

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, 25 June, 1982

Time — 10:00 a.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. J. Walding: Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. A. MACKLING: Mr. Speaker, I would like to table a Return to Order No. 11.

MR. SPEAKER: Notices of Motion . . . Introduction of Bills . . .

ORAL QUESTIONS

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, my question is to the Attorney-General in his capacity as House Leader. In the absence of any consultation between the House Leaders this morning I wonder if the Government House Leader could advise what the order of business will be today.

MR. SPEAKER: The Honourable Government House Leader.

HON. R. PENNER: I propose to call the adjourned debates on Second Reading with the exception of Bill No. 54; proceed thereafter to call the adjourned debates on Second Reading of the Private Bills as they appear in the Order Paper; and proceeding thereafter to the adjourned debates on Third Readings as they appear in the Order Paper.

MR. B. RANSOM: Mr. Speaker, in view of the fact that the Premier and the Minister of Agriculture have been publicly speaking about the government's intention to refer Bill 54 to an intersessional committee and also in view of the fact that outside the groups who have an interest in this bill are uncertain as to the government's intentions, and are of course having to proceed on the assumption that the bill will be dealt with by this Legislature and that they will be required to prepare submissions very shortly if they intend to appear before a committee, can the Government House Leader advise specifically what his intention is with respect to Bill 54?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Speaker, in these end of the Session days, so that there would be no feeling in the

public of Manitoba that this bill is being rammed through at the end of the Session, Mr. Speaker, we propose that we will hold the bill and we will not proceed with it at this point in time.

We certainly feel that the legislation is good legislation, but in order for the people of Manitoba to have an opportunity to review and discuss this legislation, it is our intent not to proceed with it at this Session.

MR. B. RANSOM: Mr. Speaker, I thank the Minister of Agriculture for that information and commend the government for taking that action.

I also would like to ask then, either the Government House Leader or the Minister of Agriculture, as has been discussed will there be an opportunity for limited debate on Bill 54 in this Legislature prior to it being referred to the intersessional committee?

HON. B. URUSKI: Mr. Speaker, the members already have had the opportunity of making public statements and have made many public statements and I'm sure will continue to do so. Whether the opportunity to debate the bill in this House is a matter of the order of the House, Mr. Speaker, and it would be a waste of time at this point in time.

Members have clearly stated their positions on the bill shortly after it was distributed. It is our hope, as well, that over the next number of months I will have an opportunity to meet with municipal leaders and with people of Manitoba and have an opportunity to seek their views and expressions with respect to this legislation.

MR. B. RANSOM: Mr. Speaker, a final question to the Government House Leader. What was the Government House Leader's intention with respect to Bills 32 and 33, An Act to Amend the Municipal Act and An Act to Amend An Act respecting Assessment of Property for Taxation in Municipalities?

HON. R. PENNER: I'm sorry, which bills? Are they not in the committee?

MR. B. RANSOM: Mr. Speaker, the question with respect to Bills 32 and 33 which have been passed out on Second Reading, is to what committee will these Bills be referred?

HON. R. PENNER: Mr. Speaker, let me take that as notice and reply to that question a little later on this morning or certainly at the beginning of the Session this afternoon.

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

MR. G. MERCIER: Mr. Speaker, in view of news reports that the Attorney-General retained his former colleague at the Law School and Professor Gibson to provide an opinion to the government on the constitutionality of the payroll tax, could he inform this House of the cost of that retainer?

HON. R. PENNER: Persons retained as outside counsel are retained according to a uniform scale that is set through the Civil Litigation Section of my department and I'll take that as notice as to the exact rate, but it would be within the scale provided —(Interjection)— yes, it would not be any different than that paid to counsel retained on constitutional questions by the former government. In fact, I'm very pleased, as I'm sure the former government was, that we're able in this province to retain constitutional experts such as Professor Gibson and such as Kerr Twaddle at rates of the kind that we're paying. It shows a dedication to public service on the part of these people, which I think is probably unequaled in other parts of this country.

MR. G. MERCIER: Mr. Speaker, I would ask the Attorney-General if he would be prepared to table a copy of that opinion in the House and could he explain why he did not utilize the services of the law officers of the Crown, members of the Civil Litigation Department or other members of his department to provide an opinion?

HON. R. PENNER: Yes, I'll be very happy to table a copy of the Gibson opinion. In fact, it was received by me at 7:30 last night and given to the Minister of Finance —(Interjection)— well, it was. No, no, that's unfair to Professor Gibson. It's very unfair to Professor Gibson. Imputations of that kind shouldn't be made of a person who is respected across this country, not only for the quality of his intelligence and understanding but his integrity as a nonpartisan —(Interjection)— well, that kind of character assassination is the kind of character assassination which spelt the end of Senator McCarthy and during the army hearings —(Interjection)— yes, and Doug Duncan incident. I, Sir, think that the Leader of the Opposition owes an apology to a dedicated, intelligent, internationally respected constitutional scholar for that kind of a remark. He sits there chuckling in nervousness with his usual twitchy attitude when he's been exposed as the McCarthyite that he is. I will gladly table the opinion.

What was the second part of the question? Yes, with respect to other members of the department I may say this: I have some doubt about utilizing people who are in fact in a sensitive position such as Chief Legislative Counsel to give an opinion in an area which is at the same time a matter of some political tension. But the basic question was, as should be known to members of this House, that Chief Legislative Counsel is virtually working around the clock at this time. We simply do not have time to spare. The Chief Legislative Counsel will readily admit that he did not have time to do the kind of research that Professor Gibson did. Professor Gibson was able to prepare a 12-page, fully documented report. Ray Tallin, for whom I have the greatest respect as a scholar and as a gentleman, was in the time that he had able to put together a two-page document which was not researched. That's the kind of problem we run into and that really factually, objectively is what the situation is. The Leader of the Opposition sits there shaking like a bowl of jelly. He's been caught out and he doesn't like it. Tough!

MR. G. MERCIER: Mr. Speaker, could the Attorney-General indicate the date that he requested the opinion from Professor Gibson and did he have knowledge at that time of Mr. Tallin's opinion and does he reject, Mr. Speaker, the opinion of Mr. Tallin, whom he said during debate on his Estimates was the best Legislative Counsel in Canada, a statement that I agree with.

MR. SPEAKER: The Honourable Attorney-General. Order please.

HON. R. PENNER: The opinion was requested from Professor Gibson the day when Law Amendments met, I think it's a week or 10 days ago. At that time, when Professor Gibson appeared in Committee, Law Amendments, when the amendments to The Human Rights Act were being discussed, Professor Gibson was there and I approached him at the time. The question had been continuously raised in the House and I said, would you research the question and offer an opinion. On the same day, I think, Dean London of the Law School had made some remarks on the radio about the question. I thought it better to get an opinion. So this was several days before the Leader of the Opposition had asked the Chief Legislative Counsel for his opinion, so the two events did not relate one to the other.

With respect to the eminence of Chief Legislative Counsel Ray Tallin, Ray Tallin, as he said to me, will readily admit; on the other hand says he, I am not a constitutional expert and no one can be an expert in all fields. He is a man for whom I have the greatest admiration. These opinions differ; legal opinions will differ. Members of the House and others will have to evaluate for themselves the quality of the opinion and accept the opinion that they find most persuasive. I am not going to stand here and pretend that this is a Socratic lecture at a law school and attempt to prefer one over the other. You have the opinions; they should not be looked at ad hominem. Is Tallin better than Gibson or Gibson better than Tallin? They're both persons who I respect. Read the opinions and come to your own conclusion, if you have the intelligence to do so.

MR. G. MERCIER: Mr. Speaker, I have a question for the Minister of Community Services. Can he advise, Mr. Speaker, how long it is taking at the present time to approve the application of a family who apply for adoption in Manitoba.

MR. SPEAKER: The Honourable Minister of Community Services.

HON. L. EVANS: Mr. Speaker, I'll take that question as notice.

MR. G. MERCIER: Mr. Speaker, can the Minister confirm that babies over six months are more difficult to place in adopted homes?

HON. L. EVANS: Mr. Speaker, that depends. There are a number of factors that enter into it. It may be, but it depends.

MR. G. MERCIER: Mr. Speaker, two weeks ago in

response to some questions to the First Minister, the First Minister indicated that he would ask the Minister of Community Services to consider whether any interim measures could be taken to lift the moratorium on the adoption of Native children. In view of the fact that, as I understand it, the hearings are still continuing and obviously a report will not be made by Judge Kimelman for some time, has the Minister given consideration to this matter and can he indicate any position on lifting the moratorium at this time?

HON. L. EVANS: Mr. Speaker, as the member has inferred in his question, Judge Kimelman and his group are indeed hard at work. There has been request for them to be in various parts of Manitoba, including Northern Manitoba, which is taking time, but he is communicating to us as he goes along as to his progress. We would hope that this work will be done as expeditiously as possible. In the meantime, the moratorium stands.

MR. G. MERCIER: Just a final question, Mr. Speaker. I'd like to know from the Minister that in view of the Premier's statement two weeks ago, has he actually studied this matter and given this matter some consideration?

HON. L. EVANS: Mr. Speaker, I can assure the member that we're under pressure from many groups in Manitoba who are concerned with this question from both sides. As he understands, there are two sides to this matter and we believe we're proceeding in a wise way, in a careful way, and we're very concerned about all the matters. If there is a policy change, we'll certainly announce that in due course.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. SHERMAN: Mr. Speaker, my question is to the Honourable Minister of Health. I wonder if he can confirm that the results of the balloting indicate that the Manitoba Medical Association has rejected the latest fee schedule offer by the Health Services Commission.

MR. SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Yes, Mr. Speaker, that's correct. I received confirmation at approximately 8:00, 8:30 this morning. I received a letter informing me of that.

MR. L. SHERMAN: Mr. Speaker, can the Minister also confirm that 70 percent of those doctors who rejected the offer also indicated that they are willing to withdraw services?

HON. L. DESJARDINS: No, Mr. Speaker. I can't confirm that. The letter, in fact, is very short. The letter didn't deal with that at all. It said, "Of 890 ballots cast in the Association recent referendum, 65 percent of the members voted to reject the Manitoba Health Services Commission's latest fee offer of 10.53 percent. The Board of Directors, therefore, awaits a meaningful counter-offer from the Commission. Please advise

this office when Cabinet is ready to address the problem in a reasonable manner." They didn't mention anything about the other matter.

MR. L. SHERMAN: Mr. Speaker, I think the Minister might be able to add one further line to his note, which says that 405 of those who rejected the offer indicated that they are willing to withdraw services. That being the case, Mr. Speaker, my question would be, can the Minister confirm that the last offers and counter-offers under discussion at the table were approximately 10.5 percent from the Manitoba Health Services Commission and approximately 13 percent from the MMA?

HON. L. DESJARDINS: The MMA has been talking in percentage. Yes, their suggestion was 13 percent; the Commission add \$9,500, that's the average of course, which came to around the 10 percent. That was what we felt was right. The Commission then told us that they felt that they could - that's about a couple of weeks ago - settle. They asked us if there was anything else that we could do in discussion with that. We authorized them to go to \$10,000 - that was 10.53 percent - on the understanding that \$10,000 was an offer for settlement only. So, technically, what we have on the table now is back at \$9,500.00.

MR. L. SHERMAN: Mr. Speaker, I'd like to ask the Minister of Health another question.

I would ask him if he can confirm that the 1981-82 deficit of the Health Sciences Centre will be \$3.8 million, which is not far off the \$3 million which I predicted in this House during discussion of the Health Estimates, \$3.8 million and therefore will be the biggest deficit in the Health Sciences Centre's history?

HON. L. DESJARDINS: Mr. Speaker, I can't confirm that. I saw the article. This is something that I have asked the Manitoba Health Services Commission to check. I don't know about the prediction. My honourable friend, I guess he is in a better position to make it because most of the deficit was during the last fiscal year, was during his term. But this is being checked and, I'm sorry, but at this time I can't give any more information.

MR. L. SHERMAN: Mr. Speaker, can the Minister advise the House how the adult cardiac surgical function at the hospital, which has been carried on without approval by either government, is going to be paid for? At the time of its discussion in this House the point was made on this side that the Health Sciences Centre was headed for a deficit of \$3 million and to go into that kind of unauthorized function was unacceptable and that it would balloon the deficit. We are now faced, apparently, with that situation. Who's going to pay for it?

HON. L. DESJARDINS: When there's a deficit, the hospital can appeal to the Commission. This is reviewed, everything on its merits, not on the total deficit. Certain things will be definitely refused. As far as the cardiac unit, the same explanation that I gave during the Estimates is that the hospital, it was made quite clear and I have correspondence - I don't

remember; I think I read during the Estimates - and it's clearly that this will have to be paid. The Health Sciences Centre was told and accepted that this will not be considered a deficit. They will have to find that money somehow, either through some of the other sources of revenue that they have.

MR. SPEAKER: The Honourable Member for Kirkfield Park.

MRS. G. HAMMOND: Mr. Speaker, my question is to the Minister of Education. In view of the fact that the school divisions were encouraged to pursue the Core French Option and St. James-Assiniboia has put Core French into all of its schools starting this fall, why is the Minister pulling the rug out from under this program by cutting the grant back from \$190 per student to \$50 per student?

MR. SPEAKER: The Honourable Minister of Education.

HON. M. HEMPHILL: Mr. Speaker, I have not pulled the rug out of this program; this is a very good program; it's a three-year pilot project; we are going into the third year of the program. The numbers of students have increased, I think, from about 1,500 in the first year to about 6,500 in the third year. There were 2,200 additional students last year and I have agreed to increase the program this year by the same number. We have allowed an additional 2,200 students to go into the program this year. This will give us the numbers we think we need to have a good pilot project, to get good information.

The original participating school divisions who went into the program are the school divisions who have been allowed to add new students, to take on new students to make up the 2,200. Those school divisions who were not participating in the program originally can decide to go into the program this year, should they so choose, and we will make available the \$150 that is available for Conversational French that they are entitled to and allow them to turn it into a program for Core French, should they choose, but because they were not in the original school division participating group, they would not be able to go in and participate at the \$190 per student rate.

I believe St. James-Assiniboia was one of the school divisions in the original program and my assumption would be that the increases in students in that division then would be at the regular pilot project rates. So, I will look into the specifics of St. James-Assiniboia participation in the program and give the information to the Member for Kirkfield.

MRS. G. HAMMOND: Yes, to the Minister of Education. For her information, a letter went out to the school division indicating that their grant would be cut back from 190 to 50, and that it was because of the agreement not signed between the province and the Federal Government. In spite of this unconfirmed agreement, the other programs have not had their lifelines cut. My question to the Minister is, in view of the fact that the study has showed that students in the Core French Program have achieved significantly higher results than students in the Conversational

French, then how can the Minister justify cutting back the grants for the Core French Program?

HON. M. HEMPHILL: Mr. Speaker, I indicated before that the program is in the third year of a three-year pilot project. While it's true that we are getting good information from the program already, the project is not completed. Until we have finished the three years and done a full study of it, we will not have all of the information that we need.

It has never been clear and one of the things that we're going to be looking at very carefully is trying to determine what exactly the extra costs are of delivering a Core French Program over the regular program. The fact of the matter is, Mr. Speaker, that it's one of the major deficiencies in information that we have regarding Core French Programs, is that nobody has ever figured out exactly what the extra costs are.

At this point, we have no information that tells us it's \$200 additional or \$100 additional per child so that we are maintaining the program. We could have held that program, Mr. Speaker, as the original number of students that were in as of last year at 4,000 students. We could have said that is the number of students in the pilot project and we won't increase it. We did not do that, Mr. Speaker. We said that we would allow an additional 2,000 students to go into the program: (1) because it is a very good program; and (2) so that we can get better information as a result of it.

I think that we have done everything we could to recognize that this is a valuable program and to maintain it and support it. I know we're going to have good information at the end of the program to make a decision on it for the future years.

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

MR. W. MCKENZIE: Mr. Speaker, thank you. I have a question for the Honourable First Minister, Mr. Speaker. I wonder, can the First Minister advise the House and the people of this province this morning what positive steps or action he or his government has taken since yesterday to bring under control the dumping of milk in this province.

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, those questions were asked yesterday. They are of a concern of the Minister of Agriculture and the Minister of Co-operative Development. It's rather peculiar though, I've been informed that this is a matter that has been rearing from time to time over the last four years. I don't recall, Mr. Speaker, in the past four years the Member for Russell at any time getting up and raising the devil from his own backbench.

It is a serious question. The spilling of milk, the waste — (Interjection) — I wonder, Mr. Speaker, I'd prefer it not to have to compete with the Member for Sturgeon Creek when I'm answering a question.

MR. SPEAKER: Order please, order please. The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, the problem of milk

being wasted is of a concern to all Manitobans, indeed to all Canadians, when we are confronted with a situation where there are malnourished children in the world. It is a matter that indeed will be examined carefully by the Ministers of this Government, but I warn members that it is a matter that has been reoccurring over the last number of years.

Unfortunately, while the Member for Russell was a member of the previous administration, there appears to have been no effort to examine as to what could be done in order to prevent this kind of situation from occurring. Mr. Speaker, we are now placed in a position of having to review the existing situation to see what we can do to prevent that which has been taking place for a number of years.

MR. W. MCKENZIE: Mr. Speaker, it's quite evident we are not going to get any more action from the First Minister than I've got from the Minister of Co-operative Development for the last months. Mr. Speaker, this problem is my constituency and if this Minister and this government isn't going to react, I'll go some other route. It's unbelievable, Mr. Speaker, unbelievable. I've been questioning this government, that Minister of Co-operative Development for weeks about this problem. They've done nothing overnight; they're not going to do anything. What a sad day for Manitoba.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. D. BLAKE: Thank you, Mr. Speaker. My question is to the Honourable Minister responsible for Co-op Development. In view of the statements made by him on many many occasions in this House that the problem with the Rossburn and the Pilot Mound cheese plants was an overproduction, a heavy stored surplus of cheese, could he tell me what the situation is now? Has that surplus been depleted and are those plants about ready to reopen?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. A. ADAM: Well, at least, Mr. Speaker, I can say that we're getting at least an intelligent question from the Member for Minnedosa, unlike the questions that we get from the grandstander for Roblin-Russell. I can advise the Honourable Member for Minnedosa that the sales made by MANCO this year are slightly ahead of last year. They're slightly ahead of last year. However, even though inventory is being reduced, there is still a substantial inventory which is costing MANCO carrying charges which are quite excessive as is understandable.

The last time I was in Rossburn, which was about two weeks ago, where I toured the plant and spoke to people at Rossburn, there were 80,000 pounds at that time, Mr. Speaker. We have met with the new Board; there has been change of management. MANCO have hired a consultant to review their entire operation and that has been completed at the present time.

They are reviewing other alternatives such as perhaps expanding the Winkler Plant to have a freeze-drying plant at Winkler. They are studying that, whether it is economically feasible to take that route.

There are a number of substantial changes which are positive changes.

We have also offered and are doing a market study for cheese not only in Manitoba, which Manco has always had 50 percent of its production and has been an interprovincial export. We are doing a market study for them and everything is being done to try and see that the plants will reopen. We have been advised that the Board has decided not to sell the plants at the present time in the hope that the economy will change and turn around and that they may be able to open these two plants as soon as economic conditions warrant.

MR. D. BLAKE: Mr. Speaker, I'm not sure now whether there is less cheese stored in those plants or more and in which town they might be stored in.

Mr. Speaker, in view of the fact that there have been positive and firm offers to purchase those two plants by a corporation that has marketing abilities far and beyond the marketing capabilities of MANCO Dairies that could get rid of all of the cheese that those two plants could produce that would enable them to open and enable those people that were employed there to get back to work, would he not encourage the Board to sell those two plants to Modern Dairies and allow them to get on with taking that surplus milk, or would he urge the Board to let those plants have the surplus milk at about \$8 a hectoliter less than it's costing them now, which had cost the government to move that to Saskatchewan? Saskatchewan is now in a surplus position and doesn't want the milk, so we're now dumping it. If those plants could get that milk at \$8 a hectoliter less, they could operate, produce cheese and employ those people that have now been laid off. Why would he not urge the Board to do this, take this course?

HON. A. ADAM: Mr. Speaker, I do not believe that it's the role of government. Now maybe members opposite would do that, but it is not the role, in my opinion, of government to go out and dictate to a company, a private company, a co-operative company which has its own board, its own management board. We do not go and tell private companies how they should manage their operation and their company and I don't think it is the role of government to go out and dictate to an autonomous board that is running a co-operative. For the member to suggest that I think is unbecoming a Conservative, who are always saying keep your hands out of government, out of business. Get out of business, you know, less government. Now I am hearing that government should be involved in the day-to-day operations of MANCO. It's not my intention to do that.

My department, my staff, is meeting with them I believe today, or perhaps they met yesterday, but I think it's today. They're meeting with the Board to discuss ongoing problems that they have and it's only recently that the staff has been invited to deal with the Board. They've never been invited in the past, but with the new Board they are now being asked to come in and discuss the problems that are facing the cheese industry in this province and I'm hopeful that we will address those problems in the future, Mr. Speaker.

I believe their inventory that they have has been

reduced somewhat, but there's still a substantial inventory there that costs MANCO heavy carrying charges. Now on the other side of the coin, it's a kind of indictment, Mr. Speaker, about the free enterprise system that on one hand you are dumping milk and on the other hand you don't have a school milk program for people who do not have milk. Mr. Speaker, it's a ringing and stinging indictment on the economic system that we live under where nothing has a value unless it has a market.

MR. D. BLAKE: I thank the Minister for his speech, Mr. Speaker. We still didn't get answers. In view of his abhorrence of government's involvement in the marketplace, I wonder how he's going to vote on the first contract legislation that's going to be before this House shortly. There's a bit of a controversy in his remarks, Mr. Speaker.

The fact that some of the Board members strongly urged the sale of that plant and strongly urged the Co-op not to proceed with the skim milk processing plant in Winkler because it's absolutely unnecessary - the milk that is being dumped now unnecessarily can be processed in the plants - will the Minister go back and urge the Board to negotiate a sale of those two plants to get them open and operating and taking the surplus milk that's now being dumped?

HON. A. ADAM: Mr. Speaker, that's a repetitive question. I'm sure you will agree it's a repetitive question and now he's going to get a repetitive answer because in this case Pete is going to repeat.

Mr. Speaker, it is not the role of government to get involved in the internal operations of a co-operative or a private company in the Province of Manitoba. The members opposite are critical at the present time. They were here last year on this side of the House; there was milk being dumped last year and nobody was grandstanding, Mr. Speaker. The Member for Roblin grandstands almost on a daily basis because it's televised on the Question Period, you know. They weren't grandstanding last year, Mr. Speaker, but it is not our intention to get involved in the internal operations of any company in this province.

MR. SPEAKER: The Honourable Government House Leader.

HON. R. PENNER: Yes, Mr. Speaker, I reply to a question earlier from the Member for St. Norbert, who asked with respect to the date when I had asked Professor Gibson for his opinion, and I gave my answer by reference to a meeting of the Law Amendments Committee. The date more precisely was on June 17th at approximately 11:07 in the morning.

MR. SPEAKER: The Honourable Member for St. Norbert

MR. G. MERCIER: Mr. Speaker, could the Attorney-General confirm that Professor Gibson is the same Mr. Gibson whom the Attorney-General appointed as Chairman of the Human Rights Commission in order to have someone in that position who sympathized with the objectives of the government?

HON. R. PENNER: The Professor Gibson who was asked to give the opinion indeed is the same Professor Gibson who heads up the Human Rights Commission and was appointed to that body because of his well-known concern for human rights.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Thank you, Mr. Speaker. Just in response and with some additional information to the Honourable Member for Minnedosa, I'd like to advise the Honourable Member for Minnedosa: No. 1, that there is no one preventing the sale of any plants to any other company; there's no one holding it up. These would be individual decisions made by the board of each company. As well, Mr. Speaker, there is no doubt that in these times when there is an oversupply of milk, the producers themselves can make the decision and they have not supported the position that the price of milk should be lowered to those plants. Thirdly, Mr. Speaker, with respect to this situation presently, we are having meetings between the various departments to see whether or not some of that milk could be used for consumption from a governmental point of view to see whether some alternative methods can be made in terms of the use of the milk between the Ministries of Agriculture, Co-op. Development, Community Services and the like, to see what options could be used in terms of the present situation with the milk.

INTRODUCTION OF GUESTS

MR. SPEAKER: Order please. The time for Oral Question period having expired, may I direct the attention of honourable members to the gallery where there are 18 students of Grade 4 standing from the J.A. Cuddy Elementary School under the direction of Mrs. Wal-mulder. This school is in the constituency of the Honourable Member for Morris.

There are also school groups here from Tilston School and from Ninette Elementary School from the constituencies of the Honourable Members for Arthur and for Turtle Mountain.

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

BUSINESS OF THE HOUSE

MR. SPEAKER: The Honourable Member for Turtle Mountain

MR. B. RANSOM: On a point of order, Mr. Speaker, I wonder if we could ask the Government House Leader what his intentions are with respect to committees this afternoon.

MR. SPEAKER: The Honourable Government House Leader.

HON. R. PENNER: Yes, Mr. Speaker. As previously announced, the Committee on Statutory Regulations and Orders will meet this afternoon to continue its hearing of delegations on The Day Care Act and if necessary will continue hearing delegations tomorrow. If not, it would be able to proceed clause-by-

clause tomorrow, that is, if it's heard all of the delegations.

While I'm on my feet, I will announce a meeting of the Committee on Industrial Relations for tomorrow morning at 10:00 to consider bills referred, second reading yesterday introduced by the Minister in charge of Workers Compensation and Workplace Safety and Health.

Finally, with respect to the Order of Business, a question was asked by the Opposition House Leader where Bills 32 and 33 were referred. They stand in Votes and Proceedings, presently referred to the Municipal Committee. It occurs, and I believe the Opposition House Leader might agree with this, that it might be better, so we don't have too many committees meeting at the same time, to refer those two bills to Law Amendments if that's acceptable.

By leave, I would - because I understand it must be done this way - move, seconded by the Minister of Health, that Bills 32 and 33 be withdrawn from the Standing Committee on Municipal Affairs and referred to the Standing Committee on Law Amendments, if by leave I would like to move that.

MOTION presented.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, it is my understanding then that the House will not be sitting this afternoon?

HON. R. PENNER: No, it's my understanding the House will be sitting this afternoon. —(Interjection)— Yes, I said so yesterday —(Interjection)— Why do I have to have permission? Do I have to have your permission? No, that's a convention, but I had discussed that matter previously with the Opposition House Leader and last night we had a session of the House and we had Statutory Regulations and Orders and it's a small committee. I do agree that one could not and ought not to have - indeed, I don't think one could have a meeting of Law Amendments and the House at the same time or two committees and the House at the same time. In discussions with the Opposition House Leader, and this is what we were doing last night, the question had arisen whether or not we would have a meeting of the House Saturday morning. In preference to that, I agreed with what I thought to be the suggestion of the Opposition House Leader; namely, that we would have two committees tomorrow and no meeting of the House tomorrow, but there was no undertaking not to have the House meet this afternoon.

MR. B. RANSOM: Mr. Speaker, on a point of order, I would point out to the Government House Leader that I believe last night is the first time that a Standing Committee of the Legislature has sat at the same time as the House was sitting. It is far from convention; it is something which those members opposite, when they were in Opposition, did not allow to take place. We have allowed that to take place to facilitate the business of the government and surely it is the responsibility of the Government House Leader to consult with us before he begins to make a practice of that. He said

last night, Sir, with respect to the sitting of committees, that it's only a small committee that's sitting. I point out to the Government House Leader that without the attendance of all four members from this side on that committee, the committee would have been unable to begin its work because it didn't have a quorum because those members opposite weren't there. I think that it's incumbent upon the Government House Leader to begin to consult a little bit.

HON. R. PENNER: The fact of the matter is, Mr. Speaker, I did consult. I did discuss this matter with the Opposition House Leader and when we were sitting last night, it was following a discussion with him as to an announcement in the House as to the times of committee meetings and as to the time of House meetings. I did agree with him and I respect his experience that it would be improper to have the House and two committees; that for Saturday we should go with two committees and not the House and I'm being as co-operative as I can, consulting as often as I can. I don't know what more I can do. I am also advised by the Member for Springfield that indeed it is not unknown in this House at all that there be meetings of the House and a small committee at the same time, particularly during Speed-up.

MR. SPEAKER: To the same point, the Honourable Minister of Government Services.

HON. S. USKIW: Mr. Speaker, it's not on the same point. I just wish to make an announcement affecting the operations of the grounds for tomorrow morning. We have given permission to the Salvation Army to hold their centennial parade on the legislative grounds at 9:00 a.m. The parade will leave at this point at 10:00 and return to the building before noon. In order to accommodate this function, Mr. Speaker, the grounds will be closed to through-traffic and parking at the front of the building will be curtailed. Those having to attend on business will be accommodated on the south side of the building and the south door will be opened and controlled for access.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. B. BANMAN: Thank you, Mr. Speaker. I'd like to make a substitution on Statutory Orders . . .

HON. R. PENNER: On a point of order, Mr. Speaker, I thought there was a motion before the House. What has happened to that motion?

MR. SPEAKER: The Honourable Member for La Verendrye.

COMMITTEE CHANGE

MR. B. BANMAN: Thank you, Mr. Speaker. On Statutory Regulations and Orders, I'd like to substitute the name for the Member for Kirkfield Park for the Member for Swan River.

ORDER FOR RETURN

MR. SPEAKER: Does the Honourable Government

House Leader have an answer to the matter he took under advisement yesterday?

HON. R. PENNER: Yes, Mr. Speaker, we accept the Order for Return.

QUESTION put, MOTION carried.

MR. SPEAKER: The Honourable Government House Leader.

ORDERS OF THE DAY

ADJOURNED DEBATE ON SECOND READING

HON. R. PENNER: Mr. Speaker, would you please call the the adjourned debate on second reading on Bill No. 30?

MR. SPEAKER: On the proposed amendment, second reading of Bill No. 30 standing in the name of the Honourable Leader of the Opposition. (Stand)
The Honourable Government House Leader.

HON. R. PENNER: Mr. Speaker, would you please call the adjourned debate on Second Reading on Bill No. 45?

MR. SPEAKER: On the proposed resolution of the Honourable Minister of Finance, Bill No. 45, standing in the name of the Honourable Member for Turtle Mountain. (Stand)

HON. R. PENNER: Would you please call the adjourned debate on Second Reading on Bill No. 51?

BILL NO. 51 - AN ACT TO AMEND THE CHILD WELFARE ACT

MR. SPEAKER: On the proposed motion of the Honourable Minister of Community Services, Bill No. 51, standing in the name of the Honourable Member for Fort Garry.

MR. L. SHERMAN: Mr. Speaker, I believe the most obvious comment or question that one would have to raise with respect to Bill 51 is "why." I don't see any particular difficulties with Bill 51, Mr. Speaker, and I believe I speak for my colleagues when I say that we're prepared to move the bill through second reading stage and get it into committee without further delay, but I have to ask the question as to why Bill 51, An Act to Amend the Child Welfare Act, is in front of the House in the first place?

I have delayed comments on the bill at this stage, second reading stage, until today because I wanted some reaction from members of the Child Welfare community and it hasn't been possible to obtain it in any detail up till now. In fact, even now, some of those to whom I referred the bill for comment have asked for a little extra time to look at it. As a consequence, we may have some more elaborate suggestions or proposals to make with respect to the bill at Committee Stage than we do at the present time. That's open to conjecture, Mr. Speaker. It depends on the response

and reaction of those whose opinions have been sought and further thought by our side. At this juncture though, as I say, we don't have too many obvious major objections to the bill, but there are one or two points about it I would like to raise and I underline the question I asked earlier, why is Bill 51 necessary at this point in time in any event?

There are currently three reviews of The Child Welfare Act going on. One of them is an internal review being conducted under the aegis of the Director of Child and Family Services of the Department of Community Services, Mr. John Ross. There are about 20 people involved in that review, Mr. Speaker, which got under way, I believe, in February and I think is slated for conclusion some time before the end of calendar 1982.

There was the review undertaken by Judge Carr in the Family Law area which contained at least one recommendation that touched very substantially on Child Welfare and on the Children's Aid Society, although I don't believe the Review Committee had been asked to look specifically at that issue. Nonetheless, the recommendations did include specific reference to Child Welfare and the functions of the Children's Aid Societies.

There's a third review going on, Mr. Chairman, and that is a review that's being done by the Children's Aid Society of Winnipeg itself. The CAS Review should be completed, I think, by the fall of this year. So that's three independent reviews that are going on, on The Child Welfare Act right now.

In addition to that, there are Child Welfare subjects, Child Welfare items of great sensitivity and importance that are at the heart of two inquests that are taking place at the present time in the courts of Manitoba, results of which, verdicts and recommendations from which, are being awaited with interest and which may not be forthcoming for some appreciable time. Over and above that, Mr. Speaker, we've got the Task Force under Judge Kimelman looking into the Native adoption question.

There are, in effect, six official or unofficial or quasi-official, depending on the mix, reviews of Child Welfare and The Child Welfare Act under way, ongoing, in the Province of Manitoba at the present time: the departmental one; the one that flows from the recommendations emanating from the Judge Carr Report; the CAS one; the two inquests into infant deaths, which therefore bear very seriously and very emphatically on Child Welfare; and the Judge Kimelman Task Force on Native adoptions.

That being the case, why is the Minister and the department proceeding with amendments to The Child Welfare Act at this point in time? The Minister says that in large part these are amendments of a housekeeping nature, but there are some substantive changes being proposed in Bill 51 and one has to wonder why it's necessary at this point, Sir, when as I say the whole spectrum of the Act in the Child Welfare area is under such intensive and ongoing review which is not likely to be completed and concluded for several months. When the reports and the conclusions from those individual reviews come in, when the inquests are completed and the Judges' verdicts come down in those cases, when the Kimelman Task Force is complete, we should have some idea of where

we want to go or where we should be headed in the Child Welfare field and therefore what we should be doing with The Child Welfare Act. I would think that prudence and efficiency and just the effective flow and movement of legislative machinery would dictate that we could probably live with The Child Welfare Act the way it is right now for a few more months until we get results, conclusions and guidelines of that kind. So that's my first reservation about Bill 51, Mr. Speaker.

My second one bears perhaps more directly on a specific point involved in the principle of the bill and that is the effect that the bill will have on the authority to apprehend children. The bill provides for a proposed change or calls for a proposed change in the definition of a child care agency. Implicit in that proposed change, Mr. Speaker, lies a potential extension of the authority to apprehend children and I have some reservations about that. The Minister's comments, when he introduced the bill for second reading, he said that the change in definition was being proposed to make it more practical and more possible for Child Welfare Committees such as the Dakota Ojibway Child and Family Services Agency and the Churchill Health Centre to be certain that they were operating within the parameters of the law when and if they wished to apprehend children. The point for this change lies in the fact that those two Child Welfare Committees as the Minister described feel or fear that they may not have the right to apprehend children.

According to the Act as it's currently written and on our Statute books, the right to apprehend children is vested only in an officer of a child caring agency, a Family Court, or a peace officer. Since Child Welfare Committees, such as the Dakota Ojibway Child and Family Services and the Churchill Health Centre are not child caring agencies by definition at the present time, but are Child Welfare Committees. They run into this question of whether or not they have the right to apprehend children. So the Minister in Bill 51 is proposing a change in the definition of child care agency to include a Child Welfare Committee appointed under Section 7, that is, appointed by Lieutenant-Governor-in-Council and established by regulation.

If we proceed with that change, Sir, it is certainly correct that those two Child Welfare Committees, Dakota Ojibway and Churchill, could be accommodated, and doubtless they need to be accommodated where the precise wording of the law is concerned. They would be appointed as Child Welfare Committees under Section 7 of the bill, and through the change in definition, that would make them child caring agencies and that would mean that they had the right to apprehend.

Well, one has no difficulty with that initiative up to that point, Mr. Speaker, but the problem is that the Minister or any Minister or any government could go well beyond that point. Once you make that change in definition and accommodate those two particular agencies or committees, then the field is open for any Minister or any government under pressure from any group at any time, in fact, to appoint Child Welfare Committees under Section 7; in doing so vest in those committees that right that has always only, up to this point in time, vested in an agency or a court or a peace officer, i.e., the right to go out and apprehend children.

I think that there are seeds of implicit danger in that move if it does not have some restrictions and some limitations placed on it in a legislative sense, Mr. Speaker. If my fears are ungrounded, I would invite the Minister to address them and to dispel them. I will be very pleased if he can do so, but at this juncture my feeling is that if it's necessary to ensure the cloak of legal legitimacy for the Dakota Ojibway Child and Family Services Agency, and the Churchill Health Centre by designating them as child caring agencies under the Act, then let's do so for them, make their job easier and remove their doubts as to their legitimate right to apprehend children and bring them within the strict letter of the law and clear up that problem. But whether we should go beyond that at this juncture and open it up to any group or association or organization which seeks to have itself designated as a Child Welfare Committee and be so designated under the stipulations in the Act that give them this right to apprehension is a questionable step in my view, Mr. Speaker. It's questionable because it could establish the problem of competing authorities within the same jurisdiction.

What if the Minister were to designate a group as a Child Welfare Committee under the Act in the City of Winnipeg? They would then be operating alongside the Children's Aid Society of Winnipeg as a group or association or agency that was authorized to go out and apprehend children. I raise the question as to where that puts the Children's Aid Society of Winnipeg in terms of the whole Child Welfare field of activity, Mr. Speaker? The same, of course, applies to any other community or any other region of the province where there is already a designated agency in operation, which has the authority to apprehend, such as Westman Region, Central, Eastman and those other regions of the province which are served by the Department of Community Services regional offices themselves.

Are we going to put ourselves into a situation where there is a welter of competing apprehension authorities where the authority, the respect and the recognition of the Children's Aid Society, for example, is undermined and eroded; where there are tug-of-wars over apprehension of children because the Children's Aid Society of Winnipeg or wherever, has taken a legitimate proprietary interest in the well-being of a child; and that other Child Welfare Committee designated by the Minister has similarly taken a proprietary and presumably legitimate interest in that child who was considered to be in need of protection? I can visualize those kinds of tug-of-wars. I can visualize competition which would be to the detriment of the child involved and certainly to the detriment of the best and most compassionate operation of our Child and Family Services Division and of our agencies in the child protection and child welfare field and of child care in general for Manitobans.

So, Mr. Speaker, I think that's an aspect of Bill 51 on which the Minister should supply some information and some answers. I feel it's an aspect of the bill which is necessary for him to address in order for us to be able to accept it as a reasonable legislative proposal. I'm not suggesting that we're going to withhold second reading processing of the bill. We're not intending to do that, Mr. Speaker. We'll move it on into

Committee and are prepared to do so now, but we would like to examine it very carefully at Committee Stage, clause-by-clause, before giving it our final sanction. I would like to have the Minister's comments with respect to the implied danger that I have raised where the new authority to apprehend children is concerned.

With those words, Sir, I reassure you that the Opposition is prepared to move to the next stage on the bill.

MR. SPEAKER: The Honourable Minister of Community Services will be closing debate.

HON. L. EVANS: Thank you, Mr. Speaker. As the Member for Fort Garry has observed, and as I indicated in my introduction of Bill 51, it essentially is a collection of miscellaneous housekeeping, apart from the item which the member lastly discussed; that is, the change of the definition of a child care agency. That is the urgency of the bill as I am advised by staff. As far as the other items are concerned and the rewording of Section 7, which really relates to that item, it is not that critical and need not have required a bill, but it is the fact that the government has over a period time given certain rights and powers to the Churchill Health Centre and to the Dakota Ojibway Child and Family Services Agency. My understanding is that to give those organizations powers really similar, comparable and equal to those of a Childrens Aid Society, that was the desire and the intent is my advice; but the definition however is such that it does limit these organizations, the Dakota Ojibway Child and Family Services and the Churchill Health Centre, in this one very critical area of apprehending a child or children as and when necessary.

So really, it seems to me what we are doing or what we are being asked to do is to verify an intent that was decided upon some time back. I would remind the members that we have now signed the tripartite agreement, which the Member for Fort Garry is familiar with, the Federal-Provincial-Indian Agreement signed with the Four Nations Confederacy. Under that master agreement, there are now in the process several subsidiary agreements either being signed or about to be signed. There will be several subsidiary agreements and it seems to me that there may be a parallel instance with the Dakota Ojibway Child and Family Service problem, as we've discussed it, because the tripartite agreement and the subsidiary agreements thereunder really are following the model of the Dakota Ojibway Child and Family Service arrangement.

So it is my understanding therefore, Mr. Speaker, that by doing this we're simply fulfilling the intent that had been followed previously and is still being followed, and that is to provide an opportunity for Native people living on reserves to handle this area of their social problems, if I might use that expression. I think the tripartite agreement was initiated under the Schreyer administration; it was carried on under the previous Conservative administration and it is now concluded. As I said, we are continuing on now with the operating agreements; namely, the subsidiary agreements and therefore in our view and the department staff who have advised us and have drafted this, it is important that we clear up this one particular item

and therefore the proposed amendment.

However, I want to ascertain that my description of this is accurate and I will do so and perhaps throw more light on this matter during committee stage, but this is my understanding that there is a loophole and it's important that we plug the loophole in order that we may fulfill the intent of allowing the Dakota Ojibway Child and Family Services and indeed other Native organizations to take the responsibility that they seem to want and that the Federal Government is prepared to give and to finance.

So I thank the members opposite for their support and we can consider this further in the committee stage on a clause-by-clause basis.

Thank you.

QUESTION put, MOTION carried.

MR. SPEAKER: The Honourable Government House Leader.

HON. R. PENNER: Mr. Speaker, would you please call the adjourned debate on 63?

BILL 63 - THE CREDIT UNIONS AND CAISSES POPULAIRES ACT

MR. SPEAKER: On the proposed motion of the Honourable Minister of Municipal Affairs, Bill No. 63, standing in the name of the Honourable Member for La Verendrye.

MR. B. BANMAN: Thank you, Mr. Speaker. At this time, I would like to make some comments with regard to the changes that the Minister is proposing for the credit union and caisses populaire system in the Province of Manitoba.

Over the past number of years, when I was Minister in charge of Co-operative Development and before me the former Member for Brandon West was the Minister, the members opposite had a very nice way of going after the Estimates of Co-operative Development and really measuring the success of Co-operative Development by the number of new co-operatives that were being started up.

I remember vividly last year the now Minister of Highways really saying that the government wasn't doing anything because in actual numbers co-operatives, credit unions in the province hadn't grown and that was attributed to the fact that the government wasn't concerned about co-operatives; therefore, the numbers were reflecting the inaction and the lack of concern by that particular government about the co-op movement. I have several quotations here that I was looking at today in Hansard from 1980, from 1981 and way back to '79 where that was the repeated theme of the then Opposition in accusing the government of not dealing with co-operatives in a more aggressive manner.

I guess what we're seeing today here with the introduction of this bill is something which the members opposite are going to find is not going to add to the numbers of credit unions or caisses populaires or even co-operatives in this province. I suggest to you, Mr. Speaker, that if this government is going to measure their effectiveness in the co-operative movement by

the numbers of new co-operatives started alone, I suggest to them that they are going to be in serious problems, because this Minister realizes that in many areas there are going to be mergers of credit unions, there are going to be mergers of some of the retail co-ops and that he will not be able to get up in the House next year and boast that there has been a vast expansion in the number of co-operatives in this province, because the fact of life is that all these co-operatives are facing the same problem any small entrepreneur or any larger corporation is at the present time.

The interest rates, the economic hardships are causing problems for all these institutions and to try simplistically, as the members opposite did for a number of years, to base the success of the co-op movement on solely the numbers that are involved, I think the Minister next year when asked that question, will admit that one of the main concerns of his department now should be to make sure that we strengthen the system, to try and rationalize part of the system and to try and make sure that the co-op system, the credit union system that has served the people of Manitoba well in the last number of years maintains its share in the consumer lending, also in the general lending field and also in the retailing sector in this province.

So I would have to say that it was our priority to try and make sure that the viability of the system was kept in place and not to simply just go for numbers. I must say that looking at this Bill here today, I guess if one can take a little consolation in the fact that it looks like this government is following on very much the same path with regard to looking at mergers and working with the Credit Unions, that one can take a small sense of satisfaction in realizing that even though, at the time, the members opposite were chastising the then government for its actions; that they are really embarking on a very similar approach to dealing with co-operatives to try and strengthen them and to try and salvage as many of them as possible.

Having said that, Mr. Speaker, I would like to say, at the outset, that I probably realize that these will not be the last amendments made by this Minister. I would anticipate that next year, after reviewing the whole structure and seeing how the loan works with regards to the Caisse Populaire and Credit Union system, he will probably be bringing in some more amendments.

The two major amendments in this particular bill, I think, are the tightening or the giving more authority to the Provincial Registrar in dealing with credit unions who are financially troubled. The bill allows the supervisor now, which will be appointed by the Registrar, to make certain arrangements which will not necessarily have to be agreed to by the membership of the credit union or caisse populaire that is having the difficulty. In other words, it will allow the Registrar, through the supervisor, the way I understand it, to make certain changes with regard to the structure or the merging of deficit Credit Unions without requiring the unanimous consent or the consent of the membership.

The other area that will give the government some more power, of course, is that they will now be able to appoint the Board of the Stabilization Fund. The government will appoint it by Lieutenant-Governor-in-

Council and that, of course, is a change from past policies, where the credit union system themselves and the caisse populaire system would forward a number of names to the government and the government would then choose from a list of nominees from the caisse populaire or the credit union system.

I have one question of the Minister. The bill indicates that the people who will be appointed to the Credit Union Stabilization Fund cannot be directors of any Credit Union. I guess my concern with that, and I appreciate that the Minister is trying to make this as much of an independent board as possible, I would suggest to the Minister that many of the people who have been involved in the credit union system, know their concerns and know what the problems are, are people who are directors and have taken a very active role in their credit unions. I would just ask the Minister, upon clarification maybe during the committee meeting, to inform us if he envisions that these people would be asked to resign if appointed to this particular position, because if that is not going to be the case, I think that you're going to lose a valuable area of people to draw upon. In other words, these people have a lot of expertise and I would hate to see that because somebody has belonged to a successful credit union and knows what the problems are, he or she will be disqualified from sitting on this particular board just because they are a director of the credit union.

I would also urge, Mr. Speaker, to make sure that the Minister when appointing these members, that the top priority will be competency and not the prerequisite of carrying a certain card or belonging to a certain political party. I think this particular board is very, very important. Competency should be the No. 1 criteria and if we're going to be looking at filling this board with people who are just politically attuned with the present government, I think that we are going to have problems because that has not been the case up until now. I would hope that the Minister makes sure that the best people possible are put to this board because this board at the Stabilization Fund will be controlling, in very large part, the destiny of the Co-op and the Caisse Populaire Movement in the province and will, of course, be charged with the responsibility of making sure that the depositors in this Province of Manitoba, the people that have money in the Credit Union system, are well looked after and that their interests are looked after.

So, Mr. Speaker, having said that, I look forward to asking a few more questions on particular clauses in the committee and I would imagine probably hearing some of the briefs that will be presented at that time in dealing with this particular bill.

MR. DEPUTY SPEAKER, J. Storie: The Honourable Minister of Co-operative Development will be closing debate.

HON. A. ADAM: Thank you, Mr. Speaker. I want to thank the Honourable Member for La Verendrye for his comments. I appreciate what he has said. He understands fully what the intentions are of the bill; that is, to facilitate the requests of the two systems to make changes to clarify the roles of the credit unions, the centrals and the department. It is a request that has come from both systems in light of the request

that they have made to the Province of Manitoba for assistance for mergers and for credit unions that are in a deficit situation.

I want to point out that the assistance is not intended as a gift. It is a loan; it's not a grant. It will be interest free for the first five years. If it continues longer than five years, then the rate of interest will be negotiated. So one could say that there will be an interest over the 10-year period, but it will be at a reduced rate, I presume. That is something that will be negotiated after the first five years.

In the matter of appointments, I think that is a point that the member had some concerns about the board. The system will submit nominees for two positions and the province will be appointing all five of the board members on the Stabilization Fund. I am sure that when the member sees the list - and these are not permanent appointments. I appreciate the comments that the member made in regard to qualifications of some people that may be in a conflict of interest position. It is felt that, in view of the assistance being provided and the desire by the system themselves, it would be better to have the stabilization funds completely independent from the central; that is, it is desirable that we not appoint directors to the Stabilization Fund. What we are attempting to do, and I will be announcing before too long, Mr. Deputy Speaker, the people we have appointed to the board will, in the large part, be people who are very much involved with the system, with the credit unions, and with the Stabilization Fund. I'm sure that the member will be, I believe, pleased with the appointments that we are selecting.

As I say, they are not permanent. We are appointing people to try and address the problems that the system has been going through and I believe that we are doing the right thing. So, with those brief comments, I'll be looking forward to clause-by-clause in Law Amendments Committee or wherever the bill is proceeding to, whatever committee it is going to, and any further questions that the member may have, be able to address them at that time.

QUESTION put, MOTION carried.

MR. ACTING DEPUTY SPEAKER, H. Harapiak: The Government House Leader.

HON. R. PENNER: Yes, Mr. Deputy Speaker, unless it's clear to which committee this particular bill will be referred, I would like the record to have it shown as referred to Law Amendments —(Interjection)— 63, yes.

Mr. Speaker, would you please call the adjourned debate, second reading, on Bill No. 46?

MR. ACTING DEPUTY SPEAKER: On the proposed motion of the Minister of Finance, The Health and Post Secondary Education Tax Levy Act, standing in the name of the Member for Turtle Mountain. (Stand) The Government House Leader.

HON. R. PENNER: Mr. Speaker, would you please call the adjourned debates on third readings in the order in which they appear on the Order Paper on page 2?

ADJOURNED DEBATES ON THIRD READING - PUBLIC BILLS

MR. ACTING DEPUTY SPEAKER: On the proposed motion of the Attorney-General, Bill No. 20, An Act to amend The Condominium Act, standing in the name of the Member for St. Norbert. (Stand)

BILL NO. 22 - THE MANITOBA LOTTERIES FOUNDATION ACT

MR. ACTING DEPUTY SPEAKER: On the proposed motion of the Attorney-General, Bill No. 22, The Manitoba Lotteries Foundation Act. Loi sur la Fondation manitobaine des loteries, standing in the name of the Member for Virden.

The Member for Virden.

MR. H. GRAHAM: Mr. Speaker, I adjourned this debate for my colleague, the Honourable Member for La Verendrye.

MR. ACTING DEPUTY SPEAKER: The Member for La Verendrye.

MR. R. BANMAN: Thank you, Mr. Speaker. In dealing with this particular bill, I expressed several concerns with regard to two aspects of the bill during second reading.

The field of lotteries, Mr. Speaker, has been highly debated. Throughout the last 10 years, when one looks at the advances - if you want to call them that, the proliferations of lotteries over the last number of years - many of my constituents, as well as many people throughout the province, have become concerned in the direction that we're heading.

I mentioned at second reading that one of my real concerns was the particular section in the Act which allows the government to use funds from lotteries and put them into General Revenue which means that those particular lottery funds can be used for any purpose the government deems necessary. The Minister of course will argue, and I understand his argument, that some of those funds could probably be used for worthwhile causes such as health research and other things. But, as I said at second reading, I really believe that if we do allow these funds to be used for general revenues and for purposes other than amateur sport or cultural affairs, the pressure will be on this Minister to get more games going. That will mean, there is no question in my mind, that there will be an increase in the number of games and the number of lotteries that will be held in this province, because the pressure will be just too great on this Minister. I know that he's a big, tough gentleman who can handle himself well, but I say to you that in times of a tough economy and times of financial responsibility by everybody, there will be that pressure on this Minister.

I guess I have to say that, even though he might be able to handle some of that, whoever succeeds him or takes over that particular portfolio, should he be shifted, will not be able to go ahead and stand the pressure that his Cabinet colleagues are going to put on him to try and grab more money from the system. I think one of the safeguards has been that we have on

both sides of the House, when he was Minister and the last three years when I had the responsibility, we did manage to try and keep this particular gaming and lotteries under a certain amount of control and try to limit the number of lotteries that were in the province.

I suggest it is my feeling that by opening it up in this manner it will really mean that we will see more lotteries in the next couple of years in this province, because there will be a lot of pressure for people from all different walks of life - I may add for very good causes - to try and get a licence, not only a licence but try to get involved in different lottery schemes and different lottery activities. I say that, Mr. Chairman, as being one of the main concerns with regard to this bill.

The second concern that I have is that the Minister has appointed a Review Commission. Judge Jewers has been appointed, has been holding public hearings and, from what I can gather, will be presenting his report some time in the fall. I think at that time he probably will make certain recommendations, specifically dealing with such things as bingos, Nevada tickets and other areas that have been of growing concern to, I think, both sides of the House. I would say at this time that I believe that the Minister at that time will probably have to bring in some more amendments to try and strengthen the government's position in trying to make sure that the public is protected against abuses within that system; also that there are fair returns and that the people involved in the system are making sure they are spending the money in the right places.

So I would say at this time I really believe that until that particular report is brought forward and the Minister has a chance to discuss it, I think there is possibility that there will be more changes and that this Act will then, of course, be once again subject to a bunch of new rules, regulations and new legislation.

The Minister himself has said on a few occasions that certain aspects dealing with lotteries he doesn't wish to discuss at this time and I understand why. There are some matters before the courts, as well as the reality that Judge Jewers is holding his hearings and the Minister doesn't want to prejudice any of the reviews, so he has taken the approach that he doesn't want to be too vocal with regard to this and I appreciate that is probably the proper course of action. But given the fact that we are now being asked to pass a bill which deals with precisely those things and those issues which will have to be discussed, I think that we should wait with this bill till the judge presents his report.

So, Mr. Deputy Speaker, in conclusion, let me say, the two major points which I see difficulty in is, No. 1, the use of lottery funds for general purposes, the transfer of lottery funds to the general revenue to be used in any manner that this government deems feasible, which is basically going away from the old system where it was earmarked for Fitness and Amateur Sport and for Cultural Activities. The other reason for my concern is the report which Judge Jewers will come down with sometime in September.

I believe that given these two factors, I think that I would like to move at this time, Mr. Speaker, seconded by the Member for Virden, that Bill No. 22, entitled The Manitoba Lotteries Foundation Act, be not read a third time but be read six months hence.

MR. ACTING DEPUTY SPEAKER: Is it he will of the House to adopt this amendment?

The Minister of Health.

HON. L. DESJARDINS: Mr. Chairman, in rising to take part in this debate, I would like to thank the Member for La Verendrye for, I'm sure, the very concern that he's expressed and also for his constructive criticism and the odd compliment that he paid me also.

I might be somewhat repetitive in some of the things I have to say, because the points that were mentioned by the previous speaker, he had covered on second reading. It might be that my explanation wasn't all that good, so I will try to direct myself and try to answer his concern.

I might say that, first of all, the bill - what does the bill do? The only thing that it automatically changes, if we want it or not, once that bill is passed is that it brings the Lotteries Licensing Board under a commission instead of a line department. The line department oftentimes had no relationship to Lotteries at all, it just happened that the Minister responsible for Lotteries then, whatever other department he had, it came, if I was a Minister responsible for Lotteries, and if I didn't have Fitness and Amateur Sports, it probably would be a line under Health, which wouldn't make sense at all.

In doing so, the members know how much we scrutinize the addition of staff man years - and rightly so - in staff man years in department, and how we look at the overall of what the new staff man years requested by government and also the cost. It is very very difficult to get staff man years and I say that this is the way it should be. But in this area, it is something that will have to stand on its own two feet; but the main thing is, we have to protect the public. We have to make sure that we don't attract groups of people that oftentimes are attracted when money is too easy when you're dealing with these kind of things, that will not be an asset to the people of Manitoba and it might cause difficulties.

So therefore it is my intention to beef up the inspection branch very much, much more than we have now. Well, there was a question asked by the same member, what about all these problems? He had the same problems and he didn't know about it when he was a Minister, about faulty products. I'm not accusing anybody of trying to do something criminal and so on - I'm talking about the printers and these people - but with the lack of supervision and things like that you're going to have all kinds of things like that. Then you're not protecting the public, so we'll have the staff necessary but that will come off the top. That is why it is easier in a case like this of the corporation to say, we need so many staff man years or we don't have any lotteries, fine, we'll go off the top, of course. That's the way it should be. The only thing that this bill will definitely force us to do, once the bill is passed, there is no longer a Lotteries Licensing Commission, but it's all under the same foundation. They accept the responsibility, the power, the duties and so on of the Lotteries Licensing Commission and they become, the Commission in itself, that's No. 1.

Now, why? There were two things. I felt that there was a mess and a possibility of real concern of a

scandal or something erupting if we didn't get a hold of that fairly soon. So from practically Day One, after accepting this responsibility of being sworn into Cabinet, I determine to do something and to bring in an Act that would make it clear. All right, but the thing then further on with different things that happened that I found out, then it was decided to set up a commission of inquiry, a commission of inquiry of one, to find out mostly - there were no accusations made at all - the main thing, we were trying to maximize the profits because when the lotteries came in, if you look at the intent of the Criminal Code and so on - when I say "lotteries" I'm talking about all these games that are being played including casinos, bingos and so on - it is for nonprofit motives. It is not an idea of creating, which we all want to create jobs and that, but create another free enterprise system of a group of people that can capitalize on that and in effect become partners in the playing of these games.

So therefore the main thing - I've never hidden that and I don't intend to hide it now - is to maximize the profit, let's call him to the charities, which is not the case at this time. The main terms of reference of Judge Jewers is exactly that, to find out, to be able to tell the members of this House and the public of Manitoba, you have spent in licences, those that we know, you've spent in excess of \$100 million in lottery now. So much of that has gone to these charities and so much to run these games. That's what I want; that's the main terms of reference.

Now, while this was being prepared, the Act was ready. The intent of the Act was ready to - oh, I might say this, that I did not want to disturb the thing or rock the boat until we were ready with new policies. Therefore, the first instruction that I gave was, do not allow anymore licences. Just stay with what we have, not to disrupt anything; the others never had it anyway; wait until we have new policies in all fields.

The casino, for instance, the casino they had under the former government, they had selected all the people that would be receiving casino licences for this fiscal year, I guess it was a calendar year. The situation was that there were approximately 90, 96 that applied and about 30. Some of them get together and they jointly put in for a licence and that was the case. Now, I said to them - some people might not believe me, but these are the facts - I said, I don't want to know who you chose. I don't want you to say at the start of the year, as was the custom, here are the 30 people that have a licence; January this, February this and I said, if I'm ready to move and if we changed policy on that, I don't want people that have been told they are going to have a licence in October and, all of a sudden, we have a new policy in September. I'll get shot and I didn't want anybody to shoot me, not at this time anyway. So I said, you tell me when you tell the public. That is what they have done and he said, well, we can't just tell you. We have got to give them time to organize and so on. It takes about a month, a month-and-a-half and I said, fine. That is the honest truth; I don't know who has a licence for December and so on.

In fact, I was told today that I - probably nobody will believe this - I am told, with some of the concern that we have between Carmen and St. Amant and all that, I am told that St. Amant and some of these groups have a licence today. I can say that I have had nothing to do

with that; that I didn't know until somebody told me this morning. So that is what I've done.

I have done the same thing - let's go to commercial bingo because Mr. Green made a lot of points, everything is always directed at him. All right, now commercial bingo, I have had some concerns; I try not to prejudge them. After all, nothing to do with me, or the former government, the City Police had charged these people on a number of occasions and they were supposed to go to court. It was said to me, well, you stop them right away; I said, well no, they're innocent until proven guilty, but I'm not going to encourage anything. So we said, all right, those that have had a licence, like everything else, like in casinos and so on, no new licenses, the same as hotels selling Nevadas and so on, no new hotels, just those that had it. Everybody went along, except the commercial bingo; wanted to open another one which they hadn't opened. So, therefore, I said, no, not until we have a policy. I'm not going to hide it; it is certainly one of the things that this government will have to decide. Do they want commercial bingos? I, you know, this is no trick or anything. That is a decision that has to be made, the same as it's being made in other provinces and I think the majority of provinces are saying, no, no commercial bingos and that is their right.

Now, to my surprise, it's true that they went to court and they said, here, we want to open this other one. During that time, we had been told that the regulations were being played around with, not when they give licences to the bingo operators because we don't license them, but to the charities. Therefore, they license people to have a bingo, but in a location.

Now, they went to court and the court said, well, that is not right. You don't tell people where to go unless you have - and that's the important thing - legislation giving you that right and that was vague. Of course, we brought it in the Act and say, well, who's going to determine, if a government cannot set up and decide if you're going to have commercial bingo or anything else? If they're not ready to license the way they want, there's something wrong. We made it in this new Act, it is clear that you can direct and say where they're going to have it and we will have to make a determination to see if we will allow commercial bingos or we won't. That is a thing that has not been decided; we haven't even addressed it. That is just permissive.

Now, the Act, why now? Because if we don't do it now and there's real problems, I can tell you that, there's things that I have known that I haven't said because it would make it worse. Then it would jeopardize and it would be interfering and asserting myself in the work of Judge Jewers and I don't want to do that, but I have some legitimate concerns. I am saying that we could go on to pass this Act and all we would do, as I say, bring the licensing board under the Commission instead of in line department and then make it a little clearer of what they can do to licence, because we felt that this is the licence, providing you don't discriminate. Then the Bill of Rights would stop you if you discriminate because of the colour of people's skin or their religion or because they carry a certain political card or whatever. That would be clearly wrong and we would not be able to do it; but it is not discrimination if a government says, we do not want any operators, other than a non-profit organiza-

tion, for instance, to run a game of chance and that has been made clear.

All right, the only thing, as I say, the rest is permissive. The rest makes it possible for this Commission, after we have decided, and there's nothing has been decided as yet, this is the best way to maximize the profit. It might be that the Commission, themselves, hire people to run bingos or run casinos; that's a possibility. I am not saying it's a probability, I think it's a possibility. It might be that this Act makes it wide, that it is the responsibility of the Commission and that was the intent of the Criminal Code anyway. You're saying that they are permitting the provinces or those licensed by the province to do these things, we're making it clear.

We do not have to change anything; we could keep exactly the same system once we have the Act. It doesn't automatically change things, except the two points that I've said. That is what I say; that will not interfere with Judge Jewers. Let me say again that I am not going to hide here behind Judge Jewers and say, here, he's going to bail us out. He will give us certain facts and we will have to accept our responsibility and set the policies or principle that we will follow and that will be clear. So it is not that we're all hiding behind Jewers and saying, Jewers, you have the responsibility, or that we are forced to accept any of his responsibility. I hope that we will be able to use some of the — (Interjection) — I beg your pardon. Well, you talk to Pete; I've got enough of my problems. So — (Interjection) — what, talking to Pete? I'm talking to you too; I'm talking to all of you.

So this is the situation. So don't be afraid, I couldn't support this thing of a six month choice at all. It would bring it about this time next year and there might be an awful lot of damage and you would be the first one to say, hey, your responsibility. Cripes, you hear some problems right away? You bring it in the Question Period and the government is supposed to, you know, it's a funny thing for a Conservative people that don't like big government.

We've got to solve if there's too much milk; if they can't sell their milk; if there's not enough cheese, you know. We've got to solve everything right away. Now you're saying, well, don't solve your problems. — (Interjection) — I squawked at the things on the lottery and I'm trying to rectify it now. That's what I did in Opposition.

So this is the concern. Now, I have the same concern as the former Minister, the gentleman that spoke just before. I don't want to see the proliferation of lotteries. That was one of the reasons why I was instrumental in starting the Western Canada Lottery Foundation. We have regulations in there that would not allow that, but the intent of that agreement we've had with other provinces was broken. It was broken under the former Minister when all these things were allowed, this Nevada and these people were allowed. I say the intent, not the letter, because these games change all the time and we didn't talk about the instant game all the time, so we talked about the prizes. Anybody could go out and have a raffle on a turkey or something like that; that wasn't a concern. So we said over a certain amount of prize, but the break-open ticket, the instant lottery, the maximum is \$50, so they weren't covered technically by the letter of the law, but

the intent was there and the whole thing.

These people are now competing. They are saying, look at what we're doing and you've got charity against charity. You are hurting the Sports Federation and the sports groups because, instead of selling the Express, and there's only so much money, you're going to be saturated after awhile, they are selling Nevada and you've got a complete mixup. So this is the situation that I can assure the honourable member that I don't want the proliferation of lotteries at all. When I say lotteries, I'm talking about the whole thing.

I think the only remaining thing, unless there's something that I forgot, is putting the money in Consolidated Fund. It is not an obligation. Again, I don't want to have to make amendments and it is the possibility because I don't know how we will proceed. See, first of all, is to clean it up as far as the protection to the public and the supplies and find out the people operating it. The next step when we have got this, and I need the tools to do that, we're going to look at the distribution. We will have to look at priorities; we will have to look at guidelines to see who should be — (Interjection) — don't lead me. If I was in the hall, I'd answer that but I won't at this time.

Mr. Speaker, so the situation is this; that there is a possibility that the money could be put in the Consolidated Fund, not necessarily to change the direction of where it's going. It might be that, as I say, we maximize that pie, that pot of gold, and it might be that it will have to go to the Consolidated Fund and then proceed with the distribution. That's a possibility. It might be that a portion of it might go there.

I might say that my honourable friend, and I want to make it clear this is not a criticism, but there are different ways of skinning a cat. My honourable friend brought in the Sports Federation, which was great. He said, here, the Act says, it has to go through sports and culture. He says, here's your pot and, at the time, it was one-third of the revenue from the Manitoba distributor. But what did he do? I'm not saying that's bad. I want to make sure that I'm not criticizing him, but I want to point something out. He said, here's your money, but one condition. Here's your responsibility, and in one stroke, what did he do? He took something that normally was covered in the Consolidated Fund, through the Department of Fitness and Amateur Sports, and he said, here, you relieve us of this responsibility, and they think they got a good deal. Well, all right, but they had the responsibility and then, what have you done?

In effect, you've done the opposite. You've taken, let's say, three-quarters of a million or \$1 million out of the Estimates that you don't have to raise through the Estimates. You have transferred that as being covered by the lottery and you said, here. We might have to do more of that and that is what I'm suggesting now, but let's not play games. That's what you did. Let's not play games. When I was the Minister in charge of Fitness, there was a certain amount of money to cover the administration. That was paid through a department of government, not through lotteries. Now, this was transferred, and rightly so, but you had that flexibility. We have to look at the people without jobs. It's okay to send people to - I was going to say Russia, but that will make a comment from my honourable friend - Lower Slobodia or somewhere. It's great and it's this

cultural exchange, but is it more important than maybe trying to help those people that haven't got a job?

So we'll have to look at that. There is a possibility; I'm not hiding it. Right now, it hasn't even been discussed in Cabinet. That is not the intent, but it is a possibility that, somewhere along the line, we'll have to scratch for every nickel and we might have to say, sorry, this is the first priority. I'm not going to hide and say that's not the case, but it is certainly not the intention at this time. But it might be that money will have to do certain things that were done under my honourable friend that now are being done in raising money during the Estimates.

I did mention one of them and that's been thrown back at me, the medical research. If we want to keep good health; if we want to attract the people that we feel that we need in Manitoba in the medical profession, it is imperative that we get involved in research. This money will not fall out of trees. Either you get it through the government or through another instrument and it might be, like in other provinces, that we say, hey, why can't you? You know, if the Fort Garry Conservative Club can have a lottery or the Ste. Rose NDP ranchers can have money out of that, surely the research people can have it. —(Interjection)— no, I wouldn't allow them.

So, Mr. Chairman, I think that is as precise as I can give you the reason why we need this Act now, why I think it is a good Act and it is not . . . Well, I am certainly not going to guarantee you'll never change anything, but I am saying that I can't foresee any amendment that we could maybe need to put into effect the recommendation of Judge Jewers. We don't need anything. The possibilities are there; we could leave it, run everything, the casino, the bingo, the break-open tickets and the Express could be run exactly the same, or we could change it to maximize the profit that will go in the pot for the charities. That is what we are trying to do while giving protection to the public of Manitoba, while looking at the proliferation of lottery because that is a concern that I have.

You might have to face some of these charities who are saying, for once, don't take our money, and everything is fair and as long as the end justifies the means. I don't subscribe to that: I haven't got the right as the Minister responsible to say that the end justifies the means. It might be very difficult, but I understand that there are people at bingo, at casinos and so on that are going there. It's pretty well, many times, always the same kind of people.

I've heard of people cashing welfare cheques to go to a casino and I want to look into that. —(Interjection)— well I know. I don't say that we can stop it all, but I think we could look at the situation at times. Certainly, I'm sure that the Leader of the Opposition is agreeing with me, we've got to be careful with the proliferation of lotteries. We have got to have lotteries here for the simple purpose that, if not, the Federal Government is so anxious to get back in here. They've changed their mind after saying, help us in the Olympic Lotteries, that all of a sudden then they didn't want to unload and it was all due credit to the short time. There was one thing that the Clark Government did that was right. They turned that over to the province. Now, the Trudeau Government wants to

take —(Interjection)—

Mr. Speaker, I have been dying to answer that. You have to allow me to stray a little bit. I'll throw in lotteries if you want, but I've got to answer that because that was thrown at other members while they were speaking and I never had the chance to answer.

We were told many times, you elected Trudeau. That is the most asinine and ridiculous statement. What did we do? We said, we do not agree with Clark. Therefore, that meant the defeat of Clark and that meant an election and the people of Canada elected Trudeau. —(Interjection)— That is my right. Mum's the word, that's my right. You know, if I get kicked out of this Party, it only leaves me yours and I'm not ready to try and get an application with that one yet.

Well, Mr. Speaker, thank you for allowing me to show these people that the public, the people of Canada, elected Trudeau, not the NDP. I hope that I've answered the question, but I would ask the Conservatives because I know that this is not a question of ideologies or policy. I say, with confidence, we need this bill, we need it now, and I would hope that you'll support the third reading of this bill.

QUESTION put on amendment, MOTION defeated.

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

MR. G. MERCIER: Yeas and Nays, Mr. Speaker.

MR. SPEAKER: Call in the members.

The question before the House is the proposed amendment by the Honourable Member for La Verendrye as follows: THAT Bill No. 22, entitled The Manitoba Lotteries Foundation Act, be not now read a third time but be read six months hence.

A STANDING VOTE was taken, the result being as follows:

YEAS

Messrs. Banman, Blake, Brown, Downey, Enns, Filmon, Gourlay, Graham, Mrs. Hammond, Messrs. Hyde, Kovnats, Lyon, Manness, McKenzie, Mercier, Nordman, Mrs. Oleson, Messrs. Ransom, Sherman, Steen.

NAYS

Messrs. Adam, Anstett, Ashton, Bucklaschuk, Corrin, Cowan, Desjardins, Mrs. Dodick, Messrs. Doern, Evans, Eyler, Harapiak, Harper, Mrs. Hemphill, Messrs. Kostyra, Lecuyer, Pawley, Penner, Ms Phillips, Messrs. Plohman, Santos, Schroeder, Scott, Storie, Uruski, Uskiw.

MR. ACTING CLERK, G. Mackintosh: Yeas, 20; Nays, 26.

MR. SPEAKER: The Motion is lost.

QUESTION put, MOTION carried.

MR. SPEAKER: The Honourable Member for

Turtle Mountain.

MR. B. RANSOM: The same division reversed, Mr. Speaker.

MR. SPEAKER: Is that agreed? (Agreed)
The Honourable Attorney-General.

HON. R. PENNER: 12:30, Mr. Speaker?

MR. SPEAKER: The time being 12:30, the House is adjourned and will stand adjourned until 2:00 p.m. this afternoon. (Friday)