

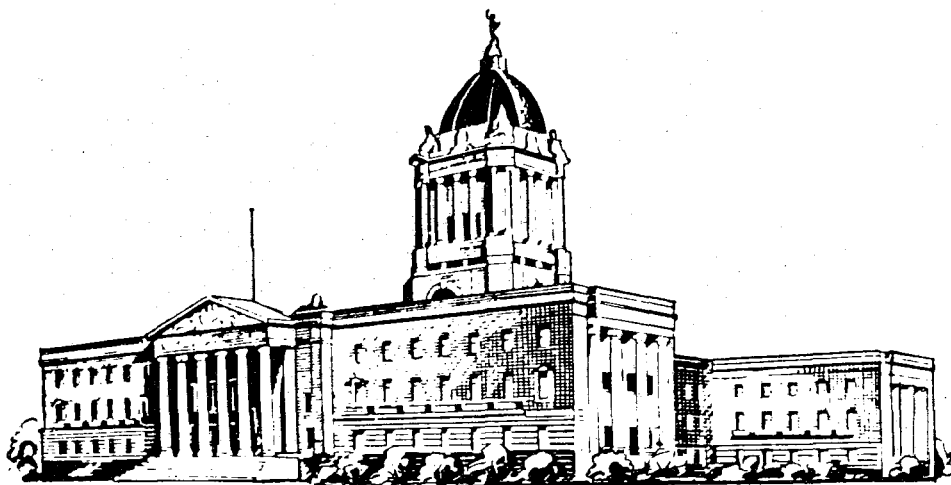


Legislative Assembly of Manitoba

DEBATES  
and  
PROCEEDINGS

Speaker

The Honourable Peter Fox



Vol. XXI No. 82 2:30 p.m., Monday, April 8th, 1974. First Session, 30th Legislature.

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ASSINIBOIA	Steve Patrick	Lib.	10 Red Robin Pl., Winnipeg	R3J 3L8
BIRTLE-RUSSELL	Harry E. Graham	P.C.	Binscarth, Man.	ROJ 0G0
BRANDON EAST	Hon. Leonard S. Evans	NDP	Legislative Bldg., Winnipeg	R3C 0V8
BRANDON WEST	Edward McGill	P.C.	2228 Princess Ave., Brandon	R7B 0H9
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RIVER HEIGHTS	Sidney Spivak, Q.C.	P.C.	Legislative Bldg., Winnipeg	R3C 0V8
ROBLIN	J. Wally McKenzie	P.C.	Inglis, Man.	ROJ 0X0
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ROSSMERE	Hon. Ed. Schreyer	NDP	Legislative Bldg., Winnipeg	R3C 0V8
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STURGEON CREEK	J. Frank Johnston	P.C.	310 Overdale St., Winnipeg	R3J 2G3
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THE PAS	Hon. Ron McBryde	NDP	Legislative Bldg., Winnipeg	R3C 0V8
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WOLSELEY	I.H. Asper	Lib.	Legislative Bldg., Winnipeg	R3C 0V8

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2:30 o'clock, Monday, April 8, 1974

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports. The Honourable First Minister.

TABLING OF REPORTS

HON. EDWARD SCHREYER (Premier) (Rossmere): I believe, Mr. Speaker, that this is the point in the proceedings where the tabling of Orders for Return or Returns to Orders may be made, and accordingly I would like to table for the House Return to Order No. 7, and also Return to Order of the House No. 46, No. 44, No. 42, No. 41, No. 32, No. 30, No. 14, No. 27 and No. 25.

MR. SPEAKER: Any other Tabling of Reports or Statements by Ministers? Notices of Motion; Introduction of Bills. The Honourable Member for Ste. Rose.

INTRODUCTION OF BILLS

MR. A. R. (PETE) ADAM (Ste. Rose): Mr. Speaker, could you have this matter stand please? (Agreed)

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

MR. D. JAMES WALDING (St. Vital), on behalf of the Honourable Member for Logan, introduced Bill No. 41, an Act to amend an Act to incorporate the Sinking Fund Trustees of the Winnipeg School Division No. 1.

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

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MR. SIDNEY SPIVAK, Q. C. (Leader of the Official Opposition) (River Heights): Mr. Speaker, my question is to the Minister of Mines and Natural Resources and Environmental Management, and it is an attempt to ask for a clarification of an answer given on Thursday with respect to the Garrison diversion. The Minister in answer to a question by the Honourable Member for Lakeside said, and I quote, "So in short the statement that has been made to us by the United States that there will be no construction, repeat none, that will adversely or that will pollute Manitoba waters to the injury of persons or property is one that appears to be followed through by the Government of the United States." I wonder if he could indicate the form and circumstances under which this undertaking has been given.

MR. SPEAKER: The Honourable Minister of Mines.

HON. SIDNEY GREEN, Q. C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, on I believe January 14th, 1970, I sent a letter to the External Affairs Department at Ottawa advising them of the departmental and governmental fears relative to the Garrison diversion. The Government of Canada in the fall of 1973 sent a diplomatic note to the State Department of the United States and the undertaking was a reply to that diplomatic note by the United States Government to the Government of Canada. That is my impression. I have seen a copy of the telex that the Department of External Affairs sent to me vis-a-vis that particular reference.

MR. SPIVAK: I wonder how the Minister can reconcile his statement in the House with the letter forwarded by the Undersecretary of State for Economic Affairs to Governor Link dated March 8th, 1974, dealing with this matter, in which the State Department recognizes the problems but does not in any way indicate that the matter will be postponed or prevented from possible diverse effects on Canada and Manitoba?

MR. GREEN: I believe that I saw the copy of the letter which the honourable member is referring to. That's what I was discussing in the House last week, and I said that that letter was entirely consistent with the undertaking that the Canadian Government has received from the United States State Department. Although worded in conciliatory language, my impression of the letter is that the State Department is making it clear to Governor Link that the program

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(MR. GREEN cont'd). . . . cannot be proceeded with in its present form.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Yes, my question is to the First Minister. In view of the letter that has been referred to and in view of the undertaking that the Minister has referred to before, I wonder if now the time has come for the First Minister, on behalf of the Province of Manitoba, to tell the American Government and Governor Link that the Garrison diversion should not be proceeded with in its present form?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, that would be a redundancy since that has been done already and communicated through the Government of Canada to the appropriate American federal authorities and assurances have been received in return.

MR. SPIVAK: A supplementary. Is the First Minister informing the House that he has told Governor Link that the Garrison diversion must be stopped?

MR. SCHREYER: Mr. Speaker, it would be necessary to retrace the entire history of this particular matter and to peruse the entire file. The Minister of Mines and Resources has given a comprehensive report on the entire sequence of events going back some several years and the matter is on Hansard, on the record. It's quite clear to me and I believe to all those who peruse the entire file and not look at one item in isolation.

MR. SPIVAK: A supplementary. Would the government now not consider a definite declaration by way of letter or meeting with Governor Link restating the position that's been expressed here in view of the letter of the Undersecretary of State . . .

MR. SPEAKER: Order please.

MR. SPIVAK: . . . to Governor Link?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, we have on file now, and I believe the federal authorities have on file as well in Canada, a number of letters at least two of which are definitive in terms of the indication of intent on the part of the U. S., and the State of North Dakota, and that is that they will not proceed with this project as long as there is any reasonable doubt with respect to pollution effects and they have given an undertaking, a solemn undertaking to that effect.

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

MR. I. H. (IZZY) ASPER (Leader of the Liberal Party) (Wolseley): Mr. Speaker, my question is for the Minister of Colleges and Universities. Will he tell the House why the contract of Cy Gonick was not renewed as Director of the government-sponsored FOCUS Education Program in northern Manitoba?

MR. SPEAKER: The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education and Minister of Colleges and Universities Affairs) (Burrows): Yes, Mr. Speaker, the period of the contract had expired and Professor Gonick had to make a decision, a choice between returning to the university from which he was on leave of absence on the one hand or finding something of a more permanent nature with the Provincial Government who are not in a position to offer anything of a more permanent nature, and hence he exercised the option to resume his employment at the university.

MR. ASPER: Did the President of the Manitoba Federation of Labour make any representation, either verbally or in writing, urging the government not to renew Mr. Gonick's contract as Mr. Gonick has claimed?

MR. HANUSCHAK: No, Mr. Speaker.

MR. ASPER: . . . whether Mr. Gonick's views, his publicly stated view, that national unions were far more preferable to international unions was that one of the factors in the decision not renewing his contract?

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

MR. ARNOLD BROWN (Rhineland): Thank you, Mr. Speaker. I would like to direct . . .

MR. SPEAKER: Order please. The honourable member have a point of order?

MR. ASPER: I have a supplementary question.

MR. SPEAKER: They are by grace.

MR. ASPER: I beg your pardon?

MR. SPEAKER: I'm sure the honourable member understands they are by grace. The

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(MR. SPEAKER cont'd) . . . . Honourable Member for Wolseley.

MR. ASPER: Mr. Speaker, to the Minister of Education. Does the FOCUS Education Program in the north, the one we've been discussing, does it take firm political positions and espouse firm political positions in the courses it offers to the northern Manitobans?

MR. HANUSCHAK: No, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Rhineland. The Honourable Member for Wolseley, Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, how does the Minister then reconcile what he's just told the House with the statement made on November 21, 1973, by the FOCUS research assistant, that the program does not take a politically neutral position but rather takes firm political positions and what are those firm political positions?

MR. SPEAKER: The Honourable Minister of Education.

MR. HANUSCHAK: Perhaps, Mr. Speaker, that question could better be directed to the author of the story to which the honourable member is referring.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. BROWN: Thank you, Mr. Speaker. My question is to the Minister of Health and Social Development. How can the Department of Health and Social Development let something happen like what happened at the Talbot Avenue house where six men had to be removed from deplorable living conditions? Is this not gross negligence by social workers employed by his department?

MR. SPEAKER: The Honourable Minister of Health.

HON. SAUL A. MILLER (Minister of Health and Social Development) (Seven Oaks): Mr. Speaker, I have asked the department to give me a report on this very deplorable occurrence. I'm not sure that the department is directly involved although I am shocked at the newspaper story, that's the first I'd heard of them. I'll be getting a report, in which case I'll know whether or not in fact the province, and to what extent the department is involved.

MR. BROWN: Another question to the same Minister. Is the Minister prepared to lift the 3 percent increase in cost to hospitals now that hospital personnel are threatening to strike and hospital boards are not in any bargaining position due to this 8 percent increase position of the government?

MR. MILLER: Mr. Speaker, as I've stated in the House before, the Manitoba Health Services Commission is the one that deals with the hospitals. The hospitals are appealing their budgets, they'll be doing so directly to the Commission. They do not deal directly with the government at all.

MR. SPEAKER: The Honourable Attorney-General.

HON. HOWARD PAWLEY (Attorney-General) (Selkirk): Mr. Speaker, I wonder if I could have permission to make a strictly non-controversial statement? (Agreed)

Mr. Speaker, I'm pleased to announce that the Selkirk Steelers this past Friday defeated the West Kildonan Northstars 3 to 2 in order to win the championship of the Manitoba Junior Hockey League, and on Wednesday they will commence the playdowns against Prince Albert in the second leg towards the Centennial Cup Championship. I'm sure this House would wish to wish the best of success to the Selkirk Steelers in their efforts against Prince Albert.

MR. SPEAKER: The Honourable Member for St. Boniface.

MR. J. PAUL MARION (St. Boniface): Mr. Speaker, I'd like to direct my question to the Honourable the Minister of Labour. Can the Minister advise this House if he is fully aware of the present stage of negotiations between the Health Sciences Centre and the service employees of that establishment?

MR. SPEAKER: The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): I am informed, Mr. Speaker, the present status of negotiations is that the parties are talking to each other and with its usual competence the Department of Labour has appointed a conciliation officer to assist in the negotiations.

MR. SPEAKER: The Honourable Member for Riel. The Honourable Member for St. Boniface.

MR. MARION: Well I have a supplementary, Mr. Speaker. I don't know if I heard the answer correctly, but is the Department ready and able to undertake, to offer the services of a

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(MR. MARION cont'd) . . . . conciliation officer to make sure that we avert what could be a dangerous thing? is that . . .

MR. PAULLEY: . . . my honourable friend did not hear me, Mr. Speaker, but I did indicate that there is a conciliation officer on the job and I join with my honourable friend in trusting that the efforts of all parties concerned will result in an agreement being reached.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I'd like to direct a question to the Minister of Mines and Natural Resources or the First Minister. It's in relation to the Garrison project and the question is: With relation to the letter from the Undersecretary of State to Governor Link, I wonder if the government would not consider that a statement in particular in that letter would indicate that the Federal U. S. Government appears to assume that the project is continuing, and say in it that if it continues as proposed it would endanger relations with Canada. I wonder in view of that whether or not there may not be a different understanding in the United States that what has been portrayed to us here.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I have no difficulty whatsoever tabling the text of the memorandum that we have from the United States to indicate what the position of the United States is. I also have to explain to honourable members that the Garrison diversion is a multi-phased project - I've said this before; that that phase of it which would result in effect on Manitoba waters is not scheduled for construction until the late 1970s, early 1980s. What I gather the United States State Department is telling the State of North Dakota, consistent with their undertaking to the Government of Canada, is that you can proceed with your irrigation program but that part of it which results in water going into the Souris in such a way as to violate our agreement, our treaty with the Canadian Government, being the Boundary Waters Act of 1909 - I hope I've got it right - obliges you not to do what is not intended to be done. Now that doesn't stop the project, it means that the Garrison diversion can be proceeded with but they will have to find a way of dealing with the problem as it affects Manitoba water, and the United States State Department note says that the project is presently under construction, it will continue but no - repeat no construction which would have the effect of polluting Manitoba waters to the injury of persons or property will be undertaken in such a way as to violate that Act. I will give my honourable friend a copy of that note. If he's asking me to interpret the United States State Department letter, as I interpret it, it is entirely consistent with what the United States State Department has told the Government of Canada.

MR. CRAIK: Mr. Speaker, I wonder if the Minister could indicate whether the American authorities have indicated to him or he has found from his own studies that the portion of the project which is the last end of it that would affect Canada, can be stopped without affecting the over-all viability of the total project?

MR. GREEN: Mr. Speaker, there is no doubt that the last phase of the project would affect what has done before and this is what the State Department is telling the State of North Dakota, that in order to not violate our treaty with the Government of Canada such steps have to be taken as to avoid that part of it which affects Canada. That is exactly what we discussed with Governor Link when he was here in February. We said, and I believe that our policy has been vindicated, we said, you indicate that you are not going to pollute Manitoba waters, that the phase of it that is supposed to do so will not commence until the late 1970s. We now are going to establish a committee of officials on both hands so that you will demonstrate to us how you intend to proceed without affecting Manitoba waters. In six months there is to be a committee of officials to monitor, not the progress of the Garrison diversion, but to monitor what the officials have done between the time of our first meeting and the time of our second meeting. This is entirely consistent, Mr. Speaker, with what the United States State Department is now saying. I have at many times indicated that the best people to have on our side on this question are the people who can most effectively stop the project, not the dissident group in North Dakota but the Government of the United States, and so far, Mr. Speaker, we appear to be having success working in that direction.

MR. CRAIK: A final supplementary, Mr. Speaker, I wonder if the Minister would then indicate clearly that if the project is to be stopped - the portion of the project is to be stopped which would affect Canada, if it is going to be stopped at all, it is much better stopped now than

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(MR. CRAIK cont'd) . . . . at that point five years from now.

MR. GREEN: Mr. Speaker, the honourable member makes a solid point, that it would be better for Canada if the Garrison diversion did not proceed at all from any point. But, Mr. Speaker, there are other interests involved and our intention is to deal with this matter in such a way as to indicate that we respect the other interests in the hope that they will respect our interests. I believe that we have achieved that to the extent that it is achievable; and if, Mr. Speaker, we were to take positions which I have heard stated in this House and heard stated across this province namely, that we should tell that they are deceitful, tell them that they are lying, tell that they are trying to put something over, and tell that that under no circumstances are they to proceed with an irrigation project in the United States, we would provide the United States people exactly with that type of conduct which would say to them we can ignore these people. They have not done that, Mr. Speaker; we believe that our interests lie in getting the United States State Department to most respect Canadian interests. We and the Government of Canada believe that that is being achieved.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the loge to my right where we have a former member of this Assembly, Mr. Jeannotte. On behalf of all the honourable members I welcome you here.

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MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Mines and Natural Resources. In view of the answer he has just given, is it now not time, in view of the letter of the State Department, for the Manitoba Government to say that the Garrison diversion should not be proceeded with until in fact Manitoba's position . . .

MR. SPEAKER: Order please. The question is argumentative, in fact most of them have been on that particular subject. I appealed to the honourable members on Friday and apparently it fell on deaf ears. The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, Monday last the Honourable Member for Birtle-Russell asked a question of myself, asking if I had in fact interfered with the Human Rights Commission and indicating that a letter of complaint had been forwarded to the Human Rights Commission in respect to the Manitoba Metis Federation and asking if I had sent a letter interfering with the Commission. I've obtained further information and found that the Wednesday following the Monday which the question was asked in the House, a letter was received of complaint by one Connie Eyolfson at the Human Rights Commission, a letter which had been postmarked on Tuesday, the day prior to the Wednesday received by the Human Rights Commission. So I'm forced to only assume that the Honourable Member from Birtle-Russell must have strange powers of communication via ESP that I'm unaware of.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Thank you, Mr. Speaker, I'd like to ask a question of the First Minister. Is it the position of the Provincial Government that it will not take any action to help the provincial steel industry in Manitoba to compete with the Province of Saskatchewan in obtaining work in the expanding steel pipe industry because of the Western Economic Agreement that was signed by the Premiers at their Saskatoon meeting?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, there is no connection whatsoever between the decision which I understand has already been arrived at as between the Province of Saskatchewan and the Federal Department of Regional Economic Expansion to proceed with the financing of an expansion in steel rolling capacity in western Canada. I believe that it would be true to say that the provinces of Alberta and Manitoba both would like to see some expansion of steel manufacturing capacity but that for a number of reasons a decision has been taken by the federal authorities to give the first priority of such expansion to the Province of Saskatchewan. This is not because of any kind of agreement arrived at the last meeting of Prairie Economic Council or

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(MR. SCHREYER cont'd) . . . . Western Premiers, but rather for a number of factors and criteria that have been long studied by federal officials and provincial officials in Saskatchewan.

MR. AXWORTHY: I have a supplementary, Mr. Speaker. Could the First Minister tell us then if there are any areas of economic development that have been exclusively assigned to the Province of Manitoba as a result of the discussions or agreement that was made between the provincial premiers at the Saskatoon meeting?

MR. SCHREYER: Mr. Speaker, there have been many meetings of consultation between federal officials, primarily from DREE, Department of Regional Economic Expansion, and the Manitoba Department of Industry and Commerce, as I believe there have been with other provinces, and those discussions are still in process, have been for many months and I daresay will be going on through most of calendar 1974. There are in fact meetings scheduled for the month of April and May in this very same respect.

MR. AXWORTHY: Yes, Mr. Speaker. I have a final supplementary. Can the First Minister tell us as to whether the agreement on Western Economic Development allows any particular special concession for the Province of Manitoba as a consequence of the comparative disadvantage that we will face as a result of the oil and gas price increases and the disadvantage that will create for our industry. Are they going to give us any special deals or arrangements as a consequence of that?

MR. SCHREYER: Well, Mr. Speaker, two points: First of all the honourable member is under a misapprehension. There is no agreement, all that there is, was a discussion at which it was indicated that there would be some merit in exploring in a mutual manner among the western provinces the possibilities of arriving at some agreement with respect to comparative geographic advantage, natural resource advantage, which would point to specialization of future industrial development among the four western provinces. The matter is very much in the incipient discussion stage, there's no agreement insofar as special deals are concerned. Every province looks for special deals and in the end it has to be rationalized on the basis of mutual advantage.

MR. SPEAKER: The Honourable Member for Sturgeon Creek. The Honourable Member for Fort Rouge.

MR. AXWORTHY: Thank you, Mr. Speaker. Could the Minister tell us then whether he has made any representation to his counterparts or his colleagues in the Province of Saskatchewan and Alberta, that under the spirit of those discussions whether Manitoba will gain any special concession as a consequence of the disadvantage that we have because of the major advantage of oil and gas prices and energy prices in the other two provinces?

MR. SCHREYER: Mr. Speaker, because the term "special deal" can be given whatever connotation one wants to put on it, I would say that we have not sought special deals, all we have sought is understanding of sister provinces with respect to proceeding by way of mutual advantage and enlightened self-interest.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Thank you, Mr. Speaker. My question is to the Minister of Health. Can the Minister of Health inform the House that regarding the two ads for personnel in the paper this weekend for a Director of Operation and a Director of Planning for the the Manitoba Housing and Renewal Corporation, are these ads a result of the Attorney-General's actions regarding this corporation?

HON. SAUL A. MILLER (Minister of Health and Social Development) (Seven Oaks): Mr. Speaker, there's no connection whatsoever.

MR. SPEAKER: The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Mr. Speaker, my question is to the First Minister. I've spoken on this many times before to the First Minister. Can the First Minister advise the House when the promised second TV station will be installed in northwestern Manitoba?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, that is something which requires the agreement you might say of two levels of government, not just one. I might indicate to the Honourable Member for Swan River that in the past 18 months, approximately, we have obtained the services of one and I believe two additional persons to concentrate in the field of communications,



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(MR. SCHREYER cont'd) . . . . . to seek ways and means of the province helping to expedite the improvement and extension of additional communication services including television, and I believe that some good work has been done in that respect. I will have to check to ascertain whether there has been any firming up in the discussions with the CBC and other television broadcasters, because there are three now in this country, to see whether target dates have yet been arrived at.

MR. BILTON: I wonder, Mr. Speaker, if I may be permitted to ask the First Minister a further question. Is it true that the Federal Government is holding up progress by refusing to allow the installation of equipment for this project in the Clear Lake National Park?

MR. SCHREYER: Mr. Speaker, that's a specific, that should be ascertainable. I will take it as notice.

MR. BILTON: Second and last supplementary. I took note of the Minister's remarks a moment ago that he intends to contact the Federal Government on this particular item insofar as the National Park is concerned. I take it that he is going to do that?

MR. SCHREYER: Well, as I indicated, Mr. Speaker, we have had some staff people assigned to work on the most logical ways and means of extending and improving communication service, television service to certain parts of the province, including the area my honourable friend's referring to, and we will check specifically as to where discussions with the federal authorities are at this point in time, including the specific of alleged administrative difficulty with respect to Riding Mountain National Park.

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. Mr. Speaker, I wonder can the Honourable Minister advise the House, or assure the House that the amount of money currently raised by the Manitoba Lotteries Commission to support the recreational and cultural programs in our great province will be equal to or better when we enter the WesCan scheme?

MR. SPEAKER: The Honourable Minister of Tourism.

MR. TOUPIN: No, Mr. Speaker, I can't give the honourable member that assurance because I don't know to what extent the people will buy tickets, if they will buy as many tickets as they did in the past. If they do buy as many or more, there will be more profits, more funds available for non-profit organizations, and equally if we qualify for the Olympics that will give an additional revenue to those agencies involved.

MR. McKENZIE: I have another question for the Honourable the Minister, Mr. Speaker. I wonder can the Honourable Minister advise the House if the government has performed any studies in order to try and determine the implications or the possibilities that will exist when Manitoba joins the WesCan scheme.

MR. TOUPIN: Mr. Speaker, the recommendation by the Department of Tourism and Recreation and Cultural Affairs to enter an interprovincial agreement was not reached overnight but was actually proposed after lengthy discussions with other provinces in regard to the possibility of reaching reciprocal arrangements with other provinces in Canada; but failing that, it was decided jointly by at least the four western provinces that an agreement by four provinces would be a sound alternative.

MR. McKENZIE: A final question, Mr. Speaker, and basically to try and alleviate some of the concern in the province. I wonder is the Minister or the government prepared to put some kind of a study or some facts on the table before we enter the WesCan scheme to make it look that we should do it.

MR. TOUPIN: Mr. Speaker, I will attempt to bring forward some justification when we have the bill before us for second reading and before committee.

MR. SPEAKER: The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON (Gladstone): Thank you, Mr. Speaker. I'd like to direct my question to the Minister of Agriculture and ask him if the government will be selling the hay on the newly acquired land on the slopes of the Riding Mountain?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Mr. Speaker, I have no way of knowing without having to check into the departmental information on the question. I am not aware of any hay that is already in existence there so perhaps my honourable friend might

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(HON. SAMUEL USKIW cont'd) . . . . . advise me, Mr. Speaker.

MR. FERGUSON: Well for the information of the Minister, this would be . . .

MR. SPEAKER: Question.

MR. FERGUSON: The crop that is in the process of growing or will be growing in July, will the Minister be selling it?

MR. USKIW: Well again, Mr. Speaker, that kind of question obviously needs some notice. I have no idea of the location or the amounts or whatever in that particular area.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BOB BANMAN (La Verendrye): Thank you, Mr. Speaker, I direct my question to the Honourable the First Minister. Will the Minister confirm that he is going to meet with Federal Government Ministers in Ottawa tomorrow?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Yes, Mr. Speaker, a number.

MR. BANMAN: A supplementary question, Mr. Speaker. Will the Minister be trying to get more work for the Air Canada overhaul base in Winnipeg?

MR. SCHREYER: Well, Mr. Speaker, that is a matter upon which we have been making representations from time to time over a period of years and with more frequency in the past several months because of the possibility of Air Canada acquiring a fleet of approximately 18 or 20 aircraft of the Boeing 727 type which will require new overhaul facilities somewhere in Canada, and both history and geography and economics would seem to dictate that it could well be here. So we are pursuing that, yes.

MR. BANMAN: A third supplementary, Mr. Speaker. Can the Minister assure this House that he will not be trading off Air Canada overhaul work for special concessions for the financial troubled Saunders Aircraft?

MR. SCHREYER: Well, Mr. Speaker, there is no need to trade one off for the other because the obligation of the Federal Government is as great to this part of Canada as it is to Montreal and Toronto, and in the case of Montreal and Toronto not only are there substantial Air Canada installations, there is also massive, multi-million dollar federal support for DeHavilland and Canadair. And I might add that in the case of Saunders it was a replacement for the abandonment of the Canadian Forces Base at Gimli and therefore there is no need to trade one off for the other, no more than in the case of DeHavilland vis-a-vis the Douglas Aircraft offset work in Toronto or all of the huge increase in Air Canada activity at Dorval and St. Scholastique since the middle 1960s.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I'd like to direct a question to the First Minister. It's in relation to a statement attributed to him regarding the price of gasoline increases in Manitoba. I wonder if he could advise the House whether the government has arrived at a policy with regards to subsidization to offset natural increases and; secondly, whether there is any results from his meetings with the industry people to find out what increase they're proposing.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, the meeting with the industry was useful although it was not definitive because the industry people can confirm for themselves they do not yet know either just what, if any, adjustment will be allowed with respect to refinery and distribution prices.

Insofar as the other part of the question is concerned, Sir, I might indicate that there's really no change from the statement I made to this House last week, and that is that we are exploring the possibility of the application of whatever additional revenues could accrue to the province as a result of the increased value of oil and whatever that increment is will be applied to the people of this province in the form of some form of consumer subsidy or cost cushioning. And when we are ready to make an announcement it will be made in this House.

MR. CRAIK: A supplementary, Mr. Speaker. Can I ask the Minister then whether the government is considering subsidization of moneys in addition to the 12 or 12-1/2 million dollars he referred to from the increased revenues. That is, is there still in the consideration stage additional subsidization from other government funds?

MR. SCHREYER: Well, Mr. Speaker, not in the sense that my honourable friend is implying. If we apply any funds it will be those funds which are receivable by the province as a

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(MR. SCHREYER cont'd) . . . . result of the increased value of oil. Since this is something which this province, and a few others did not want to see take place in any case, all we can do is to attempt to cushion or subsidize to the extent that there is an increase in moneys receivable or revenues receivable by the Crown from that same source. There is no intention to take moneys from the general taxpayer, consolidated revenue in order to provide that kind of cushion.

MR. SPEAKER: The Honourable Member for St. Boniface.

MR. MARION: Thank you, Mr. Speaker, I'd like to direct my question to the Honourable the Minister for Education. Has the Minister been familiarized with the reasons which led to the closing of the Roblin Elementary School in Roblin last Monday, April 1st?

MR. SPEAKER: The Honourable Minister of Education.

MR. HANUSCHAK: No, Mr. Speaker, not with all the details.

MR. MARION: Can the Minister advise this House if the school divisions, both urban or rural, are the agencies which prescribe safety methods in school buildings exclusively or are there other agencies that would prescribe the safety factors of school buildings?

MR. HANUSCHAK: Mr. Speaker, I perhaps should take that question as notice. I do believe - no I know that there is legislation dealing with the safety factor of public buildings - I think it is the Public Buildings Act or I've forgotten the exact title of - and that Act is not under the administration of my department, but I believe the Department of Labour which does prescribe safety requirements and standards for buildings.

MR. MARION: I wonder if - as the Minister is taking under advisement, I wonder if he could also take under advisement the possibilities of the department initiating specific criteria with respect to inspections of school buildings exclusively on a programmed basis to ensure the safety factor.

MR. HANUSCHAK: Yes, Mr. Speaker, I'll take that as notice also, although I would like to point out that the question of safety inspection in addition to whatever inspection there may be done in accordance with other legislation beyond the jurisdiction of my department, but I do know that safety inspection is in fact part of a regular routine responsibility of the administrative and maintenance staffs of all school divisions.

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

MR. ASPER: Mr. Speaker, my question's for the Minister of Health. Could he describe to the House what sort of monitoring procedures his department employs to ensure that welfare recipients, particularly the elderly, are not exploited by slum landlords as may have been the case in the Talbot Street case?

MR. SPEAKER: The Honourable Minister of Health.

MR. MILLER: Mr. Speaker, I can't give a definitive answer to that. It's my understanding that the individual finds his own accommodation, is paid the social allowances by the department and it's left to the individual to make his own arrangements. I'm not aware, and as I indicated earlier, to what extent the department is involved and to what extent their personal service is involved and that's what I'm trying to ascertain.

MR. ASPER: I wonder if the Minister in seeking a more definitive answer to the question, I wonder if he would consider launching some sort of a survey of welfare recipients accommodation to ascertain whether there are other cases where defenseless welfare recipients are being exploited by slum landlords so the corrective action could be taken.

MR. MILLER: Mr. Speaker, of course the question of slum landlords is not new, I think it's been existing for many many years. The extent to which a department is able to meet this particular problem, I am not sure. I do know that one of the reasons the Manitoba Housing Renewal Corporation entered the field of elderly housing is to try to cope with this particular problem, and I know they have alleviated the situation to some extent. The fact that they haven't removed the problem entirely doesn't surprise me, but certainly as part of the general inquiries I've made in the department, I hope they get some answers.

MR. SPEAKER: The Honourable Minister of Public Works.

HON. RUSSELL J. DOERN (Minister of Public Works) (Elmwood): Mr. Speaker, last Thursday the Honourable Member for Roblin asked several questions concerning a monument to be erected by the Women's Tri-Service Veterans' Association in the Legislative area near the existing Cenotaph and I would like to answer those questions for him now.

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(HON RUSSELL J. DOERN cont'd)

He first of all asked whether permission was granted and the answer to that is yes. He then asked whether the government had made any financial commitments and the answer to that is no. There was no indication whatsoever of a financial commitment. He used the figure, Mr. Speaker, of some \$50,000 which was really composed of hoped for contributions from the Federal Government of 20,000; from the province of 10,000; from the City of 10,000 plus private, and I don't believe that any of the three levels of government have indicated financial support at this time.

Mr. Speaker, I would also like to with leave table a return to an Order of the House No. 15.

MR. SPEAKER: The Honourable Member for Roblin.

MR. McKENZIE: Mr. Speaker, I have a question for the Honourable the Minister of Labour. I wonder can the Honourable Minister of Labour advise the House if any progress has been made in the strike between Roblin Forest Products and the employees who walked out, I think on the 6th of March?

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: It's my understanding, Mr. Speaker, that a conciliation officer investigator was appointed to take a look into the matter, I have not received a report as yet.

Mr. Speaker, while I'm on my feet, may I reply to a couple of questions asked of me by the Honourable the Member for St. Boniface the other day - on April 4th. The question of my honourable friend was, will the Minister advise whether the government intends to implement the recommendations of the Association of Professional Engineers in Manitoba contained in their study of the collapse of the Powerview Arena. I indicated at that particular time I would check into the matter, which I have now done.

The second question of the member was, does the government accept the recommendations that regular engineering supervision in addition to the required building inspection would further assure the safety of public buildings in the province and does the government intend to take action to make this a requirement throughout the construction period of public buildings.

The news release, Mr. Speaker, of the Association contained the following recommendation: "The Engineers Association recommend that authorities with jurisdiction over building permits inspections or certificates of occupancy require professional engineering consultations be provided throughout the construction period." It also recommended that, "owners avail themselves of professional engineering advice in assessing claims of firms manufacturing pre-fabricated structures of this size."

In answer, Mr. Speaker, I suggest that it would be preferable to have engineering supervision over all buildings that are constructed. However we must not be misled, that even engineering supervision can be faulty and problems can occur. I think an example of this is the Roblin High School which was completed in 1969 and has very serious deflection in the roof beams. There is a certain size of building that does require professional engineering expertise and this is generally recognized. However, municipalities when building curling rinks, skating rinks and buildings of this type are on a very limited budget. They therefore look for buildings that can be put up at a minimum expense and with their own voluntary labour.

The building in Powerview was an engineered building and the plans are stamped by a professional engineer. The building as a matter of fact is of computer design and has been found adequate by the Association of Professional Engineers of Manitoba in all design aspects. It will be necessary in certain instances for the government to require engineering services for certain sizes of public buildings. It is physically impossible to check certain types of buildings and therefore we must rely on the expertise of professional people that have designed buildings and placed their stamp on each page of a plan, which is as I indicated, Mr. Speaker, was done by the Professional Association of Engineers of Manitoba in respect of the Powerview.

However, there are other buildings that do not require this engineering expertise and it is therefore not in the interest of people to pass such an overall requirement.

The Honourable Member for St. Boniface then asked, "Are any specific steps being taken by the Department with regard to safety of public buildings aside from the recent circular letter sent out by the Director of the Mechanical Engineering Division to all municipalities?"

The answer is that the department is not manned to the extent where it can have inspectors

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(MR. PAULLEY cont'd) . . . . . visiting public buildings to inspect them. However, the department does have manpower to inspect on a specific request basis buildings in which a problem is encountered or may be encountered. In addition to this type of request, we also receive calls from other government inspectors, such as the Fire Commissioner's Office, Workmen's Compensation Board, to check buildings where they have noted sagging walls, deflective ceilings, cracked walls, etc. In these cases, we make an inspection as quickly as possible. That is in reply to the first question my honourable friend asked, Mr. Speaker, on buildings.

He also asked me questions dealing with the Roblin Secondary School. Inspections have now been made and a report made to me, Mr. Speaker, which I would now inform my honourable friend of.

The report that I have, Mr. Speaker, from the department is that the department received a call on Monday morning, April 1, 1974 from Mr. Orest Ziolkowski, Superintendent of the Roblin School Division, requesting an immediate inspection of their elementary school. It had been noticed on Monday morning that there was a large deflection in the ceiling and they were afraid the roof would cave in. Our building standards officer after quizzing Mr. Ziolkowski asked him to take the following immediate action: Evacuate the school; have the snow shovelled off the roof; check the deflection in the ceiling to determine if it remained, and if it did remain not to permit access to it until it could be inspected.

The building was inspected on April 2nd, that is the day following, and it was determined that the roof beams have cracked due to the heavy snow and ice build-up on a flat roofed addition constructed to the school in 1950. The original structure was constructed in 1913. Our building standards officer inspected the building and specified the building must remain unoccupied until a series of posts had been installed on each floor to shore up the cracked roof beams. In addition to the immediate problem of the cracked roof beams he noted a number of severe fire hazards which he ordered to be removed. That dealt with the elementary school.

So far as the Roblin Junior High School, Mr. Speaker, further to the questions raised by my honourable friend from St. Boniface. After checking the elementary school the superintendent indicated that he had a similar problem with their junior high school and asked the inspector if he would check it. The inspector noticed that in this school which was completed in 1969 - and, Mr. Speaker, I referred to this school and the professional engineers a moment ago - there were a number of deflective beams and temporary steel posts had been placed under them. He noticed also that the roof was leaking quite badly and there were other structural cracks. However it would appear that action had been taken to prevent any undue hazard at this time. We understand a letter is in the mail to request an inspector to do a thorough study of this school and to give them an opinion as to safety.

The superintendent of the school phoned the office of the Department of Labour on April 5th and requested the presence of our inspector in Roblin for a meeting on Monday morning, April 8th, which is of course this morning. He stated that the necessary work had been done to shore up the deflected roof beams in the elementary school but the parents were refusing to send their children back to school and called a meeting for Monday, today, to discuss it. We suggested that the school board should have the school inspected by an independent professional engineer and that he should also be at the meeting Monday morning on behalf of the school board. The school board has hired an independent consulting engineer and he will be attending the meeting on Monday morning together with Mr. Reimer the Assistant Head of the Department of Mechanical Engineering and also the member of staff who is charged with the responsibility of building standards.

MR. SPEAKER: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Speaker, I thank the Minister for the long oration about the problems of the school at Roblin which I'm quite familiar with. Can I refer back to the matter of the strike? Does the conciliation officer report to his office on a weekly basis or bimonthly or daily or -- on the progress of the dispute that's taking place . . .

MR. PAULLEY: The answer is, when the conciliation officer feels it's advisable to inform me as to the progress.

MR. MCKENZIE: Another question then of the Honourable Minister. Did I hear the Honourable Minister say that the first report that he had from the Roblin Junior High was

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(MR. McKENZIE cont'd) . . . . April 1st, that there was a problem with the roof?

MR. PAULLEY: The first indication I had of the situation came not from the member in the general area, Mr. Speaker, but from the Honourable the Member for St. Boniface.

MR. McKENZIE: Mr. Speaker, can I get back to the question and ask the Minister specifically, was that the first indication that you had, was April 1st?

MR. PAULLEY: Apparently I can't penetrate today, Mr. Speaker. I referred to questions asked of me in this House on April 4th.

MR. SPEAKER: The Honourable Member for Sturgeon Creek. The Honourable Member for Roblin.

MR. McKENZIE: And I'm sure the Honourable Minister if he reads his . . .

MR. SPEAKER: Question. Question.

MR. McKENZIE: Did the school division or any employee of the school division report to the Minister on April 1st regarding the roof?

MR. PAULLEY: May I repeat, Mr. Speaker, for the edification of my honourable friend. The first time the Minister of Labour heard of this situation was in this House on April 4th as a result of questions asked by the Member for St. Boniface.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Thank you, Mr. Speaker. My question is to the Minister of Health. I wonder could the Minister tell the House whether the Manitoba Housing and Renewal Corporation have purchased or are negotiating to purchase the D. O. T. houses north of Ness in the Whytefold Road area?

MR. MILLER: Mr. Speaker, that is a very specific question to which I wouldn't have the answer. I'll have to make inquiries from MHRC.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Thank you, Mr. Speaker. I'd like to also ask a question of the Minister responsible for housing. Can he tell the House whether the Manitoba Housing and Renewal Corporation took any action last weekend to provide housing accommodation in its units for the 30 old age pensioners who were left homeless as a result of the fire on Main Street in the Modern Block?

MR. SPEAKER: The Honourable Minister of Health.

MR. MILLER: Mr. Speaker, again I don't know the answer to that one, it's very specific. If there was housing available and people applied I suppose they might have been looked after and it's possible they were. I do know that there is a demand for housing and whether or not there were empty suites available, empty units available is questionable.

MR. AXWORTHY: Following on that then, Mr. Speaker, I'd like to ask the Minister: does Manitoba Housing and Renewal Corporation have any provision for emergency housing units to house people who are evicted or forced through reasons of tragedy or unfortunate circumstances and can't find proper accommodation, do you have units available for that kind of person or families?

MR. MILLER: Mr. Speaker, I doubt very much whether the Manitoba Housing and Renewal Corporation would set aside a number of units and be kept vacant in the event an emergency occurred. I doubt very much if this is now the policy or would be in the immediate future, because it would mean that 95 percent of the time these accommodations would be empty waiting for something to happen, and with the demand for units I don't think this is the policy.

MR. AXWORTHY: A supplementary, Mr. Speaker. Considering then that over 600 people were forced into homeless situations in the City of Winnipeg last year is the government intending to establish an emergency housing program to provide some accommodation for people who are left bereft of any proper form of accommodation as a result of emergency or the deterioration of older homes? Mr. Speaker, I don't think this is the responsibility solely of the Manitoba Housing and Renewal Corporation. There are other emergency facilities available, there are barracks which are available if an emergency occurs, under EMO. These might be available. The City of Winnipeg itself perhaps should make such accommodation available or try to make it available, but this is not something that the Manitoba Housing and Renewal Corporation has accepted as its particular obligation. And incidentally I don't know where the figure 600 came from; it's a figure that apparently the member may have calculated, I don't know his basis of calculation.

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MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I direct a question to the Minister for Environmental Management. Can he indicate whether a decision has been made yet regarding the spraying for canker worms in the urban area for this year?

MR. SPEAKER: The Honourable Minister.

MR. GREEN: Mr. Speaker, that is a matter which is before the Clean Environment Commission and I want to indicate that matters before the Clean Environment Commission are not matters which I have any direct involvement in. The Clean Environment Commission is set up as a board which I gather all the members in this House wanted to deal with environmental questions. If the manner in which the Clean Environment Commission deals with it is not satisfactory to either of the parties before it they have an appeal to the Minister in which case we have indicated in our legislation and in discussing it in the House that the Minister will not deal with it in such a way as to upset environmental rulings, at least for the most part, but will deal with it in case there is a social or economic disruption which goes beyond environmental considerations. That matter is still before the Clean Environment Commission.

MR. CRAIK: Mr. Speaker, I wonder if the Minister might solicit on our behalf information from the Clean Environment Commission in view of the requirement to do the spraying-- it was in a matter of, I understand, three weeks or so if it is to be effective for 1974, and if we could find out whether we can hear of a decision in advance so that the preparations can be made in Winnipeg?

MR. GREEN: Mr. Speaker, I believe that the Clean Environment Commission is aware of the urgency of the matter. I believe that they had that made to them as one of the representations before the Clean Environment Commission. I don't know whether I am in any position to exercise any ministerial pressure on the Commission in the type of decision that it makes. I believe that it is aware of the urgency of the matter as represented to it by the City of Winnipeg.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Yes, Mr. Speaker, to the Honourable the Minister in charge of the Manitoba Development Corporation. I wonder if he could tell the House if his government has given approval in principle to the matter of an additional loan to Saunders Aircraft?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I answered that matter twice last week or twice within the last two weeks and the answer has not changed.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: I have a question for the Minister of Tourism and Recreation. Can he inform this House whether he has now decided to put a freeze on all campsite developments in the Whiteshell as requested by the organization known as Pollution Probe because of their assessment of poor water quality in the Whiteshell area?

MR. SPEAKER: The Honourable Minister of Tourism and Recreation.

MR. TOUPIN: Mr. Speaker, in regards to additional facilities in the Whiteshell there is a report before me now; I'm hoping to consult my colleagues in Cabinet hopefully this coming Wednesday and relate the results to the House as soon as possible, hopefully during the Estimates. I am taking into consideration the report of Pollution Probe and other organizations that have signified concern in regards - especially to longer term leases in the Whiteshell.

MR. AXWORTHY: I have a supplementary, Mr. Speaker. Is this report the Minister refers to described or carry with it descriptions of the water quality of the Whiteshell and does it indicate a level of pollution that would result in the cancellation of freezing of future campsite developments?

MR. TOUPIN: No, Mr. Speaker.

MR. AXWORTHY: Can the Minister then confirm that there are no reports assessing the quality of water in the Whiteshell area upon which some decision or judgment in this respect might be made?

MR. TOUPIN: Mr. Speaker, there could be some reports to that effect actually tabled with my officials. I have no such report before me and that is definitely a consideration that would have to be taken in mind before the construction of additional facilities is contemplated in the Whiteshell.

MR. SPEAKER: Orders of the Day. Before we proceed to Orders of the Day may I remind

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(MR. SPEAKER cont'd) . . . . the honourable members that on Wednesday at 2:15 they should all make an attempt to be present in respect to the picture that will be taken.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Yes, Mr. Speaker. I wonder if you'd call all of the second readings including the adjourned second readings, following which we will proceed to the Supply motion.

MR. SPEAKER: Very well. Bill No. 7 and the amendment thereto. The Honourable Member for Rock Lake.

GOVERNMENT BILLS - SECOND READINGBILL NO. 7

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, a number of weeks have gone by since the last speaker spoke on this bill, I want to say, Sir, thank you for this opportunity to voice my concern over a bill that is before this House, one of which I think is as important as any piece of legislation we are dealing or going to deal with in this session.

I would like to say, Sir, that the bill contains as you know only one section which causes me concern and that is the section dealing with the political activities of civil servants. When I said that it was so important this is one of the reasons why my colleague from Gladstone moved an amendment to hoist this bill for six months.

As the Minister of Labour indicated, it is a bill which is mostly to be tidied up and I want to say, Mr. Speaker, that we on this side of the House readily agree with that aspect of it. And I say, Mr. Speaker, for example, I would like to quote one of them, "that we agree with the provision that no person shall serve as commissioner after he has attained the age of 65 unless an extension is approved by the Lieutenant-Governor-in-Council." This of course, Sir, is common sense and I think, as is well known, I believe the members who are my colleagues on this side of the House have portrayed that degree of good common sense when speaking on Bill 7.

Mr. Speaker, the bill if carried would result in the destruction of one of the most important institutions in Manitoba politics. That institution of which I speak, Sir, is a neutral Civil Service, one that is untouched by partisan politics. In this day and age we hear so much about Watergate when the political process itself is attracting a lot of public attention and when the public itself is wondering if everything is as appears to be with governments. Well, Sir, I know the public would be more than happy to have the assurance that the civil servants of this province are above the realm of politics.

Mr. Speaker, I want to draw the attention of this House to a very well known fact concerning the Civil Service of Manitoba. Under the leadership of the honourable members opposite, the political neutrality of the Civil Service has been seriously eroded. They have placed many of their own people into the public payroll. Probably this is done to some extent by others but not to the extent this government has. They have taken defeated candidates and given them jobs which pay more than the pay received by members of this House. And now, Sir, now they have brought this monstrosity before this House and with reasoning that borders on the absurd. They have asked this House to consent to a bill which would open the Civil Service to partisan politics on a level never before reached in this province.

Well, Mr. Speaker, let me go on record right now as saying that I will not have any part of this whatsoever in assisting the honourable members opposite to achieve this kind of goal. I say, Mr. Speaker, when the Honourable Minister of Labour spoke on this matter a short time ago, he made an appeal to all members to support the bill in order to rectify a situation which in his own words is "tantamount to being inhuman". Well, Sir, I would suggest that this Minister save such kind of theatrical exercises on stage where they belong, and not to insult the intelligence of this House with that kind of a charade that he has performed in this particular case.

Mr. Speaker, the situation was thoroughly expounded by my honourable colleague from



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(MR. EINARSON Cont'd) . . . . Swan River. The fact is, Sir, that the civil servants who wish to run for public office have that right and they've always had that right. Mr. Speaker, if they wish to exercise that right then they must be willing to free themselves from their position in the Civil Service and go out and seek it on the same level as anyone else who has never entered the Civil Service Commission.

I want to say, Mr. Speaker, that the current legislation prevents civil servants from engaging in any partisan work in connection with an election. If a member of parliament or an MLA in Canada - and there are reasons for this rule, reasons which are as sound today as they were in the past. Civil servants are the link between government and the public and this strength must be based on political neutrality, Mr. Speaker, and I say this and underline it, Mr. Speaker, it is very very important. This is the way it was and the way it must be in the future if the Civil Service is to maintain the respect of Manitobans.

I wish to say the Honourable Minister of Labour has not been able to prove that the civil servants of this province wish to be allowed to participate in politics. I think if I recall, Mr. Speaker, I don't have his exact words, but he gave some indication to this House that the Manitoba Government Employees Association were in favour of it, probably on a very small percentage in favour. I don't think, Mr. Speaker, this to be the case. He said they suffer the discrimination because of their being required to refrain from active political work. Well, I say to you, Mr. Speaker, there are certain requirements for all jobs and the civil servants of Manitoba know the conditions under which they are employed; and Sir, they accepted those conditions wholeheartedly. The conditions that we speak of have never resulted in our not being able to recruit some of the best minds in the country into the ranks of the Manitoba Civil Service.

You know, Mr. Speaker, I would like to make a few comments on something here that I heard so many of my colleagues speaking, those who did speak on this bill, whether it was on the main motion and also the amendment. Their remarks were directed back to the election campaign that was carried out last June, and why, Mr. Speaker, I fail to understand -- I could understand it probably before June 28, 1973, because whenever they run into problems with the kind of comments that were coming from this side of the House, they referred back to the fact that we were government and we were responsible and as a result that was the reason for their problems. But we've had an election, Mr. Speaker, and since that day, June 28th, we're in another new session and I say, Sir, they must take full responsibility. And the problem they have I would suggest, Mr. Speaker, is that they cannot use that alibi that they used prior to June 28, 1973.

Well, Mr. Speaker, I would like to refer to some comments that the Minister of Finance made in this House - I'm sorry he's not here in his seat this afternoon - but he was referring to the election days of June '73 and I would like to quote some of his comments, Mr. Speaker. Page No. 1458, March 15th of 1974 Hansard, and he made some comments and of course there were some interjections, and I'll start, Mr. Speaker, and to quote: "They were saying, 'If you don't vote for me, then something is going to happen to you that is drastic' - instead of saying, 'There is a difference in policy approach - make your choice between an activist party, ' ' and then of course there were further interjections and of course he went on to say: " 'You're not helping me one bit, an interventionist party, an activist party.' He didn't say that, he didn't say: 'Take your' - rather I was not talking, I can see that, so he's not helping me either. But there's no question in my mind that the Member for Rock Lake, and now I am saying about him, no question in my mind that when he went around talking to people during the election campaign he was not talking the difference in philosophy between the parties." I shall stop there for a moment, Mr. Speaker, and I want to show the Minister of Mines - and since he's not here, I hope the First Minister will convey it to him.

A MEMBER: He will.

MR. EINARSON: A brochure that was used, last week I believe it was, and there was a debate that my colleague from Lakeside used and it was so good, Mr. Speaker, that the Minister of Mines and Resources wanted to have a look at it and he chose to respond through using this brochure that we used in the last provincial election. And I want to say to the government opposite and tell them in the accusations that the Minister of Mines and Resources made against me and the way I conducted myself in the last election campaign, I want to say to them that on more than one occasion an organization in several of the towns in my constituency

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(MR. EINARSON Cont'd) . . . . sponsored a joint candidate meeting of all candidates, where we were on the same rostrum, we were allowed ten minutes each to speak, express our views, our policies; we were allowed three minutes' rebuttal, following that we had an audience participation in the way of questioning. And the Minister of Finance chose to use this kind of tactics when he tried to defend the Civil Service bill. I would have liked to have asked him, did he run that kind of a campaign in his constituency? I have my doubts, Mr. Speaker, if at any time he stood on the same platform with a Conservative and a Liberal and gave his views and was allowed to be challenged and challenged on the same platform. To me, Mr. Speaker, I know myself and I can vouch for other of my colleagues who did the same thing, and that was the kind of a campaign they carried out.

So, Sir, I think this is very very important, when I listened to my honourable gentleman opposite, and I want to attribute the same thing to the Minister of Agriculture. He still hasn't forgotten that the last election is over but he gets on his political tirades and his grandstanding when he gets in the public arena and can't forget that he must accept full responsibility for which he is doing.

I want to convey, Mr. Speaker, to honourable gentlemen opposite, there's another matter that was dealt with in the last election campaign, and this has significance, Mr. Speaker, to this very bill, because I remember I was campaigning - this was about the middle of the campaign, and my colleague from Roblin was involved in what is supposed to have been some kind of political activity that was nothing but malicious, vindictive and almost bordered on making the complete untruth.

I am pleased to see the First Minister in his seat this afternoon because, you know, I called into a home in Swan Lake one morning and the people there were concerned about this matter. They were very concerned about it, and so was I. And one of them was in connection with an - and I'm only going to use one of them of the four - with Manitoba Hydro. And I believe, Mr. Speaker, and I stand to be corrected if I'm wrong, but I believe I'm correct on this. That particular situation in the Manitoba Hydro became a real concern to many of our civil servants in Manitoba because of the way one individual was treated. He spent two and a half years in this province, an Order-in-Council had to be passed to deal with it granting a special privilege to a special civil servant, and the Civil Service, of this province, Mr. Speaker, were up in arms, I can tell the First Minister that, because of the actions taken by an Order-in-Council. And I said to some of my constituents, I spoke to 150 of them in the high school in Notre Dame des Lourdes where the Minister of Finance talked about the people and the story he was getting that I was also malicious and was trying to destroy them through my vindictive comments. I spoke to 150 students in Notre Dame, they asked me questions and I have documentation, Mr. Speaker, to prove what I was saying. I ask you, Sir, is that malicious? Is that muckraking? But that's all we've heard from that side of the House in dealing with this and many other bits of legislation.

And getting back to that Manitoba Hydro thing, Mr. Speaker, this is a civil servant that got special privileges, only worked two and a half years and a pension for life. I say, Sir, is that fair to all other civil servants in the Province of Manitoba?

MR. SCHREYER: How big a pension?

MR. EINARSON: The First Minister asked me how big a pension. It's immaterial how big the pension is, it's the moral objections that I have here. It's not the size of the pension, it's the moral of the whole matter that we're discussing here. It's moral principle that I'm concerned about, Mr. Speaker, moral principles of the government. And the First Minister I believe said at one time when he was first elected, I'm not concerned about principles, rather concerned about power - for power's sake, Sir? I think this has got to be incredible, I think this has got to be incredible, Sir.

All these things, Mr. Speaker, point up to one thing; that if this government has its way we'll not have a Civil Service in Manitoba, but, Sir, we're going to have a secret service . . .

A MEMBER: Hear hear.

MR. EINARSON: . . . we're going to have a secret service in the Province of Manitoba and not a Civil Service. Yes, Sir, Mr. Speaker, the First Minister, this is enlightening. I'm telling you, Sir, that we have got to be concerned, and as I said in the outset, never before, I don't think that I can recall, that I have felt so strongly about a piece of legislation that we have right now.

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(MR. EINARSON Cont'd) . . . . .

I want to give you another example, Mr. Speaker, why I say that I'm so fearful, and I don't want to feel that way but honourable gentlemen opposite give me no alternative because of their actions. And I want to use one other example to back up my feelings and my views on this whole matter. You know we've had a good deal of problems with some of our rural people. Our leaders, people who have accepted responsibility on a voluntary basis - and I want to use one example, Mr. Speaker, and that's the Women's Institute for the Province of Manitoba. And I understand there are about 2,500 of them, members of this great organization. You know, Mr. Speaker, not one of them, I'm given to understand, knew of the actions and the policies that were going to be a secret within the Department of Agriculture and this government, until the Executive Secretary, which is an appointment by the Minister of Agriculture - had to tell those 2,500 women of what was taking place. You know, Mr. Speaker, it's incredible to think that the Minister of Agriculture wouldn't go out and talk to that group of women, Migosh, Mr. Speaker, you know, as a politician to have 2,500 women all against you, you're in serious trouble, Sir. You're in serious trouble, Sir. And the fact is that they do not go out and discuss these things with the people that are directly concerned, Sir. And this is another example, Mr. Speaker, where I'm concerned, and I could go on on a number of other cases, that when I talk about this government, rather than being concerned about the rights of civil servants they're out to destroy the whole institution, the principles on which it was founded.

I fully understand that governments change and so do the civil servants have to make their changes to some extent and abide and work with the present day government. This is understandable. But, Mr. Speaker, when the government ignores the taxpayers who pay those civil servants, who pay all members in this Legislature such as this government is doing as of recent months, then I am very very concerned, Sir, as to just what is going to be the future for our Civil Service institution.

And so, Mr. Speaker, I'll go out on a limb and say to this government, they're not interested in the Civil Service. The Minister of Labour--unfortunately I can't agree with him. I'm not going to say that he is being untruthful but I will say I can't agree with him, that they're more interested in the way in which they are operating, and I can say too, Sir, that the morale of the Civil Service in many areas has never been as low as it is today, Sir. Has never been as low as it is today.

A MEMBER: How would you know?

MR. EINARSON: Well, you know, Mr. Speaker, I think if the First Minister had been in Brandon Fair last Wednesday he might have learned something; talked to the grass roots of this province, talked to the people he professed he wants so much to help - and you don't help people unless you find out what they're thinking and how they think and what they feel is best in their interests. But, you know, we have a government that is indoctrinated with the idea of power. You know, his colleague in Ottawa I listened to yesterday, it was utterly amazing to think, that the Demogrits, the Demogrits in Ottawa. . .

A MEMBER: They're the government.

MR. EINARSON: . . . or the government -- and you know, he accused -- you know, he says, "I'm going along with the Liberal Party, but now," he says, "I think we've got what we want and we're going to turf them out. But," he says, "you know, those Conservatives, they're so eager for power that's all they can think about." You know, his counterparts should talk like that. He should come to Manitoba and sit in this Legislature for one or two days and he'd find out what it is to be obsessed with power, Mr. Speaker.

Well, Mr. Speaker, I just want to reiterate my comments on this Bill No. 7 which is very very important to those of us on this side of the House, that in no way do we want to see this passed, because one of the sections there, as I understand it, Mr. Speaker, that this front bench, the Cabinet, have the authority under Order-in-Council to do as they so choose with the civil servants. Mr. Speaker, we might as well be over in Russia if that's what is going to happen, if that's what this government wants to prevail upon. I say, Sir, they are bent, not on improving and making better for our Civil Service, but rather to provide this province with a secret service never known before in this province of Manitoba. For these reasons, Mr. Speaker, I'm opposed to it.

MR. SPEAKER: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Speaker, I move, seconded by the Honourable Member for

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(MR. McKenzie Cont'd) . . . . Brandon West, that debate be adjourned.

MOTION presented and carried.

BILL NO. 17

MR. SPEAKER: Bill No. 17. The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. I had hoped - I had hoped that the Attorney-General would be in the House, Mr. Speaker, because this bill is one that affects his department, and while it seems to be a relatively simple bill there are certain things in there which I feel are certainly not clear. When the Minister made his explanation in the introduction of this, he did not refer to that part that is very unclear, and I was hoping that he would be here when we were discussing this in second reading.

It seems rather odd to me, Mr. Speaker, that the Minister would be bringing in a bill of this nature. When you look at it, it says that in essence a barrister or a solicitor acting on behalf of the government or any person may collect and recover lawful costs in the suit, and so forth. There is also something in there, Mr. Speaker, that says that these barristers or solicitors are being paid by the Consolidated Fund. These are the ones that are specifically referred to in this, but there is no place in there, Mr. Speaker, where it says that the costs that may be collected will be deposited in the Consolidated Fund. It would almost appear, Mr. Speaker, that government is saying to solicitors or attorneys or barristers that if you will act on behalf of the state, take a case for us, we will pay you for your services, and if you are successful you can maybe pocket some of the expenses and costs that the court would give you in their judgment.

Now, Mr. Speaker, I ask you why would any government bring in legislation of that nature, and I suggest to you, Sir, that one of two things is occurring. Either the barristers, solicitors, who are presently engaged by the government and are being paid from the Consolidated Fund, are not being paid a salary that is commensurate with other members of the profession, and so they're using this as a little bonus; or secondly, Mr. Speaker, it may be that the government may want to reward certain members in the legal profession, pay them directly out of the Consolidated Fund and say, here you are boys, whatever you get after that is yours.

Mr. Speaker, I cannot subscribe to that philosophy. I think that it has a tendency to cause friction in other facets of the Civil Service because the minute you start it with the legal profession then you're going to have the medical profession where doctors are paid out of the Consolidated Revenue, they may then be trying to say, well look we're not getting enough either, can we collect a little on the side.

Mr. Speaker, we heard the Member for Rock Lake just finish speaking on the Civil Service Act. He was expressing the concern of many about what can happen in the Civil Service, and here we find another bill dealing with just one small segment, and maybe this is the way that government intends to act, maybe they're just going to take one little kernel of corn at a time and say that well this is so small that people won't notice it. But I think the intent of government is clear that they don't want to have a clear cut agreement; they want an agreement that has little side benefits in it, a little bonus here, which to me, Mr. Speaker, would indicate that the lid is off the pork barrel. It would indicate that the solicitor that is acting may be tempted to act in a manner that would provide him with a little extra rather than to truly assess the situation that is on hand.

And, Sir, all in all I do not believe that it would be in the best interests of the preservation of justice and the administration of justice in the Province of Manitoba. In fact, Mr. Speaker, I would almost suggest to the Attorney-General that he withdraw the bill and take it to the Law Reform Commission, take it to the Law Society - mind you the Law Society are those, it's only members of the Law Society that's going to benefit under an Act of this nature. But I would suggest, Mr. Speaker, very strongly that if the Attorney-General, who is charged with the responsibility of justice, the administration of justice, if he wants to ensure that the appearance of justice in this province is good that he should then withdraw this bill. To my mind, Mr. Speaker, I think that would be the wise course.

If in fact solicitors who were acting for the Crown are not being paid sufficient money, then I suggest there are other means than this bill to pay them. I think that we have that means, and if they are not being paid enough, they should be paid enough, and the fee that they

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(MR. GRAHAM Cont'd) . . . . are paid should maybe be reconsidered. But to bring about a change in this nature, Mr. Speaker, I think is a back door approach which to me does not indicate a willingness on the government to face the problems of not only seeing that justice is done but having the appearance that justice is done.

Again, Mr. Speaker, I reiterate my disappointment in the Attorney-General not being in his seat. I had sent him a note indicating I wanted to speak on this today but quite obviously he has other problems and is unable to be here.

So with those few words, Mr. Speaker, again I suggest to the Attorney-General that it might be in the best interests of justice in this province to have this bill withdrawn.

MR. SPEAKER: The Honourable Member for Swan River.

MR. BILTON: Mr. Speaker, I just would like to say a word or two if I may on this particular bill. I entirely agree with everything the Honourable Member for Birtle-Russell has had to say insofar as Bill 17 is concerned.

What concerns me is the recovery of legal costs which stands out like a sore thumb in this bill, and it amazes me that the Law Society if they have given an opinion on this and suggested to the Attorney-General that it go forward, I think they have gone out of their minds. Mr. Speaker, the government hires according to this bill and they say to the solicitor, our fee to you will be X number of dollars, and at the conclusion of the case they're as much as saying insofar as this bill is concerned that if there is a charge beyond what the government allows, the solicitor may charge that balance to the client, and use whatever means that he has at law to collect that from the client. And you know out of it all, Mr. Speaker, the client probably had nothing at all to do with the setting of the fee in the first place. He merely approached the government for legal help; the lawyer as I can see it is retained by the government, and he sets his fee whatever it may be. This seems to me to be not justice insofar as the client is concerned.

I can't help but think that the Legal Society are travelling along the road, that they want to become nationalized and under the province who will dictate from whence they go, because this sort of legislation to me says that the Legal Society are placing themselves in a position whereby at any given time in the future, it's just one little step, one little step that we've seen in so many other directions in legislation, but in this case he will be placing the Law Society, be it soon or be it later, under the absolute umbrella of the province.

And I too would agree with the Member for Birtle-Russell and ask that the Attorney-General again look at this bill in depth, and I would hope he would send it to the wastepaper basket where it belongs.

And again I would appeal to the Legal Society of the Province of Manitoba to protect the exalted position they have, the last resort for a person in trouble, and yet under this bill there is collusion between the province and the legal profession in the matter of fees, and I think that the Legal Society should keep this sort of thing at arm's length if they wish to keep the confidence of the people.

QUESTION presented.

MR. SPEAKER: The honourable member wish to speak?

MR. GEORGE HENDERSON (Pembina): I move, seconded by the Honourable Member for Birtle-Russell, that the debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: Gentlemen, on a matter of procedure . . .

MR. PAULLEY: Mr. Speaker, I was going to ask for you to call Bill 32, Mr. Speaker.

MR. SPEAKER: Before we do that, on respect to Bill 7 and amendment the reto, I accepted a motion of adjournment by the Honourable Member for Morris - Roblin I should say. Unfortunately it did not come to my attention soon enough but it has now. You have already spoken, therefore you cannot take the adjournment, therefore the question on that particular motion is still open. The Honourable Member for Morris has also spoken on this.

MR. WARNER H. JORGENSEN (Morris): . . . move and somewhat delay it but may I move, seconded by the Honourable Member . . .

MR. SPEAKER: I'm sorry, the honourable member has also spoken on the amendment.

MR. JORGENSEN: Not on the amendment, Sir. I've spoken on the main motion . . .

MR. SPEAKER: On the amendment as well.

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

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(MR. GRAHAM Cont'd) . . . . Member for Morris, that debate be adjourned.

MR. SPEAKER: That motion I can accept.

MR. PAULLEY: Mr. Speaker, just on a point of order I want it clearly understood that really we have dealt with an intervening matter, I don't know really what Beauchesne would indicate as far as precedent is concerned but I just want to indicate as far as we on this side are concerned that we would accept that, and it might be interesting just to look into past procedures to see exactly where one would stand in a matter of this - in such a case, but we've no objections.

MR. SPEAKER: Very well. The Member for Birtle-Russell takes the adjournment on that particular motion.

MR. PAULLEY: Bill 30.

. . . . continued next page

BILL 32

MR. SPEAKER: Bill 30 - 32. The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, the substance of Bill 32.

MR. SPEAKER: Order please. Would the honourable member first introduce it.

MR. SCHREYER presented Bill 32, an Act respecting The City of Brandon, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, the substance of Bill 32 has to do with the fact that last spring, that is to say in May of 1973 pursuant to an understanding that had been arrived at really considerably earlier in 1970 and 1971, an agreement was entered into pursuant to that understanding by the Province, the City of Brandon and the University of Brandon.

The only point or reason why Bill 32 is before us was because of the suggestion that the powers of the city to enter into the agreement and to dedicate, I believe it's one mill, while not normally to be questioned, could be questioned in terms of the long-run and in order to provide the continuity and to provide clarification, removal of any doubt, legislation was drafted to validate the agreement as such. Bill 32 is in the format not of a validation of the agreement but rather clarifying beyond any doubt that the City of Brandon in fact has the authority to enter into said agreement. And the operational effect of the Act would be as of the 1st of January, 1973, or such period of time as encompasses the date upon which the agreement was signed, which I believe was the 10th of May, 1973. This relates to the Centennial Auditorium which is located on the University of Brandon property.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Speaker, I have listened to the explanations given by the First Minister and I understand from his remarks that this is in effect permissive legislation, that it is enabling legislation for the City of Brandon to in fact do something that has already been entered into, an agreement with those parties which are named herein. And I think, Mr. Speaker, with those explanations that there should be no need to hold the bill at this stage. If there are any submissions to be made I presume that the opportunity will occur, as is usually the case, at committee stage, so I would think that we on this side would be prepared to move this bill along.

QUESTION put and carried.

MR. SPEAKER: The Honourable Minister of Labour.

BILL 33

MR. PAULLEY presented Bill No. 33, The Power Engineers Act, for second reading.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Minister.

MR. PAULLEY: Mr. Speaker, on the second reading of this bill--(Interjection)--That's right. I wonder if my honourable friend from Lakeside would like to read all about The Power Engineers Act he can read it for me.

First, Mr. Speaker, the name of the Act is changed from The Operating Engineers and Firemen Act to The Power Engineering Act, and this change, Sir, simply reflects current terminology being used in the field.

Second, under the proposed Act the Minister rather than an examination board will be responsible for setting examinations, issuing certificates, and suspending certificates. This will permit the standardization of examinations and certificates across the country since it will allow the Minister to adopt or accept examinations that are established interprovincially. Eight provinces have to date agreed to co-operate in establishing interprovincial standard examinations, and it is hoped that the remaining two provinces will soon join in this co-operative venture. Under a system of standardization an examiner paid for by the participating provinces and the Federal Government would be responsible for preparing standard examinations for the respective jurisdictions. The Minister would then under the proposed Act be in a position to accept the examinations for Manitoba or to revise them if it seemed desirable to do so.

In addition the proposed Act allows for an appeal to a judge of the Court of Queen's Bench where the Minister refused to issue a certificate or where he suspends a certificate.

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(MR. PAULLEY cont'd)

The bill also provides that the Minister may exempt plants from any or all requirements of the Act or regulations where he feels that the exemption is not contrary to the interests of safety. This appears on the face of it to be extremely broad power but it is felt in the trade there must be some broad discretionary authority to cope with modern technology with its many variations which make it next to impossible to apply rigid, precise legislative requirements. For example, modernization in this field has resulted in explosion-proof boilers and fail-safe equipment with a multitude of controls. As a result there are now many situations in which the constant attendance of an engineer is not necessary.

The change would allow the Minister to exempt plants from certain requirements such as provisions which require a qualified engineer to be present at all times. In any case I assure the House that in this respect the Minister will be guided by the expertise available to him in the department, and from an advisory committee provided for in the new Act.

Several provisions in the former Act which were subject to periodical change will be now changed to the regulations. As a result of this it is hoped the regulations in the eight provinces under the standardization program can now be made very similar with regard to qualifications, examinations and classifications of the plants. In general the new Act makes it possible to join in a joint program with other provinces regarding examinations, the issuance of certificates, classification of plants, and the like.

I may say in conclusion on introduction for second reading, Mr. Speaker, that, as is emphasized in these few remarks I make, that eight of the ten provinces have accepted this type of legislation, which it is hoped that the other two provinces soon will adopt and we'll have uniformity in this area across Canada.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I move, seconded by the Member for Lakeside, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable Minister of Education.

BILL NO. 36

MR. HANUSCHAK presented Bill No. 36, an Act to amend The Public Schools Act, for second reading.

MR. SPEAKER: The Honourable Minister.

MR. HANUSCHAK: Mr. Speaker, by way of introduction I wish to indicate that this bill recommends changes to the existing Public Schools Act but it is not the revised Public Schools Act that we are presently working on wherein the changes will be somewhat more extensive than those contained in the bill before you.

Last fall, Mr. Speaker, the executive of the Manitoba Association of School Trustees brought to our attention a number of concerns which they had about certain sections of the present Act. One of their major concerns was the section dealing with the question of indemnities payable to school trustees which they may receive for their services. You may know, Mr. Speaker, that at the present time the - and it is an old section of the Act and tied very closely to enrollment probably going back to, or the section probably goes back to the days preceding our unitary school division setup - and it's a fact that we all know it, that trustees are called upon to spend increasing amounts of time on an ever-growing education system. They are called upon to make decisions involving hundreds of thousands of dollars concerning the lives of thousands of children. They must keep themselves abreast of a constantly changing process which can no longer be said to terminate at the age of 18 or so, but which continues to affect the lives of all citizens throughout all their years.

When one looks at the present restrictions, Mr. Speaker, it's clear that the labour is worthy of a greater hire. Sections of this bill therefore remove the present restrictions and place squarely upon the shoulders of the trustees the responsibility of setting a remuneration which they feel is commensurate with their responsibilities. And this change has not been undertaken lightly, Mr. Speaker: it has been undertaken because it is the feeling of government that the school trustees of Manitoba, who are the elected representatives of their fellow citizens, are fully capable of assessing the contribution which they are making and of the remuneration to which they should be entitled. We have long given this responsibility to the



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(MR. HANUSCHAK cont'd). . .elected representatives on our municipal and city councils and it is time that we afforded the school trustees the same privilege.

Another amendment to the Act, Mr. Speaker, adds a clause which provides for the use of a language other than English or French as a transitional language of instruction, and I wish to underline the word "transitional". This change will enable schools of Manitoba to make use of native languages, Cree, Saulteaux, or in other instances where you may have heavy influx of immigrants from any country for the use of their native language to assist them during the transition process to work their way into our public school system wherein the languages of instruction are English and French. And this would assist our native people, those immigrating to the country. It would help their children, particularly in the younger grades, kindergarten, in the early grades of school, to adjust to their new situation more adequately and more competently by making it possible for them to function in the language which is most familiar to them while they are gradually being introduced to English or French, the major languages of instruction.

A third amendment, Mr. Speaker, corrects a rather unusual dilemma in which we found ourselves some time ago. At present the relevant sections of The Public Schools Act state that religious teaching when authorized or permitted by the Act shall take place between the hours of half past three and four o'clock in the afternoon, and shall be conducted by a Christian clergyman whose charge includes any portion of the school district, or by any person, including a teacher, duly authorized by such a clergyman. The term "Christian clergyman" is in the present day far too limiting. We found ourselves in the interesting situation of having an Anglican clergyman authorizing a Rabbi to conduct religious teachings.

A MEMBER: That's the way it should be.

MR. SPEAKER: Order please.

MR. HANUSCHAK: Now you know, Mr. Speaker, while this may have illustrated the very - you know a very interesting exercise in ecumenical co-operation but nevertheless it, you know, it did point up the need to extend this privilege to a representative of any religious group as determined by the school board to conduct religious instruction. Now I would emphasize, Mr. Speaker, that this is the only change that we are making in this regard. There is no change in the authorization for religious teaching or in the hours in which it may take place.

The next amendment to the Act, Mr. Speaker, is in part, it is the part of the Act dealing with partite, dealing with collective bargaining procedures, collective bargaining procedures between teachers and their respective employers. Now since this part is one of great concern to both teachers and trustees, this government does not undertake to make any amendments to this section without the tacit approval of both groups.

It has been brought to our attention by both teachers and trustees over the past few years that the panel of chairmen presently required by one of the sections of the Act is unnecessarily restrictive. It limits the number of persons available to act as chairmen of boards of arbitration. In the event that many disputes go to arbitration, and it's averaged 15 or better per year over the past few years, it's extremely difficult to find a chairman not already involved in a full schedule of hearings. Although we normally start out each year with a panel of seven chairmen but assignments, holidays, objections by one side or the other to a particular panel member, and other responsibilities which chairmen have, all contribute to a marked reduction in the number of panelists available to chair arbitration boards. The proposed amendment would allow the teacher representative and trustee representative on a board of arbitration to choose any person mutually acceptable to them as chairman of a board of arbitration, and submit the name of that person to the Minister for approval. If the two representatives should be unable to reach agreement within a limited time, then they will continue to report that fact to the Minister who will in turn request the Chief Justice of Manitoba to appoint a chairman.

And it's hoped, Mr. Speaker, that this particular amendment will have the desired effect of facilitating the present arbitration proceedings and avoid the situation which has developed in recent years of having settlements for a collective agreement made after the year to which such an agreement refers is over.

The above might best be termed on-going amendments to existing legislation.

There are however certain other amendments in this bill which are designed to meet specific situations. The first of these concerns the 11 school divisions whose boundaries are either completely or mostly within the boundaries of the City of Winnipeg. When the City

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(MR. HANUSCHAK cont'd). . .of Winnipeg, the present form of the City of Winnipeg came into being it was decided that those school divisions within the City of Winnipeg boundaries would have their trustees elected at the same time and on the same basis as the councillors were being elected for the City of Winnipeg. This meant that there was an election in the fall of 1971 for school trustees in the 11 school divisions who would serve a three-year term commencing January 1st, 1972. Now I mention a three-year term, Mr. Speaker. In actual fact it is a term of two years and approximately 10 months, since it is our intention to have the trustees elected in October, 1974, take office fourteen days after the election on exactly the same basis as the councillors for the City of Winnipeg.

When the original bill was written in 1970 it was anticipated that amendments to The Public Schools Act would provide the necessary authority for subsequent elections. Now we wanted time to review the whole pattern of trustee elections in Manitoba, and to consult with our colleagues in the municipal field to see whether we could reach some unanimity of opinion and practice since it is customary to hold both municipal and school board elections at the same time. However since we have still not reached any firm conclusions it has become necessary to bring in special authority for the election in these 11 school divisions entirely, or mostly within the boundaries of the City of Winnipeg.

Now we're also by this bill, Mr. Speaker, extending the privilege of a three-year term of office to the trustees of the Brandon School Division. This has been a matter of some concern to the Brandon Board, and they have on numerous occasions requested a change in legislation which would make this possible, and this bill would provide the required authority.

These then, Mr. Speaker, are the provisions of this bill. There may be some other sections contained in the bill on which I may have commented briefly, or perhaps not at all, because they may be related to those sections on which I had commented. But I'd be very pleased, Mr. Speaker, to provide further information and clarification for any of the members as the bill proceeds through its various stages.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSON: Mr. Speaker, before the Minister resumes his seat I wonder if he would just answer one question for clarification. Did I understand him correctly to say that the reason why the changes in the election procedures in all the other school divisions have not been incorporated in this bill is because there was no unanimity amongst the other school divisions, only amongst the Brandon and the Winnipeg school divisions?

MR. HANUSCHAK: Yes, Mr. Speaker, Brandon specifically asked for it to tie in their elections with municipal elections. In Winnipeg it's an absolute necessity because of the way the legislation reads. The City of Winnipeg bill made provision for the '71 election but there is no legislative authority or provisions to take care of the '74 election.

Insofar as the remaining school divisions are concerned there's some interest expressed in this, but up to this point in time there hasn't been any great demand. And it could present a problem too in some municipalities which are split amongst three or four school divisions, so there are a number of details that have to be worked out. However, you know, when this bill reaches Law Amendments Committee, if there should be any firm indication that the Association of School Trustees would favour the extension of the provisions of the sections dealing with Winnipeg and Brandon on a permissive basis, then I certainly would have no objection to bringing in such an amendment.

QUESTION presented.

MR. SPEAKER: The Honourable Member for Brandon West.

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

MOTION presented and carried.

BILL NO. 27

MR. SPEAKER: The Honourable Minister of Tourism and Recreation. Bill No. 27.

MR. TOUPIN presented Bill No. 27, the Lotteries Act, for second reading.

MR. TOUPIN: This bill will go to Law Amendments Committee, and I'm equally informed that I should have mentioned on first reading that His Honour the Lieutenant-Governor had been informed of the subject matter of this bill and recommends it to the House.

MOTION presented.

## BILL 27

MR. SPEAKER: The Honourable Minister.

MR. TOUPIN: Mr. Speaker, I will attempt in the few minutes before me to outline the reason for this bill being before us. In doing so I would like to go back to January 23, 1973 - a meeting of the four ministers responsible for recreation in Canada was held in Victoria, British Columbia, and consideration was given to the following:

The Manitoba Lottery Commission established in 1970 up to the end of December 31, 1972, had operated nine draws in the Province of Manitoba. Within that period of time the Commission had realized over eight million dollars in gross revenue, and had turned over \$2-1/2 million to the Province of Manitoba for sports and cultural development.

The meeting of ministers considered that 75 percent of the sales were in direct contravention of the provisions of the Criminal Code which forbids the sale of lottery tickets outside of the Province of Manitoba. Approximately one third of the revenue of the Manitoba Lottery originates in the Province of British Columbia, Alberta and Saskatchewan. Countless representations made to the Province of Manitoba by other provincial governments indicated that while prosecutions of the sellers and winners of Manitoba Lottery tickets might be increased, a more effective retaliation against the Manitoba scheme would be to establish large and competitive lottery schemes in each province. It is assumed that the marketing potential for lottery programs has a limit: therefore if each of the four western provinces decided to launch a similar lottery to the Manitoba Sweepstakes, there would be four major lottery draws per year in each province. This would result in 16 major draws being offered to approximately six million people.

If this situation were allowed to develop the result would be that prize funds would be progressively increased to maintain marketing advantages. The result of that would be that a lower percentage of net profits would be devoted to the support of the desired programs. It was considered that a proliferation of lottery schemes in all provinces would only result in administrative inefficiencies and that the viability of the individual schemes, especially in the smaller provinces, would be affected.

The ministers' meeting agreed to pursue in principle the development of one lottery program for the four western provinces, which would be operated and administered on a co-operative basis by the four participating provinces. The principles of the interprovincial co-operative lottery are as follows:

The lottery program while initially establishing a quarterly draw similar to the Manitoba Sweepstakes, would see the incorporation of a weekly lottery scheme, a monthly lottery scheme and in time a large annual draw.

In view of Manitoba's experience the administrative head office of the Interprovincial Corporation with a potential job creation of 50 jobs or more would be established in Manitoba.

Each provincial government would designate a marketing organization responsible for the distribution of tickets within its jurisdiction.

Each provincial marketing organization will contribute to the administrative head office a percentage of sales for the prize fund and administrative costs.

Each provincial marketing organization will retain its own net income for distribution to programs under the priority of each province. Generally these programs will be in the areas of sport and culture.

An Interprovincial Corporation will be formed with each of the four participating governments appointing two directors.

The other provinces or territories may join upon approval of the Board of Directors of the Interprovincial Corporation.

That none of the participating provinces operate any major lottery scheme. (This means phasing out of the Manitoba Sweepstakes, the Calgary Stampede Lottery, and the Edmonton Klondike Sweepstakes)

That lotteries over 100,000-dollar prize fund may be licensed by each province to be conducted by charitable or religious organizations, but that lotteries so licensed will not exceed \$250,000 prize fund in total; and that each province restrict such major lotteries over 100,000 to one per year for each 500,000 population, or major fraction thereof.

That a fund be established by the four provinces to which each province contributed five percent of gross sales. This fund is to be administered by the four ministers responsible for sport and culture, and grants may be made to major events of interprovincial or national

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(MR. TOUPIN cont'd). . .importance, such as the 1979 Canada Games, which we hope will be staged in Manitoba.

On March 18, 1974, in Regina the four western ministers met - that is, there was three western ministers and representatives from Alberta - and they decided:

1. That an organization with the principles just outlined would be established pending the passage of necessary labelling legislation in each province.

Each province has agreed to introduce similar legislation prior to April 1, 1974.

That upon proclamation of all necessary legislation an Interprovincial Corporation be formed and called The Western Canada Lottery Foundation.

That the head office and administrative capability of the Foundation would be in the Province of Manitoba - and we asked that this be had at least for a period of ten years.

That a quarterly lottery program will be initiated as the first phase of the Western Canada Lottery with a total prize fund of \$750,000; the first prize being a quarter of a million; the second prize 100,000; the third prize 50,000; five prizes at 25,000; and 1,900 prizes at \$100.00. Seller's prize at five percent of value of prizes won; cost per ticket, \$2.50.

That the administrative format of the Manitoba Sweepstakes be followed.

That each province establish distribution organization similar to the Manitoba Lottery Commission.

That each province shall refrain from marketing tickets in the other participating provinces.

That the tickets for the first draw go on sale for June 1, 1974; and that the first draw take place near Thanksgiving Day, subsequent draws to be held at three-month intervals.

That the winners of the draw will be declared at a western Canada-wide television show rather than on a sports event as at present.

The marketing in the Province of Manitoba will continue to be done through the Manitoba Lottery Commission, but will probably see the establishment of three sub-distribution organizations:

- (a) The Manitoba Lottery Commission would continue to distribute tickets to all non sport and non cultural agencies;
- (b) A cultural distribution agency would distribute to all cultural groups; and
- (c) A sports distribution agency will be established that will deal exclusively with sports groups.

The commission structure for the agencies will defer from the Manitoba Sweepstakes in order to conform with the interprovincial structure.

It is anticipated that the higher prize fund the increased frequency of draws, the proposed assistance in lowering the cost of sales, and the addition of other lottery schemes, weekly, monthly, will enable the non-profit organizations that presently sell Manitoba Sweepstake tickets to maintain, even increase, their earnings for their causes over the long terms.

During the year of negotiations the three western provinces have not instituted any major prosecutions in order not to stifle or disturb the progress of the negotiations; it should further be noted that as a prelude to the negotiations about the Western Canada Lottery the Province of Manitoba sought a reciprocal agreement where Manitoba would be able to tap the population rich market of Alberta and British Columbia in return for the ability of British Columbia and Alberta to market in our smaller province. This proposal was rejected by the other provinces and in addition to being against provision of the Criminal Code and therefore unlawful.

It should be recalled that the original Manitoba Sweepstakes was only set up for one year to accommodate the Centennial Citizens' campaign, and that during that time the present commission structure for agencies was developed. That commission structure is the highest anywhere in North America; the most successful lottery in Canada being Quebec Loto, pays its agent no more than ten percent, with similar amounts being paid in the fantastically successful New York and New Hampshire lotteries. The present amount of commissions paid by the Manitoba Lottery Commission adds up to 45 percent which is undoubtedly among the highest in the world.

In terms of producing revenue for government programs, the percentage earned by the Province of Manitoba ranks amongst the lowest. Government programs in sports and recreation have been recipients of funds earned by the Sweepstakes. Increasing demands, such as

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(MR. TOUPIN cont'd). . . financial requirement to fund the Manitoba games create a need for additional government revenue. The lotteries intent is to raise funds for cultural and sport and to allow non profit agencies to earn money for their cause.

The Manitoba Lottery Commission will act as a partner in the Western Canadian Lottery and the distribution organization in the province. The Commission will appoint three major agencies, each with a defined clientele of sale agencies; the three major agencies shall be designated provincial agencies and the sub agencies as sales agencies.

In regard to the provincial agencies operated by the Manitoba Lottery Commission profits of this agency would be distributed in performance bonuses to its sales agencies and the Department of Tourism and Recreation and Cultural Affairs. This provincial agency shall market aggressively and will also appoint as sales agencies those non profit organizations that by decisions of the Minister of Tourism and Recreation and Cultural Affairs are not considered sports or cultural organizations.

An agency operated by the Manitoba cultural groups, profits of this provincial agency shall be distributed to cultural activities, including the operation of a centennial centre complex. This agency shall market aggressively, hopefully and will also appoint sales agencies those non profit organizations defined as cultural.

And thirdly, an agency operated and formed by the Manitoba sports' groups profits of this provincial agency shall be distributed to Manitoba sports' governing bodies. This provincial agency shall market equally aggressively and appoint as sales agencies those non profit sports organizations directly related to the Manitoba sports governing bodies.

The Commission's provincial agencies will receive 35 percent total commission on their own sales, plus ten percent override on its own sales, plus the sales made by their agencies. Sales agencies will receive 35 percent total commissions, plus a possible ten percent override that has to be determined by regulations.

Performance bonuses. Sales agents of the cultural and sports groups will share directly or indirectly in the profits of their provincial agency. In order to provide an opportunity to share in the profits of the provincial agency of the Manitoba Lottery Commission a performance bonus for these sales agencies will be instituted.

Marketing in public places. The provincial distribution organization, the Manitoba Lottery Commission, control and assign and co-ordinate the use of all sales location and public places within the province.

Restriction on sale expenses. Sale agencies and provincial agencies must limit their direct selling expenses to an amount to be specified in regulations at a later date. I've had meetings with different groups involved in selling now and I've indicated to them - well first of all I wanted to get their advice in regards to the bill itself and in regards to the regulations to be brought forward after the acceptance or the proclamation of the bill, and that the said regulations would be discussed with them, and hopefully that their knowledge would be included in some of the aspects of the regulations.

There's still, Mr. Speaker, a lot to be said in regards to the structure itself of the Manitoba Lottery Commission, in regards to the arrangements with other provinces in Canada, the three other western provinces, and in regards to the sections of the bill, which I don't intend to deal with today, and equally to be followed by regulations that will be worked upon by officials of my department and myself and those at least, the majority, a great deal in number of agencies now involved in the selling of our tickets. I indicated equally during questions in the House, Mr. Speaker, that it is the intent of the Interprovincial Lottery Commission to enter into an agreement with other lottery schemes, if possible in Canada, and to that effect we will be discussing reciprocal arrangements with other provinces but I have laid before you today explanations, background on the bill before us, and I ask every member of the House to support it. Thank you.

MR. SPEAKER: The Honourable Member for Roblin.

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

MOTION presented and carried.

BILL NO. 9

MR. SPEAKER: Bill No. 9 is still open. The Minister of Agriculture.

## BILL 9

MR. USKIW: Mr. Speaker, I believe the order would be to ask leave to withdraw that bill as it's being replaced by Bill No. 32 on the Order Paper.

MR. SPEAKER: Is that agreed? Very well. And Bill 30—the Honourable Minister's away. The Honourable House Leader.

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 Radisson in the Chair.

SUPPLY - CAPITAL SUPPLY

MR. CHAIRMAN: Capital supply. Resolved that there be granted to Her Majesty a sum not exceeding \$622,230,000 for capital expenditures.

MR. CRAIK: Mr. Chairman, I believe we're on the Hydro item, are we not?

MR. CHAIRMAN: Right. The Honourable Member for Riel.

MR. CRAIK: You know in the debate last day, I asked if we could get a written breakdown of the expenditures with regards to 74/75 on capital for the different projects that are under way on Hydro, and I have received these from the First Minister; I haven't really had an opportunity to look at them.

One of the other questions that I think is very important at this time is the total this year is for \$480 million for hydro purposes, and in the explanation notes it's indicated that the carry forward beyond 1974/75 of that amount is \$394,400,000. In other words we're being asked here to give approval for \$480 million specifically, but nearly 400 of that amount would be carried forward into some period following the year that we're looking at right now. And there is a carry forward from last year, according to the notes, of \$234 million from last year into this year. Now, Mr. Chairman, the reason it's of note is that of course that the magnitude of the amount involved. This is a colossal amount of money in Manitoba's language to be asking authority for, and I think as such, even it were all for this year, it would be one matter, but when it's being asked - most of that amount will be carried forward into another year. I wonder if the government could explain why that size of a commitment is needed in 1974/75.

As noted also the total borrowing authority for this year is of the order of \$700 million which is very close to the total budget of the province, and with inflation being a major factor in Canada and in Manitoba then no doubt the fires of inflation are being fed to a very large extent through government expenditure. The combined two of the expenditures - 700 million and \$840 million budget - represent out of a total of a little better than \$1.5 billion, and as indicated the gross provincial product in 1973 was of the order of 5 billion, so this represents very close to one-third of the gross provincial product, when you combine both the borrowing requirements and the current spending of the government. And I think for that reason alone without--if it's possible to put into layman's language why this sort of level of spending is being asked for in authority, although it's indicated that the authority will not actually be exercised, I think that some explanation is due to the people of Manitoba when we're talking about this size of money.

And without compounding the request for information further I think also that we would like to get at this point--we'll come to it at a later item - a breakdown on the general purposes borrowing, I think there's only about \$19.8 million of the total of 33 explained in the items that were handed out at the time of the tabling of the present information.

So, Mr. Chairman, my comments are with regards to hydro at this point, and we'd particularly like some explanation on the size of the borrowing authority and the size of the amount that's going to be carried forward beyond '74/75.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I certainly don't blame the Member for Riel for raising that very same point because it is one which I had occasion and reason to question as well on the very same - really in almost the same words for that matter.

To attempt to keep it as brief and concise as possible I would simply explain that it has to do with the advice received from the senior people at Manitoba Hydro and from the senior people of finance and the auditor's office as well, that we should seek authority that matches

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(MR. SCHREYER cont'd). . .not only what we will have to go out and borrow on the money markets but also commitments that will be entered into with such a lead time that it provides for the smoothest possible flow of work to be carried out and preplanned, but which will not require the actual exercise of borrowing authority in the same fiscal year. And so therefore in looking at the two fiscal years, not just one, the upcoming fiscal year, the one we're just entering 74/75, and 75/76, we're looking at borrowing requirements that are in the order of 268 + 270 million but are seeking authority for double that amount because of commitments to be entered into with respect to the construction of the Nelson River plants up to April 1, 1975. If you take the two together, the two amounts, actual borrowing requirements needed in order to provide the cash flow on construction, that's 270 million, and authority required in order to cover the commitments entered into for the next year and really beyond that, another approximately 240 million, more or less. So that does come to an aggregate of approximately \$478 or \$480 million. I don't know if that distinction is one that my honourable friend has considered or pondered, but that is basically the reason for it.

Now insofar as the magnitude of the amounts is concerned I believe, as my colleague the Minister of Finance has pointed out, and he has pointed out the obvious, by far the greater amount of the capital authority that is requested here relates to Manitoba Hydro. If one were to look at all of the other entries under the Capital Authority page, one would see that the amount that is being requested in Capital Authority is not undue, it is not deviating in any significant degree from past years. But the Hydro requirements is a very large one, and particularly for a province of one million people it is, as we all have known for some time, a massive undertaking. The Nelson River project is not larger than other energy developments that now have to be contemplated in other parts of the country but for a province of one million people it is. Nevertheless there is no reason nor any need to look back with the benefit of hindsight insofar as the essential desirability of the decision to proceed with the harnessing of the Nelson River and the related engineering works.

The pace of construction and the scheduling of construction is such that we expect that the next two years will in a sense be a peaking of capital requirements for the continuation of the construction of Nelson River energy but the capital requirements will be pretty substantial even so not quite as high but substantial even in the latter part of this decade of the 70s and into the first few years of the 1980s.

So in a nutshell I would answer my honourable friend's question by saying that this borrowing authority really has two parts to it, one part relating to actual borrowing requirements in this coming fiscal year in the order of 270 million, and a balance of approximately 210 million, thereabouts, to cover commitments that will have to be entered into this year but in which the actual cash flow and moneys will not be required until the next fiscal year or even the one after that, possibly even the third year after that.

MR. CRAIK: Mr. Chairman, do I understand then that the commitments that are being asked for are really some sort of assurances that are provided to the suppliers of money, the gnomes of Zurich, or whoever it is, that the construction is committed for a period of two or three years, and that the amount that's being asked for immediately will be followed up with other authorities? Is this what the . . .

MR. SCHREYER: That's basically the reason, Mr. Chairman, although there is also advice in terms of our own financial administration that it's just preferable financial administration practice that if you know that you are going to enter into commitments, actual expenditures or disbursements of which will not take place until a year or even two down the road, but nevertheless if the Crown is going to enter into commitments of a contractual nature in one fiscal year, it should seek authority, it should at least seek the authority in that same fiscal year, and that really comes to the nub of this inquiry or this exchange.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I just wanted to ask the First Minister whether he has yet been able to acquire the information that he undertook to provide at the last meeting when we discussed this capital authority, in particular the question was asked whether he would supply information about the sources of capital and the rates that would be expected to be paid on that capital for the hydro project; and secondly, we asked him to provide a comparative analysis of the hydro rates in other provinces considering that he was using this as a standard or a comparison for measurement of the relative efficiency or effectiveness of this program.

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(MR. AXWORTHY cont'd). . . I am wondering if he has that information as yet and whether it may be available to us.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, in replying to the three parts of the question, I would indicate that with respect to sources of capital, there is no one answer to that question. The province would raise the required capital not in any one floating of debentures but broken down into amounts of anywhere in the order of 25, 50, and at the very most I should think 100 million. The sources could be either the European money market or the United States or Canada, and there is even some possibility of interest in the West Indies and Venezuela. But these are matters which have to be explored by the money managers of the Crown, more particularly the Minister of Finance and the Deputy Minister, and they have been engaging in that kind of analysis. Who knows, there is perhaps some possibility that with two sister provinces receiving substantial amounts of revenues now, and I do mean substantial amounts, there is precedent already you know for one province borrowing from another. I believe it was in the early 1960's when the Province of Quebec did borrow from the Province of British Columbia because they happened to come into possession of a lump sum payment relating to the Columbia River Treaty. In other words then, Mr. Chairman, it all depends on the rate and the competitiveness of the rate that is offered at any given point in time in the money market. But the money market is more than ever a world money market and we do not anticipate obtaining the required capital supply in any one place. It will be diverse, diffused geographically. So far as the rate is concerned there too it's not possible to give a specific indication because it's only good for a moment in time, rates are changing with considerable oscillation. Insofar as. . .

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Well I'm wondering if the Minister would permit a question on that particular point. Considering the highly volatile state of the world money market at the present moment, and with the large shift in capital from one country to another, in part occasioned by the increase in petroleum prices and the large amounts of capital flowing in the Middle Eastern countries, has this particular lending authority or capital authority been discussed with Federal officials to look at the question of capital flows into Canada itself, and how it affects our own balance of payment situation? And are we assured on that part that we're not adding to the fiscal difficulties of the country by lending large amounts, or borrowing large amounts of money outside the boundaries perhaps at rates which - and that's one reason why we ask questions about rates, what the actual rates would be or where the sources would be, and I'm wondering if you could give us some amplification on that.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Chairman, there certainly has been discussion with Federal counterparts, federal authorities, and that discussion really in a sense was initiated I suppose back at the time when the Nelson River decision was taken and agreement was entered into with respect to financing of the D. C. transmission line; and I might add, although it's only an aside that there is some fairly good prospect of a refinancing of that agreement in a way that will be of some modest benefit to the Province of Manitoba.

In addition to that we have discussed, my colleague the Minister of Finance has discussed with Mr. Turner, at least a couple of years ago, about the attitude of Canada with respect to foreign capital borrowings by provinces and by provincial utilities. At that point in time the Federal Government was talking about discouraging foreign capital borrowings but did not have an alternative to propose as to how to deal with the problem of thereby requiring provinces to incur some marginal disadvantage or penalty if it had to restrict itself to the Canadian money market, which he admitted at that time was perhaps too restrictive to take care of some of the larger construction projects in our country.

More recently, in the past six months we have had discussions with the Federal Minister of Energy, Mines and Resources, and at the officials' level as well, to ascertain the extent to which Canada would be prepared to provide capital financing for resource development. It is partly from that that flowed the Federal announcement that they would provide capital financing, or loan financing, to the extent of 50 percent of the cost of: (a) inter-regional transmission lines; and (b) nuclear generating capability. But nuclear generating capability is something which--the offer on that is something which Manitoba could not logically exercise for a few



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(MR. SCHREYER cont'd). . . years yet. There is such a thing as an optimum rate and pace of development of a hydro-electric system or river once you are well under way with that project, and in Manitoba's case we are. So there's no looking back until we reach the end of construction of the third major station which is Upper Limestone. At that point in time there is some chance, or some logical break in the sequence of things that would give the province an opportunity to reassess whether at that point to insert nuclear capability or whether to proceed with the last two major plants on the Lower Nelson. But in any case the federal financial capital borrowing or lending offer is limited to inter-regional transmission facilities and to nuclear, the first two nuclear stations or units.

So there is just no question, particularly if Canada proceeds with Athabasca tar sand development, Mackenzie River Pipeline and James Bay, that the capital requirements will be very monumental, and we are hoping that we'll be able to complete the major part of our hydro-electric development, the first major phase of it at least, before those huge projects really get into peak of construction - sort of come in ahead of the wire or under the wire so as to have most of our work done before these other huge projects start to compete on the money in the capital markets.

I still can't give my honourable friend specification as to what parts of the world we will be looking to for this capital supply. It will be those parts of the world where capital supply is most favourable at any given point in time. I hope I've answered that part of it.

The other question I recall my honourable friend asking was whether there was any undue difficulty with respect to acquiring rights of way for hydro transmission, and in that connection I could advise him that there is no undue problem anticipated. As a matter of fact on any inter-connection to Ontario or to the State of Minnesota the kind of land that would be traversed would not be as valuable generally speaking as that land in other parts of the province where hydro lines have had to have been built in the past. So we expect the normal kind of problem of land acquisition but nothing unusual or undue.

The last point my honourable friend raised had to do with comparison of rates, and in that connection there is great detail involved which was presented to members of the Public Utilities Committee and some questions on capital market as well were raised in the Utilities Committee in the past couple of meetings. So perhaps we can get a transcript of the record of that committee and forward it to my honourable friend. Very quickly one gets into considerable detail in terms of such comparisons.

MR. CHAIRMAN: The Honourable Member for Riel.

MR. CRAIK: Mr. Chairman, I wonder if the First Minister could indicate when he says that essentially they would search out those areas or markets for money that offer the best rates for Manitoba, and so on, does he include the Arab countries who are now apparently moving into other parts of the world with financing? Can we expect to see that if the rates are satisfactory that Manitoba Hydro could be financing its power developments with money from Saudi Arabia and other places who have this source available? And perhaps he could indicate whether at this point if there's any indication of Arab money moving into Manitoba already.

MR. CHAIRMAN: The First Minister.

MR. SCHREYER: Well, Mr. Speaker, the Honourable Member for Riel smiles when he asks that question, and well he should, because there is no way of knowing in any literal sense the origin of capital that is raised in any one of the major money markets of the world.--(Interjection)--That is precisely so. The Member for Lakeside says, money knows no nationality, and for all I know, and I rather suspect that some of the capital supply raised in the money markets of western Europe and New York, is Arab oil money once removed; and perhaps in some cases twice removed, but not very far distance removed. And I believe that that's the reality of the world we are in today, given the facts, that it is estimated that in the twelve-month period between October of 1973 and October of 1974 that some \$40 billion in world capital will have moved, shifted from the so-called industrial free world, or western world, to the oil producing states of the Middle East and Venezuela, \$40 billion. Therefore one assumes that since most of these countries are really not in a position to make immediate use of those funds, that those funds will be reinvested in the money markets of the world through Zurich, Frankfurt and New York and Toronto; there is some indication now that some of that capital is flowing in for investment on this continent. So the Member for Riel is asking a question. I suspect he is as aware as anyone else that it is well nigh impossible - unless of course one is

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(MR. SCHREYER cont'd). . . talking of a direct loan transaction, and that we have not engaged in up to this point in time.

MR. CHAIRMAN: The Honourable Member for Riel.

MR. CRAIK: A serious question, Mr. Chairman. When bonds are sold, are the buyers not known usually directly for these major amounts that are sold, or are they sold in the name of a financial house, or is the final customer not named in the purchase.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: I wouldn't swear to it, Mr. Chairman. It may be that some of the larger scale purchasers of Manitoba debentures might be known, or could be ascertained, but my understand is that if we are floating a loan in the United States that it is looked after by the First Boston Corporation or Solomon Brothers, and there's a third firm, the name of which escapes me at the moment. In the case of Western Europe there is a liaison there, a standing arrangements, that I believe has existed for several years with a brokerage house both in West Germany and in Switzerland, and I believe also that some arrangements have been made for brokerage service standing in place in Tokyo, but I could not answer specifically whether those who actually buy up the bonds are known to us, or could be ascertained by us. It is my impression that we leave that to the brokerage houses that are responsible for placing the paper.

MR. CHAIRMAN: Manitoba Hydro, \$480, 000, 000--passed; Manitoba Telephone System, \$29, 780, 000--passed; Manitoba Water Services Board, \$4, 560, 000--passed; Agricultural Credit Corporation, \$14, 650, 000--passed; Manitoba School Capital Financing Authority, \$14, 000, 000--The Honourable Member for Birtle Russell.

MR. GRAHAM: Mr. Chairman, I would hope that the Minister of Education - I'm sorry he's not listening at the present time - could give us the rationale for this amount of money that he is requiring at this time.

MR. CHAIRMAN: The Honourable Minister of Education. The Honourable First Minister.

MR. SCHREYER: Mr. Chairman, I will have to collect my thoughts here. I have the back-up documents here to the Minister of Finance. I will attempt to find the--specifically what is the Honourable Member for Birtle-Russell inquiring? I know he's inquiring about the Public Schools Finance Board, but in what specific connection? If I may ask.

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

MR. GRAHAM: Mr. Chairman, at the present time we have the Minister of Education has announced the program that he is going to use to assist the local boards in their operational aspect. But at the same time we find that the formula he has used is putting a tremendous load on the local municipal councils, and we're just wondering whether there is any money that is being brought in under the capital program, being brought into the educational budget. We have this particular item here which is under the financing authority, but we're just wondering if any of the money that is under that is going to be used for actual operation of the school system or not.

MR. SCHREYER: Well, Mr. Chairman, I could indicate that what is involved here, and perhaps the Minister of Education could perhaps elaborate if there is need to, none of the supply that is being requested here has to do with operating costs at all. It has to do with school construction projects approved by the Public Schools Finance Board and the local authorities in 1973 which requires payment in 1974/75, and this aggregates an amount in the order of \$21 million. There is an internal generation of cash amounting to \$5.2 million, so the actual net request here for capital authority is \$14 million. Now if this relates - if my honourable friend would like some idea of what it relates to, it relates to schools, six schools in the Winnipeg School Division, three in St. James-Assiniboia, four in Assiniboine South No. 3, four in St. Boniface, one in Fort Garry, one in River East, two in Seven Oaks, one in Seine River, two in Hanover - that's to say School Division No. 50, Hanover - two at Whitehorse Plains, one at Midland, Elm Creek area, Mountain School Division, Pine Creek, Swan Valley, Intermountain Birdtail River, Rolling River, Souris Valley, and the School Division of Western and Lynn Lake. So when you add it all together this accounts for the capital request of some \$21 million, and then there is internal generating of cash, the net request is \$14 million.

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

MR. GRAHAM: Could the Minister indicate where the internal generation comes from?

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(MR. GRAHAM cont'd). . .Is this from depreciation or what? Where does that money come from?

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Chairman, I note it's very close to 5:30. This might afford an opportunity to my colleague to follow that specific and perhaps have the information later this day.

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