manitoba pay a premium in developing that great land. Everything you can speak of - hydro, telephone, ambulance service, freight, - are at high level. High level. The City of Winnipeg, being the capital of the province, is of course the attraction for northern people for many reasons and, as a consequence, they have to find the wherewithal to travel here, live here, take care of their business, and go back again. My thinking along these lines, Mr. Speaker, as a former member of the task force that was mentioned by the Honourable Member for Portage, is that the government in its wisdom would look at the income tax structure in an endeavour to induce people to move into Northern Manitoba and settle. I know the school board and hospital boards have their problems in presently attracting people to serve in those very important jobs that have to be completed on behalf of the people, and while I cannot support any increase in the minimum wage as it's set out in this Resolution, I would appeal to the government in their deliberations when talking about the tax structure in the future to give special consideration to people north of 53 in income tax relief and concessions, if for no other reason than to encourage those that are there now to remain and encourage others to come north and help develop this province.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Thank you, Mr. Speaker. I do wish to make a few brief remarks on this Resolution. I listened quite carefully to the Member for Fort Garry and the Member for Swan River, and at least I've come to the conclusion that they do agree that something must be done in the North. The Member for Swan River says, well, let's use the income tax base or use something else; the Member for Fort Garry has indicated what about housing and perhaps some other incentives - and I would likely agree with that. But the point is that none of those things are happening at the present time, and I feel that we must give some consideration, at least have a starting point, to do something for those people in the North.

Now, I've listened quite carefully, Mr. Speaker, and in my opinion and the studies that I have looked at - and almost every province has conducted studies - the minimum wage has never, has never discouraged industry or development in any province. Has never done - not the minimum wage, Mr. Speaker. In fact, it's the highly skilled, the highly skilled labour, that has attracted industry in every province. The highly skilled labour. And that means highly paid wages. That's what attracts industry, Mr. Speaker. The Province of Nova Scotia and the Province of Ontario have done voluminous studies, large studies. Their Department of Industry and Commerce has done these studies and those studies indicated that the low wages do not attract industry and do not develop them. But I agree that if we can - and I'm not saying that this is the best system, but I feel that we should start somewhere and perhaps this is a good starting point, a good debating point, that we could say okay, if the minimum wage is not acceptable, perhaps something else is. And I'd say, well let's be serious about it and let's look what we can do. Sure, I'd be happy if we can give consideration to housing and pension and some other benefits. The problem here, Mr. Speaker, is we're not concerned about the unionized people because they can negotiate for themselves, they can get pretty high wages, but the people - and you know, there's only a very small percentage of the people in this province that have that advantage and many have not the advantage of the bargaining process so they have to

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(MR. PATRICK cont'd) . . . get the wages that are available. And this is what I'm talking about.

I know the Minister of Labour has indicated that he felt extremely sad and sorry that some of the secretaries have to work for \$4,200 for the government in Winnipeg. Well, Mr. Speaker, what about the secretaries in some of the remote areas that have to work for that salary? And the cost. Now let's come to the cost, Mr. Speaker.

The Minister of Industry and Commerce last year released a study to this House, the Cost Index for Northern Manitoba, and he had - I haven't got the report in front of me but perhaps when I close the debate or the member for Portage when he's closing debate he'll have it with him - had indicated the cost studies that were tabled in this House last year for Northern Manitoba. The differentials were as much as 60 percent in some remote areas and some areas had as high as 80 percent, a difference in cost of living between the City of Winnipeg or Dauphin and, say, the remote communities in the North. So, Mr. Speaker, we know that the living costs on the average are perhaps 40, 50, and 60 percent higher. We know that accommodation is higher. We know that the food cost is much higher. I know this Resolution, I know when the northern commission studied and looked at the problems in the North, this is one of the areas they have debated and discussed, and I'm not sure if it's one of the recommendations in that commission. I understand that it was, but if it isn't then I wish to be corrected, Mr. Speaker. I know that the NDP membership at the last convention had this Resolution on the floor, or had this point debated on the floor quite extensively, and my information is that the Premier had to get involved and sort of put the fires out, and said well yes, we agree with the principle completely, but it's pretty difficult to implement. And I agree. It would be difficult to implement, because every city or every community has a different cost of living and this is a difficult idea. But I know many developing countries have used this principle.

The Member for Fort Garry has indicated that Provincial Government employees and Federal Government employees at the present time do get a cost of living bonus for northern areas, so that at least we know that the principle has been established that the people in the remote northern communities really are at a disadvantage and have problems because the cost of living is much much greater.

The other point that I wish to bring to the House, I don't know if any other members had the opportunity but I'm sure the Member for Fort Garry, perhaps, if he hadn't maybe he should explore this. I had the opportunity to talk to a large group of university students and to ask them a specific question: would they take up job opportunities in the North? And they said they would if their differential in pay would be much different. And if you don't believe me, talk to the teachers, talk to many people, and you'll find you have a difficult time today to get nurses to go into remote areas. You can get doctors into the remote communities, so --(Interjection)-- they're not on minimum wages, Mr. Speaker. They're not on minimum wages, so if you have the difficulty of people going into remote areas, they're receiving large salaries, and the only way they'll go into remote areas is if there is a substantial differential to cover the cost of living between, say, cities of Winnipeg or Brandon and the remote areas in the North. If they wouldn't go, well it's pretty difficult for somebody to go on minimum wages.

As I mentioned, I did have the opportunity to talk to many students and I raised this specific question to them directly, and they said, "Yes, we would be attracted to go, but there must be a cost of living, there must be a differential in wages, and what's the sense of taking a job in a remote northern community if my salary is going to be the same as in the City of Winnipeg?" So I think we must accept the fact, and I'm sure that all the members are accepting the fact that we must sort of come to grips to try to do something in this area. The Member for Swan River did indicate he'd like to see probably the tax base, and that could be used, I'd be much agreeable to that, and/or some other theories, but the ones who are, I feel the unfortunate ones, who are not in any bargaining unit, who have to sort of fight for themselves, these are the ones that I'm concerned about, Mr. Speaker. So at least we can accept the principle that there must be something to have these people go into the remote areas, and I think if we're really concerned about developing northern communities, again I want to point out it's not the minimum wage that attracts any kind of development, it's the highly skilled wages that attract industry and development, Mr. Speaker.

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MR. SPEAKER: The Honourable Member for Thompson.

MR. DILLEN: Thank you, Mr. Speaker. It's pretty hard to imagine what a difference a year makes. I got up in this House last year and I was opposed for many reasons, and many of the same reasons that the Member for Fort Garry has put across to us this afternoon, that I was opposed to an increase in the minimum wage last year. And the Member for Roblin got up and said to me, "You're against giving more money to the people of the North. You know? And here I am also opposed to splitting this province in two and having one rate for one group on another side and a rate for another group on the other side of a given line across the province; because, you know, I have been accused on many occasions of attempting to divide the province into the North and the South. And what a minimum wage increase in the North will probably do is add to the alienation of that part of the province.

That is not what is needed in the North, an increase in the minimum wage of 15 percent. You know, the Member for Assiniboia made reference to 70 and 80 percent differential in the cost of living in some places in Northern Manitoba. Good grief! If the minimum wage is just over \$2.00 an hour and you have a 70 or 80 percent differential between Winnipeg and an area of the North, what lousy good is 15 percent going to do? The Member for Assiniboia made reference to what attracts industry to a given area is the availability of skill, not the minimum wage, and I agree with that. And the reason that industry has not located in the North in some of the remote communities is because there is a lack of skilled people, and the emphasis of this government over the past five or six years has been on skill development. And I can name five or six programs that are ongoing at the present time. There's the Indian and Metis, the IMPACTE Program; the Brandon University Native Teacher Education Program. These are the types of programs that are necessary in order to have the people of the community teaching the people of the community and then increase their skill capacity so that they're able to earn more. And, you know, it doesn't make any sense to increase the minimum wage in an area that has no jobs. You know, what does it do? It doesn't do a damn thing. If there are no jobs, then how do you encourage industry to relocate to an area where there are no jobs, if there is no skills there for them to take advantage of or to make the wheels of the industry grow?

You know, the federal and the provincial governments and we're no exception, have always taken the position, at least up until a few years ago, that the remote community was a source of manpower and existed for no other reason. But a manpower for what? You know, manpower for cutting trees, manpower for pushing canoes, for guiding tourists, for doing some trapping for the very minimal types of work, for the cleaning up. And all you do by increasing the minimum wage is contribute to that type of mentality, that the remote communities - that that is all they're capable of.

I'm pleased that the Member for Fort Garry has acknowledged that there are difficult conditions, and I think that that was the word that he used. But attempting to put more money into the hands of people with an increase in a minimum wage doesn't do anything to eliminate the condition. You know that the minute there is any additional money in the community, you know, there's no control over the one store in the community, if he sees that there's an opportunity to increase his price, because he's caught in that price, too, transportation goes up, everything contributes to those increased costs. The Hudson Bay Company and the chartered carriers and everybody else will end up with . . . help absorb the increase.

You know, there are other things that we have done. The Northern Manpower Corps, for example, they're just getting going in the manpower development field, and it has done some tremendous things. I gave you, for example, the Churchill experience you know, where there was - even with the Pan-Am operation and the military and the Harbours Board, and all of these other companies operating in that area, there was a massive amount of local unemployment. So it became necessary to introduce some program that would increase the skill level to the point where they are in demand, and it wasn't easy. You're working with people that had never developed a work experience, a work ethic, that dictates that you have to get up at a certain time, go to bed at a certain time and punch in at a certain time and lunch at a certain time, coffee break at a certain time, that type of experience was never a part of the life. So there was a massive training program that increased that skill level and now you wouldn't know that you were talking to the same people today that existed five or six years ago. That's only one example. And there's other ways that we can reduce the cost of living.

There was a time in my experience shortly after 1968 where we had a young man with

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(MR. DILLEN cont'd) . . . a child that became very ill, and as a result of that, had to be flown into Winnipeg by charter aircraft at a cost of, in excess of \$1,000 - I'm not just exactly sure, my memory escapes me to what the exact amount was - but the cost of transporting that sick child because of an emergency and with an accompanied nurse kept him poor, he had no hope of ever recovering from that debt for three or four years, because you know, he had all of his other commitments to make as well. So, as a result of that, we introduced a Patient Air Transport Program that pays the cost of transporting sick or injured people out of remote communities and out of the North where there is a need for specialized treatment here in the City of Winnipeg, and it's the only place in the province where that treatment is available. But that has had a significant effect on reducing the cost of living for that person in the North.

You know, reference was made here as well to nurses and doctors and university students, saying that they would not go north unless there was a significant shift in the salary that they would earn for going north, a differential in that salary structure.

Well, you know, I don't know what that has to do with a minimum wage because anybody that gets out of the university, if he was going to work at the minimum wage could work at a minimum wage here in the City of Winnipeg. But he won't do it. If he's sufficiently qualified for a particular job he could earn as much here in the City of Winnipeg or go further south, go across the border, go east or go west, but that has no relationship to the minimum wage.

Somebody made reference to the income tax structure and that's a great sounding thing for the purpose of northern development. You know that some people have come to me and said, "You know, Ken, look at that. I paid \$400 this two-week pay period in income tax alone," on his income deductions - "And I make no bones about it." You know, I don't look at the income tax side a pay cheque that I earn when I'm on construction. Income tax, I pay that. That's my road and that's my school, and that's my hospital and that's all of the other things that I take for granted in the community. That's what I'm getting for that side of the coin, or that side of the pay cheque. But what I look at is net. And you know if you follow that through, and I explain to people that come to me and say, "Well, we should have a reduction for living up here." But the majority of the people that say that have houses down here. Their families are here. They are only going north to work on construction. And how do you differentiate between the person who is living and maintaining a domicile in the south as somebody that . . . --(Interjection)-- Well, unless you can dictate to that person that he should go there, he has the choice to live in his province wherever he chooses. I simply tell the people that they would not pay taxes if they weren't making so much money. You know if you don't want to pay taxes, if I didn't choose to pay taxes, I would wash dishes in a restaurant, or some other form of menial task, or work less hours. But I think that while we're talking about this subject - I'm not opposed to an increase in the minimum wage. But I think those emphases on the things that I have described have got to be continued.

So, Mr. Speaker, I would like to move, seconded by the Member for Ste. Rose, that Resolution No. 19 be amended by striking out every word after "THAT" in the third line of the RESOLVED portion, and insert in its place the following: "Where a higher minimum wage is considered essential because of higher living costs in a region, the needs of the particular region shall determine the level of minimum wage for all of Manitoba."

MR. SPEAKER: Moved by the Honourable Member for Thompson, seconded by Honourable Member for Ste. Rose, the amendment, that Resolution No. 19 be amended by striking out every word after "THAT" in the third line of the resolved portion and insert in its place the following:

WHERE a higher minimum wage is considered essential because of higher living costs in a region, the needs of the particular region shall determine the level of minimum wage for all of Manitoba." The Honourable Member for Birtle-Russell

MR. GRAHAM: Mr. Speaker, I beg to move, seconded by the Honourable . . .

MR. SPEAKER: Order please.

MR. GRAHAM: Mr. Speaker, the hour being 5:30. . .

MR. SPEAKER: I will call it 5:30, and leave the Amendment open. The hour being 5:30 I am now leaving the Chair to . . .

MR. GREEN: We have no objection to call it 5:30, as if the Member for Birtle-Russell was speaking at 5:30.

MR. SPEAKER: Very well. The hour of 5:30 having arrived, I am now leaving the Chair to return at 8:00 p.m.