

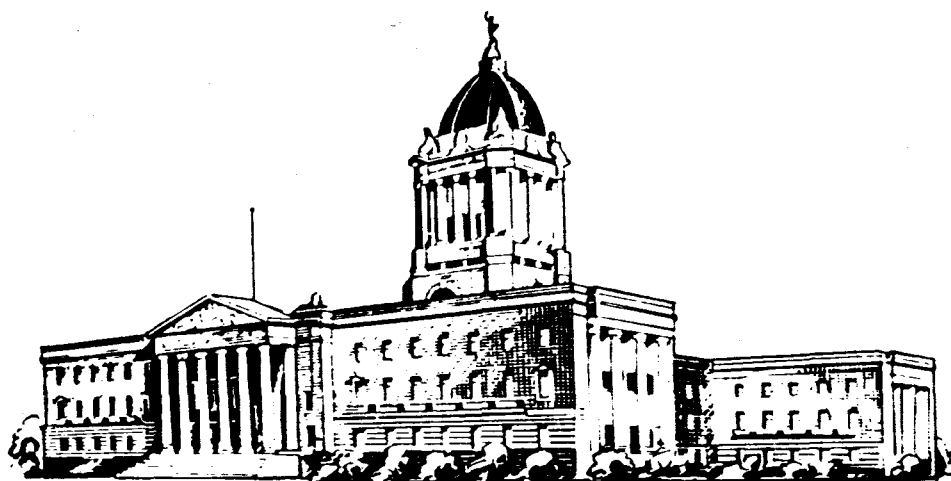


Legislative Assembly of Manitoba

**DEBATES**  
and  
**PROCEEDINGS**

Speaker

The Honourable Ben Hanuschak



Vol. XVII No. 56 8:00 p.m., Tuesday, April 28th, 1970. Second Session, 29th Legislature.

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THE LEGISLATIVE ASSEMBLY OF MANITOBA  
8:00 o'clock, Tuesday, April 28, 1970

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have with us 34 pupils of the Explorers of St. David and C.G.I.T. These girls are under the direction of Mrs. Pierce and Mrs. Kawa, and are from the constituency of the Attorney-General and the Minister of Consumer and Corporate Affairs. On behalf of all the Honourable Members of the Legislative Assembly, I welcome you here this evening.

The Honourable House Leader.

MR. GREEN: Mr. Speaker, I was going to ask you to call Bill No. 32 but I notice the Honourable Member for Roblin is not here and I assumed that he would want to have this matter stand. That being the case Mr. Speaker, we'll just call the Supply motion.

MR. CHERNIACK: Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Consumer and Corporate Affairs, that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

MR. SPEAKER presented the motion.

MATTERS OF GRIEVANCE

MR. SPEAKER: The Honourable Member for Gladstone.

MR. J. R. FERGUSON (Gladstone): Mr. Speaker, I rise on a matter of personal grievance involving a question of urgent public importance, namely the flooding of the Whitemud river in the Gladstone area. Now during the past two days, and over the last ten years, we have gone through this little annual affair I believe in this House. The Whitemud river, as my predecessor Mr. Shoemaker explained many times, is the main drainage system of the Carberry, Gladstone, Franklin and the Eden areas. We have the south side of the Riding Mountain area and it is fed by various creeks and ditches, etc., that flow its way towards Lake Manitoba.

Now all of the general streams form one body at Arden, and from there it is a general southeasterly trend to the Lake, gathering speed and water as it goes. Though we recognize, Mr. Speaker, that the flow has not increased appreciably in the past five years, we also know that the condition under which the water is reaching the river has changed considerably. Each year there are bigger drainage ditches and a few more trees being cut, and this has led to a gradual increase in the speed of the run-off. This year seems to be one of general lateness of the spring, and in addition, some of the areas north of Neepawa and in the area had up to 40 inches of snow, wet snow in this last ten days that we have gone through of snow, and it has set the stage for possibly, and without a doubt, the worst flooding that we've ever experienced in that area. In all the areas that I have mentioned, the roads, culverts, bridges, etc. are impossible, and in many cases the roads are completely destroyed. Yesterday I went through the area with the members of the Water Control and their estimate of the damage from Gladstone through to the Riding Mountain was a million and a half dollars. And that was yesterday.

Now since that time there has been a considerable extension of the flooded area. I was talking to the Minister of Municipal Affairs this afternoon and they are calling for barges, boats and anything else that's available, sand bags to be rushed to Westbourne, and this was to be expected. When I returned this morning to Winnipeg from Gladstone the whole area right from Gladstone to Westbourne, which is about 15 miles long, and as far as the eye could see, probably 3 or 4 miles, was a complete mass of water. In this area many of the farmers have spent the past 48 hours moving their cattle out of feedlots, loading their hogs and other material or other animals onto trucks and getting them out of the area, chasing them up on dugout banks - and they are getting pretty well practised at it, it's become a kind of an annual affair - and the loss to the producers in this area in stored grain, buildings, etc., is getting just a little bit much.

The press has made a pretty good job of covering the immediate town of Gladstone - a new school, a quarter of a million dollar school with 4 feet of water in it, 40 houses half full of mud and the rest water. It has reached a point, Mr. Speaker, where the people along this river system are becoming a little bit more -- well, I don't know, you'd say a little more concerned with having a little action done possibly on some of the headwater areas in control rather than being the stars in the annual TV and press deal which we have been getting.

(MR. FERGUSON cont'd.)

As I pointed out, Mr. Speaker, the intensity of the flooding is becoming a bit more each year. Last year during the fall session I asked - he's not in his chair - the Minister of Mines and Natural Resources, he's now Industry and Commerce, what steps he would take to ensure the protection of the Gladstone cemetery. This is only one particular instance that I brought up and his answer was that the municipality was supposed to dike it, which they did. They diked it to a level with Highway 34, and yesterday morning the dike was out, four feet of water on the cemetery, and I think that the Gladstone Cemetery is one that the inmates have their annual four feet of water on anyway. Most cemeteries don't require the occupants to have this, but this is one of the blessings they do have if they're buried in the Gladstone Cemetery.

I also asked if any plan had been developed to control the spring run-off of the headwaters of the Whitemud, and if I recall I think the answer was that the damage didn't warrant the expense. Well a short while ago, as I mentioned, the water control fellows yesterday estimated their damage, without any private property, at a million and a half dollars. This was from Gladstone west, so this figure could easily double.

I realize that the present government has had little time to develop a policy. However, I would like to ask the now Minister what, if anything, is scheduled in his estimates for flood control in the Whitemud, and if anything, I would certainly like to hear what it is when he brings down his estimates. We have seen in the past decade, the past 10 years roughly, a plan whereby the Red River has the Winnipeg Floodway, which has more or less eliminated the danger of flooding in the City of Winnipeg. On the Assiniboine River we see the Shellmouth Dam; we've seen the Portage Diversion, and it's more or less ensured the safety of the villages, towns and agricultural land along the way. Actually, the Whitemud system now I think is recognized by Water Control and by all concerned that this is one of the more hazardous rivers there are now in Manitoba. With the completion of the other major flood projects, I would hope that some program may be forthcoming from the present government and started immediately, especially in this next year if possible, because the people of the lower reaches of the river just can't keep going on like this. There are every year this business of evacuating your cattle, pumping out your basement, moving your deep freezers, furnaces, motors and all this sort of thing. It isn't as though it's something that happens every 25 years or something like this; it's happening every year now and it's impossible for the people to develop any enterprise, knowing that at any time it can be destroyed, and in many cases it's being destroyed annually.

Compensation has been a bit of a help and the announcement, the question today from the Minister, the Premier that possibly -- or not possibly, but that the same routine would be followed that was followed in the 1950 flood and the floods since that time is a bit of a help, but basically the solution has got to start at the headwaters and the people in the lower reaches are not responsible for what has gone on up there and what is going on. They are at the mercy of the flood waters and there's nothing they can do about it. The only thing that can be done is government help and it wouldn't possibly take this much, providing a certain percentage was even cut down. Possibly if it was 25 percent, at least a program was started that would ensure that at some time, possibly in the next five years or something like this, that there would be some measure of security, why I think this would go a long ways towards easing the people's minds.

But as I stated, Mr. Speaker, they just cannot keep going on like this and I would expect, and I would hope, that the Minister will have something in his estimates that will at least recognize the fact and we'll at least have something started towards a little bit of alleviation of this situation. Thank you.

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

#### COMMITTEE OF SUPPLY

MR. CHAIRMAN: We're dealing with the Department of Consumer and Corporate Affairs. The Honourable House Leader.

MR. GREEN: Mr. Chairman, if I can just escape quickly with one comment which is not strictly relevant, I want the Member for Gladstone to know that I'll be answering him during my estimates.

MR. CHAIRMAN: The Honourable Minister of Consumer and Corporate Affairs.

MR. MACKLING: Mr. Chairman, the last day we were dealing with some questions raised by honourable members in respect to the new Department of Consumer and Corporate Affairs, and some points were made in respect to an apparent lack of publicity on the part of the Bureau, that a substantial number of people were not aware of the role of the Consumer and Corporate Affairs Branch and the indication was that there hadn't been sufficient publicity given to the work of the Bureau. I accept that the Bureau has not provided a sufficiently large advertising or publicity campaign to have drawn the attention that it otherwise might to its operation. It has of course been formulating policies in respect to a program for education and advertising, and I have the outline of a program which has been prepared by the department and which seems to me to indicate that there will be an extensive publicity campaign carried out by the department, the total cost of which, as is indicated in the estimates, to total \$53,650.00.

Now that may not in the minds of some members be a sufficiently large sum but I think that's a very healthy beginning. That, for honourable members, is included in the item "Other Expenditures". The Other Expenditures are \$73,800, and of that, \$53,650 is for publicity and advertising and so on. So I want to assure honourable members of the House, and those who have expressed some concern in respect to the degree of publicity provided in respect to the Bureau's operations, that there will be a publicity program prepared and developed and carried out by the Bureau in the ensuing year.

I think that on the last occasion I spoke in respect of the estimates that I did allude to the matters raised by the Honourable Member from Fort Garry in respect to the application of the Bureau to such matters as the cost of living, rents and so on, and I don't want the honourable member to think that the Bureau is not responsive to any and all phone calls or applications for information or assistance of any kind dealing with the consumer at the consumer's level. But in respect to the matter of rents and rent controls, the Bureau is not designed as a rental control agency. It did however, as my opening remarks revealed, pass along information in respect of landlord and tenant complaints to the Chairman of the Landlord and Tenant Committee. There had been a couple of what appeared to be very serious cases of harsh treatment on the part of landlords, and in respect to that area dealing with landlord distraint where actions had been carried out by a private bailiff, the Bureau has been active. As most of the honourable members know, the Bureau is responsible for the licensing of private agents, bailiffs, under the provisions of that Act, so there is some measure of discipline available to the Bureau in respect to those matters and I can assure honourable members the Bureau is being very watchful in that connection.

Now the Honourable Member from Fort Garry was suggesting that perhaps this Bureau was sitting back and waiting for complaints. In large measure the Bureau initially must do that. Hopefully, with an expansion of program, education and research, there will be a further development of this Consumers Bureau to the point that there'll be more investigative, a larger investigative role on the part of the Bureau and they will go out investigating first hand a larger number of complaints than presently. But I can assure honourable members that the work of the Bureau has already had a substantial impact in the retail field, and I'm given to understand that some of the major retailers, some of the concerns throughout North America are looking at our Act and are developing programs to accommodate the provisions of that Act.

The Honourable Member from Portage la Prairie, who unfortunately isn't in his place at the moment, did make a suggestion in respect to the provision of an Annual Report to the House on the part of the Bureau, and that's a suggestion that I think may be reasonably considered by the Bureau. It could well be that this would provide the basis of a report that could be made public annually, and would be helpful in any case because this sort of information would ordinarily be required for departmental purposes, for most other purposes of determining the effectiveness and evaluating the effectiveness of the departmental program. So I say that we will certainly consider whether or not that is feasible or desirable and consider that in future.

There was a question also by the Honourable Member from Portage la Prairie as to whether or not in fact the Consumers Bureau and its program may be substantially overlapping a program of the federal Consumers Branch and Consumers Bureau and legislation under the federal Act. Well I want to assure honourable members that our Bureau is in almost constant contact with the federal consumers agencies and there is a co-ordination of effort in this field. There is no conflict between the various agencies and close liaison is maintained, as is liaison maintained with other interested consumer bodies such as the former Consumers Bureau.

(MR. MACKLING cont'd.) . . . . . That isn't the proper name, I'm just trying to think of that name. -- (Interjection) -- No, remember the old consumers bureau? The Better Business Bureau, I'm sorry. It's called the Better Business Bureau not the Consumers Bureau, and there's still an effective liaison maintained and there's no conflict between the operations of that organization.

There was some question about hearing aids. Well, I think I heard the submission on that fairly clearly, and I have a belief that there will be some further consideration of the whole question of the adequacy of hearing aids and provisions for their licensing of salesmen and so on some time later on in the session or in the year. It's a matter that's been under active consideration by the department of my honourable colleague the Minister of Health and Social Services because there are a large number of people with whom his department comes in contact to whom these devices, hearing aid devices are a real necessity and a vital aid.

There was a further suggestion that perhaps a fair advertising code should be considered. Well this is an area in which the Federal Government has indicated a major concern and I think this is a matter which will more fully develop under the aegis of the Federal Consumers Branch because advertising is national in concept at least on the part of the large advertisers and the large retailers and the most effective programming can be at the federal level in this respect.

The Honourable Member from Portage la Prairie also referred to a type of investment contract that he was concerned about dealing with the work of the Department of the Securities Branch, dealing with the question of long-term investments where front-end loading is a possible problem. I'm quite aware of the concern that has been registered throughout Canada in respect to the whole field of investment contracts and the Federal Government, although it's not particularly a federal authority under the provisions of the BNA Act, has taken the initiative of convening a study in respect to the whole question of mutual funds and contracts which fall into the category of long-term investments where there is a charge made in respect to commissions and other charges in respect to the initial sale of the investments. And this is a study that is a very complex one. I have a very substantial file on it and I'm sure if any honourable member has a particular concern as to the stage of the enquiry in this matter, I'd be most happy to review it with him. But it is a very detailed study that has been made and which is an ongoing one on the part of the various provinces throughout Canada who have securities departments.

I think, Mr. Chairman, that answers the particular questions that had been raised at the last discussion.

MR. CHAIRMAN: The Honourable Member for Swan River.

MR. BILTON: Mr. Chairman, I wonder if the Minister could inform the House as to whether or not this particular Department of Consumer and Corporate Affairs have looked into the problems that the Northern Task Force unearthed and the complaints they received of the high cost of living, and if anything is being done to make a study of that area in order to do something to assist the people in those isolated communities that have a feeling that they are being exploited in the purchasing of merchandise and the necessities of life. I wonder if there's anything he can report on that.

MR. CHAIRMAN: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Chairman, I wish to make a few remarks at this time on this department. I did not hear the Honourable Minister last night and do not have the opportunity -- perhaps maybe some of the things he has already mentioned. If he did, I'll read Hansard so he may not have to repeat. But I would like to know if there's any, at the present time, co-operation between the Consumer and Corporate Affairs of the Federal Government and the consumer protection here in Manitoba, because it appears to me that there may be some areas where there could be duplication and a waste of money and I think there could be some co-operation in some areas where perhaps a better job can be done and we could save some manpower and money.

I would also like to know what kind of an education program that the Minister has after the Act was proclaimed last fall, because that's one of the things that I stressed at that time, that the Consumer Protection Bureau should do a large amount of consumer education in having material prepared for distribution to many consumers in many areas, and I don't know to what extent the Minister has done this.

The other point that I'd like to raise is about a cheated consumer to be compensated.

(MR. PATRICK cont'd.) . . . . . I feel a method of combination penalty and probably restitution, taking the profits away from the unscrupulous person who's been selling, and in some way some of this profit can be used to pay back to the person that has been cheated.

I also wish to point out at this time it was last year when the Act was introduced in this House, and at that time I said to have a worthwhile Consumer Protection Act that we would have to have some sort of registry of conditional sales to make it worthwhile. It seemed at that time that I was not convincing enough and the government was not prepared to accept it, but I see this year in the Throne Speech - and up to this time we did not have an amendment to the Act - but the government had stated that they will be introducing law to protect resale of goods, and I in one way am happy that the government is doing this, but as well I can be critical because I think this should have been done when the Act was introduced in this House last fall.

The other point that I wish to mention at this time that concerns me, does the department or the Bureau follow any of the present advertising, and of course I'm referring to such things -- what I'm mostly concerned about is fair advertising. There's such things as false advertising, referral sales, going-out-of-business sales, or terms used such as "wholesale" by many merchants when in actual practice it's not a wholesale house. I think that these are things that the Bureau can be doing a job and checking, if these are really fire sales or are they discount sales or not, because you don't have to go far down the avenue and see many of your houses are using that method of advertising which I'm not so certain is good business.

The other point that I would like to ask the Minister, I understand that the licence fee for some of the collection agencies that have been passed by Order-in-Council, I understand, are somewhere between a hundred and three hundred dollars per agency. To me it appears it's a very exorbitant figure; I think it's almost a very high tax. Many of these agencies, as you know, are one man or a man and a wife operation, and I don't think they generate that kind of revenue. Probably some of them are maybe making seven or eight thousand dollars a year and a \$300.00 licence fee, to me, looks like a very high and exorbitant figure.

I just heard the Minister briefly say that at the present time you haven't been doing any investigation; all you have been dealing with is if any complaints come to the Consumer Department or Bureau, but you haven't been checking anything, the department on its own, or its own investigators. I know there must be many people who are not familiar that there is such legislation - you know, consumer protection legislation - and maybe they're not familiar there is such a thing as a Bureau where they can take their complaints. There must be some proper method of publicity or advertising so more people would be familiar with the legislation.

I think that in an area of consumer protection there's probably no other place it's more evident than amongst the poor and that's the ones who are usually exploited. I feel that this is an area that we should concern ourselves with and I'm sure that the business community has not complained since this Bill came into effect in respect to the job the Bureau is doing, because really, I think no one suffers more from this type of widespread dishonesty in the market place than the good business, than the good proprietor. So I'm sure that the business community has very much accepted the legislation, but I really do feel that not too many people are fully aware that legislation exists and perhaps the Minister can explain some of the points that I've raised here at the present time.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. HARRY ENNS (Lakeside): Mr. Speaker, I don't wish to be repetitious about anything that has been said about this department but I did want to take just a moment's time of the committee to indicate to the Honourable the Minister responsible for the Department of Consumer Affairs that it's a function that I'm sure the Minister is aware and appreciative of how important this is to the people of Manitoba, and quite frankly, Mr. Chairman, one that I regret very much that I, when I was part of the previous administration, did not act with greater expediency in having it in fact brought to the service of the people of Manitoba. It was in the formative stages as part of the package consumer legislation, but I must admit, Mr. Chairman, that we rather dragged our feet on this particular aspect and perhaps that's one of the reasons why we're on this side of the House at this particular time.

I want to say simply this from personal experience, that the Bureau is working effectively; it's working effectively in those areas where it counts, with people that have genuine problems, with people that have genuine complaints, and I wanted to just simply indicate to the Minister that it's performing a most worthwhile service within the broader community in Manitoba and that I have had personal reasons to be appreciative of its services in having been able to direct

(MR. ENNS cont'd.) . . . . constituents to the Bureau, and I must say have had them reasonably promptly acted upon by the Bureau. It's a function or a service, and I'm sure the Minister will agree, that the free enterprise society - as I like to be a spokesman for - welcomes, as I believe was indicated in the closing remarks of the last speaker. We welcome it most heartily because, as was already said, it is the genuine and the respectable and the honest businessman that is hurt more by the malpractice of those that don't play the game by the rules of good business and by the rules of honesty in dealing with the consuming public.

So, Mr. Chairman, I realize I've said nothing that I request the Minister an answer for, but I just wanted to indicate to him that the Bureau, as far as I'm concerned, is working admittedly in its fledgling steps, but it's working well and I look forward to it working well and indeed expanding its operations.

MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, I'll be brief. I'd just like to say for purposes of identification that that really was the Honourable Member for Lakeside who was on his feet a moment or two ago, and even though he may have been unrecognizable both from the point of view of his hair style and his remarks, I want to assure honourable members that it is my colleague from Lakeside and that beneath that hirsute exterior there beats a mind of pure gold, and he gave eloquent testimony to that in his remarks a moment ago in which he paid tribute to the work of the Minister and the Department of Consumer and Corporate Affairs.

I just would like to say in rejoinder to the Minister, Mr. Chairman, that -- (Interjection) -- Yes indeed.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: What advice does the Honourable Member for Fort Garry have for his colleague relative to the old saying that "Since beauty is only skin deep, it's whether or not one changes his ways that counts."

MR. SHERMAN: Well, I would subscribe to what I'm sure is the philosophy of the First Minister, that "handsome is as handsome does". At the same time I'd remind him that this is going to be an interesting Centennial summer; there are rock festivals and other activities of that kind coming to our fair province. There is even a possibility that a road show of the currently popular musical "Hair" will be finding its way into our territory and I think the First Minister would be one of the first to agree that my colleague has some thespian talents which he displays from time to time both outside and inside the Chamber, and you combine those talents with the mind that I referred to a moment ago and what is really a genuine and simple heart and that hairdo, I think there may be a new career opening up, but I hope not before he has given long and faithful service to the party to which both of us belong.

I just want to say in rejoinder to the Attorney-General, the Minister in this case, Mr. Chairman, that I didn't intend to imply by anything I said last night that I thought the Consumer Bureau should be crusading overtly and directly to introduce rent and price controls, but what I was attempting to say, in perhaps an inarticulate way, was that I think the Bureau should make its presence felt in the whole field of consumer affairs and that moral suasion might be brought to bear from time to time and that the effect and the impact of its existence and its presence might help to discourage some of the more unreasonable increases in certain areas of the cost of living. I think that perhaps the occasional statement from the Director of the Consumer Bureau, or perhaps from the Minister, in the area of consumer prices and the economic difficulties that much of our society is faced with today in terms of the cost-tax-price spiral might be helpful to help persuade those who have some influence in the construction of these price scales to be cautious and reasonable in their approach to the subject. That really was the intent of my remarks in that area, Mr. Chairman.

And finally, as I take my seat I would like to ask the Attorney-General, did I miss his comment on the reduction in the estimates for the Public Utilities Board and the Securities Commission? I asked a question last night, why are these two agencies being cut back in their, at least in their financial wherewithal, and therefore in their scope and their capacity to perform their services. Now he may have answered that question when I was out of the Chamber; if he did, I'll read it in Hansard, Sir.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, I must confess I was not here last night because of other duties and I missed the Honourable Minister's opening statement on this department. -- (Interjection) -- Didn't miss much? Well regardless of what he said, I still feel that I always



(MR. FROESE cont'd.) . . . . . like to hear the opening statement so that I needn't ask questions unnecessarily.

Most members will recollect the passing of the Consumer Protection Bill last year on which work was done and carried on for a number of years before it culminated in the actual legislation. I'm rather interested to hear from the Minister how the Act has worked out, how the legislation fares. First of all, he could probably inform us whether the Act is fully proclaimed or not. I know the Act is subject to proclamation on a certain date. What has been the experience of this legislation in connection with the effect of obtaining credit by people? I think this was one of the matters that was brought up when the legislation was discussed, whether it would have an adverse effect on people to obtain credit and it might increase the cost of credit to certain people. Then the matter of prepayment privileges, are they being carried out as per Act? The disclosure of cost of borrowing, has there been any opposition to this from the free enterprise world or the commercial people? Have all the forms been printed and so on, and are they available? I think this was probably one of the delays, if any, in carrying out and proclaiming the Act in full.

The matter of a central registry in connection with chattel mortgages was discussed during those years as well. I forget now, it's not part of the bill if I'm correct, and I forget whether we passed any legislation in that respect. I guess we did not. What is the department -- is it still considering bringing in legislation in that respect, because this has been of interest to me and I'm sure to many other people who are in the credit granting business, because I know as far as chattel mortgages are concerned, if a central registry was formed that I think certain people would welcome such a thing.

In general, the Manitoba Gazette comes under this department. What is the circulation of the Gazette? Maybe the Minister has given all this information; if he has, he can just tell me so and I'll read up in Hansard when we get the Hansard. So if I ask questions unnecessarily, I hope he does not mind at this point.

MR. CHAIRMAN: I would remind honourable members and the Minister that questions that have been answered should not be repeated, and that if the Minister has in fact answered some of these queries he should simply allude to the fact and not repeat his comments. The Honourable Minister.

MR. MACKLING: Mr. Chairman, I'm sure though that you yourself would be delighted in hearing me again. Even though it might be somewhat redundant, I'm sure that you enjoy this. We'll start off the top. The Honourable Member from Swan River is rightly concerned with the high cost of living, and particularly in the north country as evidenced by the findings of the Task Force. I want to indicate to the honourable member that I'm fully aware of the concern of honourable members in connection with that and members of our caucus have brought certainly to my attention what appear to be, and certainly the Minister of Transport has underlined what appear to be the inordinately high cost of food particularly and clothing and other commodities in the northern centres.

MR. BEARD: Would the Minister mind speaking a little louder? I don't think the Minister of Finance is hearing him on this.

MR. MACKLING: Oh, the Honourable Minister of Finance has heard me so often that he doesn't need any reminder of these things. The Task Force report underlined and confirmed what had been indicated by others in the past, that there seems to be far too high an increase in food and it doesn't seem to be exactly relevant at all to the cost of transportation. There seems to have been an unusually marked correlation between the increases for example in foods in the Thompson area shortly after the increase in salaries and wages negotiated with the International Nickel Company, and I for one am very concerned about this sort of thing. As the Honourable Member from Fort Rouge has indicated, I intend to make it my concern, and even though we may not be able to wield a club of any kind by virtue of legislative provision, we may through some admonition or moral suasion have some impact on those persons whose conscience might be troubled by their inordinant profits or profit taking or attempts thereat, or they might have some measure of concern that if they don't play the game a little bit more equitably there might be legislation brought forward. That's not at all a threat, it's just, you know, a point of view that I think ought to be made known from time to time. But the Consumers' Bureau does not have a legislative role or an administrative role in respect to the cost of living at the present time.

The Honourable Member from Assiniboia was not in his place the other night when we

(MR. MACKLING cont'd.) . . . . . were dealing with my estimates and he missed my remarks, and unfortunately I don't think he's present now to hear my answers. He will have to look to Hansard for some of them. I think I covered the question of whether or not there is a duplication between the Federal Government's programming in this field and the Provincial program. I think I also have earlier covered the whole question of what our educational program is likely to involve and the amount of money set aside for it. In respect to the resale of goods, I'm not too certain what the honourable member was arguing at that stage and I'm sorry that he's not here and available to elaborate further.

In respect to the whole question of advertising, I think I indicated that because of the predominance of national advertising it's not at this stage very prudent for a provincial consumers' bureau to be doing anything in any very broad scale in respect to the whole question of misleading advertising, but I want to assure honourable members that if a person enters into a contract on the inducement of a misleading advertisement and the goods are not in accordance with the provisions of the Consumer Protection Act some redress is available.

In respect to the question of licence fees, he suggested a range of \$100.00 to \$300.00. If he had some particularization I would be pleased to deal with it, but it was a wide range he gave me and he didn't give me any other particulars. I would assume that there may be agencies that employ several bailiffs, several private collectors, and I don't think that a fee in a hundred dollar range needn't be inordinately expensive.

He questioned whether or not we had been out checking on complaints. I didn't mean to imply that simply because we have a limited staff that we're not going out looking at the areas of complaint. That's not it at all, but there is a much greater incidence of people coming to the Bureau and phoning to the Bureau and initiating complaints in that manner than the Bureau going out investigating on its own initiative areas of concern. That hopefully may take place as more depth developed to the structuring of the department, but we're not building an immediate bureaucracy, we're working pragmatically and dealing with the critical areas.

I appreciate the complimentary remarks of the Honourable Member from Lakeside and appreciate that they were said in reasonable warmth toward me as a Minister, but I still have some reservation about the other matters that he raised and his warmth will be accorded perhaps in other manners in future.

In respect to the Honourable Member from Fort Rouge, I did neglect to deal with a couple of points that he raised the other night and perhaps I didn't deal with those because he wasn't in his chair when I commenced my review, and I have a tendency to defer until the members are present. He did . . .

MR. CHAIRMAN: The Member for Fort Garry.

MR. MACKLING: Fort Garry, I'm sorry, the Member from Fort Rouge is not present so she didn't ask me any questions. I stand corrected, although I would think that a lady would be most interested in this field. -- (Interjection) -- No, no I never give up. But the Honourable Member from Fort Garry did indicate to me there's some concern about my salary, and I want to assure honourable members that I would be delighted if he would convince my honourable colleagues that I should be paid twice over, but it's my understanding that -- (Interjection) -- He says they're going to cut me in half. You know, that's my salary presumably, no mayhem is intended. But I want to assure honourable members that the salary goes with the office and not with the Minister, so that if the Honourable First Minister decides that he wants to relieve me of this delightful responsibility he may do so and there will be a salary for whomsoever he appoints to this office.

In respect to the matter raised by the Member from Fort Garry dealing with the marked difference in the budget of the Public Utilities Board and Securities Commission, he's quite right, there was a substantial change and this is primarily as the result of the completion of the Hydro rate study. My note says that there was \$165,000 I think was provided to pay Ewasko Services for consulting fees in connection with these hearings, so that accounts for a substantial change in that section of this department's budget.

Now let's see. The Honourable Member from Rhineland asked me whether or not there has been any real repercussions I think, to paraphrase, from the private sector in respect to the provisions of the Act and how they have taken to it or not. I want to assure the honourable member that I haven't had anyone beating down my door. I gather that although the industry may feel some constraint they're accepting them with a reasonable spirit of goodwill and I think there has been very genuine co-operation. I know that my department, particularly my Deputy

(MR. MACKLING cont'd.) . . . . . and Mr. Mason, the Director of the Bureau, have spent many many hours with representatives of the retail sales industry and the credit grantors working out the provisions of various forms that are provided for in the regulations and there has been a real effort at co-operation and notice on the part of my department. I think this has been appreciated by the private industries involved and I think a good measure of goodwill results directly from the many hours and the patient understanding that my department has shown.

In respect to the question of provision of a central registry, it is true that in the Throne Speech indication has been made that it is our hope to introduce a provision for the central registry or for the registration of personal security documents, and this is a matter that is a very involved and complicated one. It will take a considerable amount of programming and development of staff and equipment to deal with it, and we are certainly considering the development of this sort of system tied into a computer storage bank service which would be a most effective program for the whole of the Province of Manitoba.

The circulation of the Gazette, I have no idea. I'd be happy to get those particulars for my honourable friend and give them to the House later, or give them to him privately. I know that almost all of the legal firms, all of the major banks, trust companies and so on, those who deal in credit, do subscribe to the Gazette because it's an important reference as to regulations and requirements for official advertising under the various Acts of this legislature. I think it's isn't the best seller of, you know, for other reasons, but for the needs of the business community it provides an essential service and is therefore well received and desired.

-- (Interjection) -- Pardon me?

MR. FROESE: Is the Consumer and Protection Act fully proclaimed?

MR. MACKLING: Yes, fully proclaimed - as of April 1st.

MR. CHAIRMAN: The Honourable Member for Swan River.

MR. BILTON: Again, I'd like to come back to the Northern Task Force. I appreciate the reply the Minister gave to my comments and I also appreciate the fact that my colleagues on the Task Force which are with his party no doubt brought to his attention most forcibly, and I must again come back to this matter because there were, as he has no doubt been told, some very very serious charges made insofar as the cost of living was concerned. I would be delighted to hear the Minister say tonight that some effort is going to be made in the near future to have this matter seriously looked into with a view to persuading, if that's the word to use, persuading the retailers, the wholesalers to do something with regard to lowering the prices somehow to meet the need compatible with the income of the people. The other alternative of course is possibly an increase in the benefits that they're receiving, probably some consideration may be given in that direction. But I want to assure the Minister that the matter is serious with those people and something should be done one way or the other.

MR. CHAIRMAN: Resolution No. 25. The Honourable Member for Churchill.

MR. BEARD: I'm just rather intrigued. The Minister says that the total Acts of the Consumer and Corporate Affairs has been brought into force. There is of course compensation for a Minister and I just wondered whether he would care to comment on when they were going to declare this a separate department.

MR. MACKLING: Well, first of all I'll say something very brief further in response to the Honourable Member of Swan River's comments. I think it would be inappropriate for me to say other than what I have already indicated that I am concerned; my concern is a genuine one and we will be looking into this matter further. I would like to indicate the possible alternative of courses of action; we are limited but we'll certainly look at it.

In respect to the question of my honourable friend from Churchill, he is concerned about my salary. As I've indicated, this is under the complete purview of the First Minister and he may or may not as this department assumes more and more of a role in the destinies of the people in this province wish to make it a separate portfolio or combine it with some other honourable minister who might be appointed to the cabinet. After all, we are a growing party. I don't know whether he has any desires on a portfolio. I don't know why he asks, but in any event let me assure him that we're not taking this matter lightly and the department is doing an excellent job. There will be an enlargement of the activities of this department, but it won't be just growing wild, it'll be a positive directed growth to meet the needs of the people.

MR. CHAIRMAN: The Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, we are now satisfied that we have an answer from the Attorney-General as to the reasons for the additional salary item, \$15,600, and as to the

(MR. SHERMAN cont'd.) . . . . . eventual disposition of that salary. I would like to ask him at this point if he can indicate to us when the next cabinet appointment is going to come and which of the two portfolios will the Attorney-General be retaining after the new appointee is announced?

MR. MACKLING: I think this type of question should be directed to the First Minister. I'm sure that at any given time that the honourable members have some real concern about this they could ask the First Minister. I'll be certainly happy to give my advice to him.

MR. J. WALLY MCKENZIE (Roblin): The First Minister can answer it, sure.

MR. CHAIRMAN: (Resolutions Nos. 25 and 26 were read section by section and passed.)

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: If I understand the Member for Roblin correctly, if he's suggesting that the Minister is perhaps overworked having two portfolios, alternative arrangements could be made if the Honourable Member for Roblin saw fit to take a few steps . . .

MR. CHAIRMAN: (Resolutions Nos. 27 and 28 were read section by section and passed.) That completes the Department. I understand that the next department is Mines and Natural Resources - no? Then I ask for some guidance on the following department.

MR. GREEN: The Minister of Finance.

MR. CHAIRMAN: The Department of Finance. The Honourable Minister.

MR. CHERNIACK: Mr. Chairman, I've spent about seven or eight years in this room and seldom have heard the Minister of Finance deal with his estimates, so that it may be a first for others as well as for me. Nevertheless, I will try to cope with the responsibilities of dealing with my estimates to the best of my ability. I had occasion at the last session to refer to the department and the personnel in the Department of Finance, and I recall that I spoke then of how impressed I was with their dedication to government; I made it a point that their dedication was to the Province of Manitoba and the government for the time being that was responsible for the administration of affairs of the province. I spoke then of their loyalty. I would repeat that, but now I can add that in the interval I've had occasion to admire and appreciate their competence, their willingness to work to the fullest extent without withholding their experience and their ability; and what is more important to me as Minister, is that I've discovered that they are fine people and the kind of people that it is a pleasure to associate with and to be both in our employment field and in the social area I hope compatible because I find them so and that's a very pleasant feeling for any Minister with the responsibilities that go with such a position.

Having said that, Mr. Chairman, I now expose myself to whatever questions members wish to ask, promising them that I'll do my best, promising them that I've had a very short course, a brief course in financial affairs and debt management and informing them that there are people within hearing of my voice as within hearing of their voice who will certainly be able to supplement my ignorance by - not supplement my ignorance rather than to assist me in improving on those aspects.

. . . . . continued on next page

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

MR. JACK HARDY (St. Vital): Thank you, Mr. Chairman. I think I'll probably be as brief as the Minister of Finance in his submission of his estimates. Firstly, and I mean this most sincerely, he is one gentleman in the front bench that I have a great deal of respect and admiration for and on that basis, Sir, I would like to congratulate him through you, Mr. Chairman. I'd also like to suggest that without a doubt he has within the civil service organization some of the most capable individuals insofar as the Deputy Minister is concerned and A. D. M's and all down the line in this particular department which without a doubt is one of the most important in the government structure itself.

There is an area of concern which I hinge to some degree in connection with the estimates of the Department of Finance, and it has to do with the duties and the theory in fact in itself of auditing Crown corporations and the auditing of the government accounts themselves. I say this with respect to Manitoba Hydro, the Manitoba Telephone System and the MDF. I think the Minister can appreciate, and I'm sure he will understand my comments in respect to this inasmuch as general practice, general accounting practices, good accounting practices would indicate that auditors, external auditors in themselves, should to a large degree - as a matter of fact I think it's absolutely essential that they be divorced, that they be divorced from - for want of a better word - from the Board of Directors or the stockholders as the case may be, and I'm suggesting in this particular case this Assembly represents the stockholders in question. Now this does bring in an area of concern not only to myself and members of this side of the House, but I think to all people that are in private business, inasmuch as I'm not - believe me, I'm not Mr. Chairman, questioning the capabilities of the people in the Auditor's Department, not for one moment. Here again, I must admit that they have some extremely capable personnel in this particular department. But I draw as a parallel the appointment of the municipal auditors by the Department of Municipal Affairs. Now most municipalities, cities and municipalities, have internal auditors to a degree, but they also have auditors appointed by the Provincial Government -- and I have no quarrel with this, I agree with this wholeheartedly as a matter of fact, that outside auditors should be appointed, they should be appointed to audit the books of the various corporations, the municipal corporations -- but I'm only suggesting, Mr. Chairman, that this same premise be carried through to Crown corporations. I'm suggesting that this be the case insofar as MTS is concerned, MDF and also Manitoba Hydro. As I mentioned before, I am not for one moment criticizing the ability of the individuals involved. What I am suggesting is that this area should be outside, completely divorced from the operation or within the confines of government itself, and inasmuch I'm suggesting that private auditing firms be employed to audit, I have mentioned three, three extremely important areas of concern in the finances of the Province of Manitoba, inasmuch as they take a look, bring in recommendations, are completely conversant in many, many cases, in all cases, are completely conversant with the operation of the corporation itself and in fact can make some very very strong representation insofar as policy is concerned and insofar as other matters are concerned. To back this up I would cite as an example the operations of the Canadian Wheat Board which in fact has internal auditors within the Board itself but has an outside organization, an outside accounting firm to audit or who are taken on to perform this function. I'm asking the Minister to in fact give this some consideration; on the basis of good accounting practices and good business practices, I think it's something that should be discussed.

There are many items here that will be discussed, or should be discussed as we are going through them, as we are going through them. I'm going to only touch on them very very briefly because other members of my party here, I represent, will no doubt be discussing them, such as public debt and what not to a much fuller degree. But there is another area, inasmuch as I as I should perhaps indicate in the field of taxation, No. 5, Other Expenditures. Now there's one, and I can appreciate this is probably an area of internal change wherein last year the refunds amounted to \$325,000 and in fact this year they're indicated at one million. Now in Other Expenditures and Refunds - now presumably this is within the operation of the Revenue Tax and the Gasoline Tax or Motive Fuel Tax as the case may be. It has not been indicated as to the reason for the considerable increase from 325,000 to one million dollars. Now they say this could be because of internal changes within the departments themselves. I don't want to dwell on the taxation area, the expenditure of 1.2 in the taxation area which would include all aspects of Revenue Tax and Motive Fuel and such, but I'm looking at the Gasoline Tax which estimated revenue for 1970, March 31, 1970 - Gasoline, 35 million; motive fuel, in excess

(MR. HARDY cont'd) . . . of six million; public amusement, amusement tax, a million and a half; revenue tax - well, the revenue tax still comes within the confines of the operation of that department. The tobacco tax, revenue tax, \$60 million; in total something in the neighborhood of \$210 million. I can appreciate Mr. Chairman, that the revenue obtained \$120 million is being done at a reasonably good figure when you consider the costs in order to obtain revenues of \$120 million. There are other areas in the field of taxation, Item No. 5 which I will discuss as the estimates are proceeded with.

These are very very general briefs insofar as the estimates of the Finance Department are concerned, Mr. Chairman. As I say, other members representing this side of the House will no doubt be discussing these more fully, as will I myself as we get into some of the specifics of the department itself. I will leave at this point in order to hear the comments of some other members of the committee, and as I say, I'm sure Mr. Chairman, to the Minister, we'll certainly be back in some other areas of his particular department.

MR. CHAIRMAN: Resolution 35. The Honourable Member for Swan River.

MR. BILTON: I haven't got too much to say other than to congratulate the Minister and wish him well in one respect and there are one or two things in the estimates that I would like to question, and that is the Provincial Accounting. I notice that is almost double. I'm sure the Minister would give us an explanation as to why we see that increase before us.

I notice that Administration of Taxation Department is up some \$200,000.00. Possibly the Minister, too, would give us an explanation as to the reason for that increase. I think when we get over the Public Debt I may have a few more words to say.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, we're progressing rather fast with the various departments and I personally wasn't quite ready with my remarks under the Department of Finance. We have the item Federal-Provincial Relations Division. I had hoped that the Minister would give us some account as to whether we were making any progress in the Federal-Provincial matters, and since he was discussing the resolution on taxation this afternoon, I don't know whether he has anything to add, but just what is the situation? Are we making any progress and are we going to be able to get additional revenue from the Federal Government from the various taxes or are the Federal Government going to go into other tax fields? The matter of succession duties or estate taxes were discussed by the Minister of Finance this afternoon. We know the government's stand on the matter so that I don't feel that we will be making any changes for the time being at least in this matter, but certainly in all the discussions that the Minister of Finance has had with the federal people, he should be able to indicate to us whether there's any hope for any more, or do we have to wait till Thursday night to hear from him on the Budget?

Then has the government ever considered Treasury debentures for Manitoba? Surely enough this would be one way of attracting deposits from individuals across the province and we could make use of those funds. I would think that there would be quite a substantial amount here that would be free of charge for that matter, because we know that moneys that are deposited with credit unions, with banks, on a current basis, draw very little in the way of interest, and here might be a field that we should consider and we should investigate whether it is worthwhile to tap; or are we invading a field that the government doesn't want to touch?

Another area is the Provincial Debt. I would like to hear from the Minister what the situation is. Here we've been approving capital cost figures by the million and millions, hundreds of millions. These moneys aren't necessarily expended at the present time, this can carry on for several years for that matter. But just how much did we go into debt since you people came in and what is the situation at the present time?

We know the cost of borrowing is very high and that these moneys that are being borrowed are being borrowed for lengthy periods of time so that the high interest rates will be with us for the next 25 years or so. If there are other ways of obtaining money such as I suggested here, probably through Treasury debentures -- (Interjection) -- well I think if we started our own bank we could do something. I still feel very strongly on this, that we as a province should investigate it --(Interjection)-- No, it's not socialism. We would do this in conjunction with private enterprises. The Bank of British Columbia isn't owned by the province. They only have a certain interest in it. We know that the Federal Government is restricting the amount that the province can invest in a new bank but they stand to gain by it. They certainly will reap some benefits. We know that through it that the Board of that bank, like in B.C. most likely, would have a fair

(MR. FROESE cont'd) . . . representation from the Province of Manitoba, that it would be more or less Manitoba oriented and in this way certainly would help this province in many ways, I feel. All of us know that when any firm wants to make a larger loan, these loans are referred to head offices which go down to Toronto, Montreal for approval, and if certain development is not to go to Manitoba, they can be easily rejected or deferred. Not only that but this banking business is one that is flourishing, that is making money. When other companies go broke we find that banks are making more money than ever, so I don't think in that regard we need hesitate. We would certainly not be risking the peoples' of Manitoba money, so that this would be a fairly safe investment.

I don't think that we can be guided by the previous Bank of Western Canada. I don't think this is a precedent that will naturally hold true for any other banking enterprise that might want to start up. Not by any means. Since this matter has already been broached in the House or in Committee on previous occasions, I don't know whether the Minister wants to comment on it, but I think we should use our ingenuity certainly and try and bring about remedies whereby we can finance the operations of this province at less cost. The previous government went into the bond market - or the, what did they call them? - Parity bonds. And maybe the Minister of Finance could give us the situation that is prevailing at the present time in connection with this. How much of those bonds are still on hand and held by private institutions and people in Manitoba and how much of these have been redeemed so far. I think at one time there was a heavy demand on the government for redemption because of the interest factor. I think it would be worthwhile for the Minister of Finance to bring us up to date on some of these items.

The matter of taxation calls for an increase in costs of, what is it? - roughly \$160,000. Does the increase mean that we will have further taxation or is it just a matter of increased costs in salaries and so on?

It's probably unfair and would be improper to ask at this time of any new tax impositions because the Minister will be giving us that news on Thursday, so I don't intend to go into detail on that matter at all.

Insurance Branch - there's a certain amount set aside. We know that we're getting certain revenues from the insurance companies but are they paying a fair share? All they pay is two percent, is it not, of the premium that they receive? At least it's only a minor amount. Maybe this is an area that we should look into. Certainly they have amassed large amounts of moneys over the years. And some of this is invested in Manitoba for good purposes, but I imagine a lot of it is also invested in other provinces, not necessarily in this province. Whether we should put restrictions on investments of this type, I'm not saying at this time, but I think we should encourage them to invest in Manitoba and probably ways and means of inducing them to do so. How they could be applied, just in what way and in what amounts, I'm not ready to make suggestions at this point, but maybe the Minister of Finance could give us some information on the matters that I have briefly touched on and also in connection with Federal-Provincial relations. This is a field that has been of interest to me right from the time that I came into this House. I watched the proceedings at the various conferences and read reports. I don't know whether we'll ever get to the point in Canada that we can domicile the British North America Act in Canada, whether we can ever agree to the conditions and so on, but in the meantime I think we should do everything on our part to bring this about and also to see that in the way of revenue that we get our fair share in this province.

MR. CHAIRMAN: Apparently the Honourable Member for Lakeside.

MR. HARRY ENNS (Lakeside): I don't wish to add to the Minister of Finance's problems tonight. He has another dateline to meet, I believe Thursday night, that I'm sure he's preparing himself for, and I wouldn't want to needlessly take any of his time away from him that he would wish to use in preparation for the delivery of his second Budget. But he did indicate in these opening remarks, and I just caught the end of them, that this was one of the few occasions, at least in recent times, that the Minister of Finance of this province has had an opportunity to introduce the estimates of the Department of Finance. I just wanted to make this one simple point, Mr. Chairman, that perhaps it may be a good time, and I speak in support of my colleague, not my colleague, but my friend, certainly my legislative colleague, the Member from Rhineland, that it may well be, Mr. Chairman, an ideal time for the Minister of Finance to indicate to the House and through the House to the people of Manitoba, just what in fact is the position, in laymen's terms that Manitoba citizens can understand, the situation of the over-all provincial debt as it was after eight or nine years of Progressive-Conservative

(MR. ENNS cont'd) . . . government rule in this province. It seems to me an ideal opportunity to have, you know, a bench mark to go by. We have a new government, Mr. Chairman, a new Minister of Finance - and let me assure you, Mr. Chairman, a most capable Minister of Finance - but I think it might be an opportune time to establish as a bench mark, much as the water control engineers like to establish bench marks to determine different heights of water from time to time, so that they can be recorded in history and the passing of time, so that future houses or Legislatures have something to go by.

It would seem to me, Mr. Chairman, that - I think I'm only suggesting what the Member for Rhineland already asked. Maybe I'm asking it in more simpler terms because quite frankly my finances are pretty basic, pretty simple, I'm primarily concerned with paying the grocery bill and the feed bill on the farm and a few other things, so I do not pretend to be a financial critic in this House; but the matter of gross or actual provincial debt is sometimes confusing. I think the Minister of Finance, while he occupied this side of the House, as did other members of the Opposition, carried on a continuing debate with the former government as to how provincial debt was arrived at; and indeed, I think that was an argumentative position that we took with the various institutions in the country at large that calculated provincial debt. If I remember correctly, we calculated our debt one way and such institutions as the Tax Foundations of Canada is calculated another way. But I would certainly welcome it as a lesson in provincial financing, and, Mr. Chairman, I'm always prepared to listen to a teacher in this particular area; that he would take this occasion, in the obviously relatively short time that we are going to impose on the Minister or on the Committee within the Department of Finance, to state for us in simple basic terms that I can take back home to my wife and we can discuss it over coffee in the morning, just what is the provincial debt of Manitoba - what was it after eight or nine years of Tory rule in this province? And indeed if he wants to indicate, and I'm not really asking him to do that, but if he wants to indicate what it is now, that may be the next mark on the bench mark, but really I'm asking the question for the future, I think it's a question that's worthwhile being recorded in the records of this House, in the sense that the Minister now is presenting his first full-fledged departmental estimates as Minister of Finance, it could well be a service that could prove enlightening and beneficial to future Legislatures in this House. Thank you, Mr. Chairman.

MR. BEARD: The Minister is also Minister of Utilities. Do we expand this debate to include Utilities? I can't find it anywhere else.

MR. CHERNIACK: If you want to cut my salary, this is your chance.

MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, we're hopeful on this side of moving through the estimates of the Department of Finance with all reasonable haste because we do want to get to our friend the Minister of Mines and Natural Resources, and to his friend the Minister of Industry and Commerce, and examine the estimates in those very crucial departments and examine the records of those very key and integral Ministers and the contributions that they're making at this time to the welfare of our great province, but I don't think that we should move through the estimates of the Department of Finance in such a way as to let the Minister himself off the hook, even though he does have to answer to this Chamber and to the public on Thursday night when he brings down his budget. Nonetheless, I think there are some questions that should be asked at the present time.

The initial sub-headings under Item No. 1, General Administration, are interesting. Item No. (d), I see Insurance Premiums, \$152,000.00. I wonder if it would be facetious to ask at this stage in provincial life whether those included any premiums payable in the field of automobile insurance. Item No. (e), Fidelity, Burglary and Safety Insurance, I notice that the amount hasn't changed any. It's an interesting piece of terminology. It sounds to me like the kind of motto that might be concocted and marketed by a New Democratic Government - Fidelity, Burglary and Safety Insurance. I would appreciate an elaboration on just what is involved under that item.

I'd be interested in a follow-through on the question that the Member for Rhineland raised about the financial strength of Manitoba in the continent money markets, and any comments that the Minister could make on this topic, I think would be timely. We're all aware of the stringent climate in existence at the present time in North America, and indeed world financial circles, and we would like to know, on this side of the House, where does Manitoba stand and how does Manitoba stand in the eyes of those who provide much of the finance and funding facilities on the



(MR. SHERMAN cont'd) . . . world's great money markets.

There was an issue, \$50 million issue of Manitoba Hydro bonds last fall which I understand from the Minister went very successfully, but there is a question in many persons' minds as to the final disposition of that issue. Was it in fact totally taken up? Was it in the Minister's estimation totally successful or are there to his knowledge brokerage houses in the eastern United States and elsewhere who are stuck with part of that issue and unable to find buyers for it, and if this is the case, what does that portend for future forays into eastern money markets by the Minister and other members of this administration. In other words, what's the prognosis for Manitoba in terms of the markets to which the Minister and this administration must go in the next 12, 18 and 24 months to borrow money?

Also, between the end of the last session of this Legislature and the start of this current session, the Minister made an interesting trip to Japan. We have not, except for a few superficial reports, have had any indication to my knowledge from him as to what he may feel he accomplished on that trip in terms of financing arrangements for the province, or if in fact he had any such ambitions or was embarked on any such quest when he went to that country. In essence, Mr. Chairman, I'm asking largely what the Member for Rhineland asked. What has the Minister to report in terms of Manitoba's financial health and strength and in terms of Manitoba's financial position vis a vis other parts of the continent, particularly those where the major money lenders and the major lending markets are located.

One other point, which I could have left until we came down to the specific appropriation number but I'll mention now, is the item under "Other Expenditures", Appropriation No. 7, headed "Refunds" and totalling \$1 million as compared to \$325 million for last year. I think I know what that refund amount is for and I think I know to what aspect of life in this province it's connected, but I wouldn't like to see the item skipped over without an explanation for the record by the Minister.

MR. CHAIRMAN: The Honourable Member for Assinibola.

MR. PATRICK: Mr. Chairman, I wish to make a few comments on this department, and since we're on taxation I'd like to ask the Minister if he has given any consideration to removing the tax on utilities, sports equipment that's used in our community clubs and schools, and children's clothing. I'm sure that the Minister is aware that I have made this request before in this House. Presently, the provincial sales tax as it applies to children's clothing and shoes and footwear, I think is something that the Minister should give consideration to because it's something that certain sizes will not fit children up to say 15 or 14. You can't set any precise age limit. I wish it was because at the present time some youngsters at age 12 or 13 have to wear ladies sizes of nine or 10, and the same thing with the boys. Actually in this instance, I think almost in most instances, there is tax on children's clothing and I would like to see the Minister give consideration to removing this tax. I would like to see if he has given any consideration in this respect and perhaps maybe change the present legislation as it applies at the present time.

As well, I think that tax on utilities -- utilities are a necessity to many people and I'm very concerned about those who are on fixed incomes, so perhaps the Minister can elaborate a little bit and give us any information if he has any intention to removing this tax.

The other point I'd like to ask him is on No. 6, Insurance Branch. Is this to do with the Superintendent's office or is this the government's insurance? I'm sure that the government covers many buildings and property with fire insurance, and I know the previous administration used to table and give us a chart who the agents were and what companies were getting the business from the government, so I would like to see the Minister do the same in this instance and perhaps I think this is the kind of information that the members would be interested in. But under the Item No. 6, I'm not sure if this is what it's applying to. Is it in connection with insurance premiums or is this probably the Superintendent's Insurance Office.

MR. CHERNIACK: (1) (d) and (e) deal with premiums paid. You're right, that's the Insurance Branch.

MR. PATRICK: Well then, I see there is an increase in the Insurance Branch up to -- some increase -- \$8,000 or something. It's probably natural but I would be most interested in the insurance premiums, \$152,000, Fidelity and Bond, and I'd like a breakdown who the companies and the agents are that are receiving this business.

The other point that I would wish to make at this time, Mr. Chairman, and that's to do with one of the utilities, the Manitoba Telephone System, and of course in this instance I would wish to refer to the residents of Headingley, which on one side of Headingley these people live

(MR. PATRICK cont'd) . . . in Assiniboia and the other side they're in Charleswood actually. These people are fully dependent upon the services of the Metropolitan area for municipal offices, for police, for fire department, hospitals, schools, and these are outside the telephone exchange, so if anyone wishes to use the telephone system he has to pay the toll. I know this has been a concern of the people in Headingley and I feel that the residents, at the present time they have no listings in the Telephone Directory, and quite often if they wish to call the schools or anywhere, somehow the communications are impeded because they are not on a direct exchange so they have to pay the toll.

Now the majority of these people are employed or have businesses in Metropolitan Winnipeg, and I would say that Headingley is almost part of Winnipeg. It's just a continuation of the City of St. James-Assiniboia and I can't see no reason why there should be a toll charge between Headingley and Winnipeg. I know that a tremendous amount of money will be expended in the telephone and communication system in the north - and I have no argument with that, I think that is desirable - but it's a tremendous amount of money that's being spent. Well surely, I don't think it would cost that much if we would remove the toll charge between Winnipeg and Headingley, or just an extension of the western part of the City of Assiniboia and Headingley which is just a short distance. So I would appeal to the Minister to review this and perhaps maybe we can remove the toll charge at the present time.

Again let me say this, that for all services the people of Headingley have to call, as I say, St. James-Assiniboia, because be it their schools or municipal services or anything, they have to use the long distance toll. Many of them work downtown in Winnipeg or St. James and to call back home on anything that's important, again they have to have a toll - I believe it's 15 cents or somewhere in that neighbourhood - and I know the people are very concerned about this. I have been getting complaints; I've had delegations; I've met with people; I've presented a petition to this House before. I know there has been money expended to improve telephone communications in that part but still a toll charge was left for those people, and my concern is that they're almost part of Assiniboia, a very short distance, they're the same municipality, the same city and still --(Interjection)-- Assiniboia, and still they have to pay a toll charge and I don't think it's really fair. I feel quite strongly about this so I hope that the Minister will review and perhaps the long distance toll charges can be removed in that area.

So these are the few points that I wish to make at this time, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Churchill.

MR. HEARD: If we're dealing with Utilities, I suppose we start at South Indian, Mr. Chairman, and we'll work ourselves south. I agree with the last speaker on the toll charges. I think it's terrible to have to pay 15 cents from Headingley and I certainly would join with him in appealing to the Minister to look after this because this is a problem for the people of Headingley, and I think we should consider Churchill and some of the other areas too, and maybe --(Interjection)--If we could get it equalized, then I'm sure that we'll have this problem looked after.

First of all, I would like to compliment the Minister. He and his department have been very faithful in following up my letters and sending replies, and generally quite good replies, but that doesn't say that we've looked after all the problems. I'm happy, I must say, that there's indication now that the Manitoba Telephone System is going to in fact bring this modern convenience to many of the areas of northern Manitoba. I understand it's quite a comprehensive program that they've introduced and I must pass along my compliments to the Telephone System in respect to this program, and I would hope that it will not only look after those areas but, in turn, I would hope that those areas would be able to hold up their own in respect to payment and the contribution that the Telephone System is making as far as the local service. However, there remains one or two other problems in Northern Manitoba and communication of course is one of the greatest ones, and it's the communication between one community and another or the communication between the community and the service area in which it depends upon, its livelihood. In saying that, I am thinking of reservations or communities in the north that have to communicate with either Winnipeg as a service centre or Thompson, Churchill, The Pas, wherever it may be. I get quite confused when I get reports from some of the areas that they're not on 24 hour communication, and yet time and time again I am assured that there is a 24 hour communication, emergency communication.

But I still don't feel that the government have got close enough to the problem - and possibly it's the department, maybe it's the Deputy Ministers, maybe it's the Ministers that aren't producing a policy for the corporation, and say the Department of Health or Education

(MR. BEARD cont'd.) . . . to move towards, but if there is ever a problem it is the one of trying to communicate either on health or education or business between the community itself and the larger area which they depend upon. Maybe I'm talking in circles, but I'm just trying to say that if a nurse's aide wants assistance then she should be able to pick up the radio, phone and get assistance from a doctor wherever they may be.

And these communities are large ones, and I think the problem is just as large as the community which we're trying to assist. While it'll be of great assistance to the community to have its own telephone system, it's still not going to help the community at large if it cannot communicate to a much better degree than it has in the past. In many cases we could almost say that as bad as the postal service is sometimes, it's just as quick to get a letter out as it is to try and get a call out, and I think that we're falling further and further behind because we're going further ahead in our own communication system in the rest of the Province of Manitoba.

So I would hope that something can be done to urge or assist the Manitoba Telephone System in getting a communication system that is of a satisfactory nature. I suppose the Manitoba Telephone System will say we have a good system, but I know, I use it, and I'm quite aware of the fact that it isn't the type that you're used to in the city. It isn't the communication that is necessary to carry on a conversation between the community and whoever you wish to communicate with on a basis that's satisfactory at all, and as each year passes I seem to get up and talk about it and nothing seems to happen. I would trust that we can look into it.

When we had the Northern Task Force we heard about it daily and there was specific cases brought out, but I think I sent a wire into them at one time, an area just a few miles away from Thompson, Nelson House had been out for five days. Now if this had happened in other areas of the province they of course would have been out with the Manitoba Telephone System employees and fixed the line or made sure that that community had a communication system far short of a five-day break. But this doesn't happen up there, there's just nothing they say they can do about it. But I do feel that there must be equipment available in some form that would allow these communities - and there are many of them, granted - to use a better system to communicate with. And it would pay off. They'd use it more, but how are you going to carry on modern business in, say, the Town of Ilford where you have two phones, one's in the hotel, in the rotunda and the other's in the grocery store, and when a construction company comes in and takes over the telephone for an hour or two hours it's only the one line into Ilford, and when you take a businessman trying to conduct business over the phone and having to relate his business through a phone that's in a public area, then it is very difficult in this modern age to carry on business properly. I thought that perhaps these things would change as the land lines were given up at Gillam, but apparently this has not been taken care of as yet. It may cost money but it costs money to make money, and it would be hoped that something could be carried on in that manner.

Now as far as Manitoba Hydro goes, we find that the areas are satisfied by and large with the progress that has taken place in respect to the isolated communities, and again we must compliment Hydro on this program that has brought electricity at last to the areas both under the direct responsibility of this government and through assistance with the Indian Affairs Department. But, Mr. Chairman, they have fallen short in some respects, and it was brought out that payment of bills and the assessing of rates, and the costs rather to each person was very difficult. They were trying to do it through, I believe it was either Thompson or Dauphin as far as the relation with places as far north as Brochet, so if a person who wasn't used to using modern day billings in the first place, and then in the second place where he would be billed for the account and eventually to get around to pay for it, by the time he's paid for it he's been billed twice again as we're used to in Winnipeg. But . . .

MR. GREEN: I wonder, I don't think that my honourable friend has completed his remarks, but I think this is an appropriate time to move that the committee rise.

MR. CHAIRMAN: Committee rise. Call in the Speaker. Mr. Chairman the Committee of Supply has directed me to report progress and begs leave to sit again.

#### IN SESSION

MR. RUSSELL DOERN (Elmwood): Mr. Speaker, I move, seconded by the Honourable Member for Flin Flon, that the report of the Committee be received.

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

MR. SPEAKER: It is now 10:00 o'clock. The House is adjourned and will stand adjourned until 2:30 tomorrow afternoon.