

THE LEGISLATIVE ASSEMBLY OF MANITOBA.
2:30 o'clock, Wednesday, April 17, 1974

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 45 students of Grade 6 standing of the Butterworth School. These students are under the direction of Mr. Erickson and Mrs. Venselaar. This school is located in the constituency of the Honourable Member for Logan. On behalf of all the honourable members I welcome you here today.

Presenting Petitions; The Honourable Member for Radisson.

PRESENTING PETITIONS

MR. HARRY SHAFRANSKY (Radisson): Mr. Speaker, I beg to present the petition of Montreal Trust, praying for the passing of an Act respecting Montreal Trust Company.

MR. SPEAKER: The Honourable Member for Radisson.

MR. SHAFRANSKY: On behalf of the Honourable Member for Winnipeg Centre, I beg to present the petition of Investors Syndicate Limited, praying for the passing of an Act to amend an Act to incorporate Investors Syndicate Limited. --(Interjection)--

MR. SPEAKER: Order please. I'm sure the honourable gentleman can find some other times to have their jokes.

Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements; Tabling of Reports. The Honourable Minister of Northern Affairs.

MINISTERIAL STATEMENT

HON. RON McBRIDE (Minister of Northern Affairs) (The Pas): Mr. Speaker, I'd like to make a brief statement in regard to the winter road situation. I'd like to inform the House that the province's winter road system has now been closed for the season, and that this winter more freight has been moved than ever before via winter roads to the communities served. Even though the system is now officially closed in terms of maintenance, some goods are still being hauled on a few of the more northern roads. All the freight that was scheduled to be moved is now in these northern communities and because of the good condition of the roads, large additional tonnage has been moved.

At the start of the season we were told that about 17,500 tons of freight would be moved into northern communities. This was later revised upward substantially and with the backhaul from a number of these communities a total of 80,895 tons were shipped over the winter roads this year.

Even though the tenders were let for the roads as early as June last year, construction in the early part of the season was slowed by poor freezing conditions and the unusual amounts of snowfall which made muskeg and river and lake crossings difficult to deal with. Because of these poor conditions the province took over construction of some of the roads. However, the cold weather into the spring made up for the early difficult construction. Members will note that tender dates, commencement dates, and completion dates, are included in the material tabled. As an example, the road from The Pas to Moose Lake was tendered September 18th and was started November 5th, and completed December 19th. By contrast the Berens River Road was not started until January 16th and was completed on February 24th. Nevertheless all goods were moved into place. Because of construction conditions we did find it necessary to advise haulers to find means other than winter truck roads to get supplies into the smaller communities of Red Sucker Lake and Little Grand Rapids.

The material tabled will show the bids received last year for these roads and how much they cost to build as well as our costs for this year, and what this means in terms of cost per pound. We should have some indication of the impact when we consider the northern price index which will be issued later this spring.

Despite comments which appeared in the media earlier, this has been the best season ever in terms of the actual tonnage hauled. There were some problems; however we asked three major commercial transporters who used this system what their general comments were. All opinions expressed were positive, especially when one considers the area to which the hauling was taking place and the type of roads.

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(Mr. McBRIDE Cont'd)

We hope with federal assistance to reconstruct the system again next year with probable new routes from Gods Lake Narrows to Garden Hill and from Cross Lake to Oxford House, and hopefully next year's winter road transportation system will be as successful as this year's.

MR. SPEAKER: The Honourable Member from Lakeside.

MR. HARRY J. ENNS (Lakeside): Well, Mr. Speaker, on one of the few balmy days of spring that we've had with the temperatures rising to 55 or 60 degrees above, I can appreciate the Honourable Minister of Northern Affairs giving us a report in essence dealing with the phasing out of one of the more controversial programs this government has entered into, namely the northern winter roads.

I only want to comment briefly in this manner, Sir, that surely with the backdrop of history behind this program, when you consider that this same minister was before the courts of this land because of intemperate statements made having to do with the robber barons of the north fleecing the northern people as a result of freight transportation to the north, that somewhere in this document there wouldn't be just a mere recitation of tonnages hauled or successes of a road built, but some reference to the actual benefits gained to the people as a result of the public moneys expended for the people of the north. I don't see that, Sir. Perhaps it is buried somewhere in this document, which of course I haven't had the occasion to pursue in the immediate response that I'm required to make in the House on this short notice.

But I suggest to you, Sir, that there has to be, as in so many other undertakings by this government, particularly in northern Manitoba, some hard-nosed cost accounting, some auditing, which seems to be so difficult when we talk about expenditures in the north by this government, as to what the actual benefits were, and what actual gains were made by the people of the north as a result of this much touted program of roads to the north, the winter north roads. I know one singular outstanding failure of course was that No. 1 - there was a general sympathy I think in the population of Manitoba that we were prepared to give the native people of this province an opportunity to demonstrate their capacity to enter into the construction of these northern roads. I believe it was a former Minister of Highways, with considerable publicity attached to it at the time, that we encouraged them to undertake the construction of these roads. I see here a sentence midway through the first page of the report issued by the Minister which says that, because of poor conditions the province took over the construction of the roads. You know, our memories aren't that short, what happened to that program which saw this kind of construction, this kind of endeavour being continued and taken over in fact by the Indian Brotherhood, I believe, and by other persons indigenous to that region.

Mr. Speaker, the report really is hash. It only indicates that the Minister's happy that the spring thaws have come and that he is no longer under the probable and justifiable criticism of the running of that program. The roads have vanished also has a great deal of public money vanished with the spring thaws. He has not told us, Sir, in his report, and he had the opportunity. Really, Sir, if any Minister, you know, and I suggest to him, as he has suggested he's going to bring in this program next year, I only ask him to at least give us some cost benefits relative to the people of the north whom these roads served. You know, particularly in view of the fact that this Minister said that up to now, up to now everybody was being ripped off up in the north; up to now the private entrepreneurs that were bringing these same goods, these same tonnages into the north were making unconscionable profits; up to now these were the robber barons of the north - a statement by the way, Mr. Speaker that the Honourable Minister has been forced to retract by the courts of this land but he has shown us nothing in the statements other than the fact that he says, "thank God we got some of the material up there, even despite our bungling, despite the thaws, and despite everything else." Mr. Speaker, as the Member for Morris suggests, if it hadn't been for the late spring he probably wouldn't be able to make even that statement in the House.

So, Mr. Speaker, I really suggest to the Honourable Minister, far from, you know, getting up and making that kind of a statement he would have been better off to just let it go and let's all forget about the fact that perhaps another couple of hundred thousand dollars, or indeed more money was wasted up in the north this year.

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

MR. I.H. ASPER (Leader of the Liberal Party) (Wolseley): Mr. Speaker, I think the most singularly important observation one can make is that we've been handed with no prior notice,

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(MR. ASPER Cont'd) which is the tradition, a ten page report full of -- which has not all been read to us, only one page has been read to us, and there are nine subsequent pages full of significant data, costs and analysis, so that it's rather difficult to expect, or impossible to expect the Opposition to comment on the substance of the total statement, which we assure the Minister we will study and make our observations known at perhaps another time in the debate. However, we must assume that the Minister chose to read what he considered the best parts of the report, and if that's the best he can do, Mr. Speaker, then the debate that the Opposition launched when his estimates were brought out certainly was justified and the debate over the quality of the winter roads concept and system certainly must go on, Mr. Speaker.

We don't know from what we were told today, although we can guess and we can suspect, that there was a tremendous cost to the province through mismanagement of this winter roads program, and an inordinate and an undue cost, a cost which has not been referred to today; that cost includes the failure of the government to adequately protect the people of the north against contractors who fail to perform. We obviously have some performance bond claims but we don't even know, we're not told if we have performance bonds to back up the contractors who defaulted.

We'd like to know the true cost of this program, and nowhere in these figures as I quickly scanned them are we told what the cost of the winter road system is when you add in, (a) the massive army of civil servants who were needed to implement the program, and of course some of those we've been talking about in other debates who are not exactly busy with that but rather busy with politics; and (b) the cost of air freight that isn't taken into account, and as my honourable friend from Lakeside says, only when you get that, that's when you can make some estimate of the cost-benefit, the comparison between the state-run road system and the road system as run by private contractors. Mr. Speaker, we will still not know the true cost until the lawsuits against the Province of Manitoba are completed by the contractor who believes he was unduly expropriated or had his assets seized or confiscated.

Mr. Speaker, we believe that this House and the public are entitled to a genuine comparison of the cost under government and the cost under a tender system. There is not a word in this report, nor in the Minister's statement, as to where we're going to go next year other than we're going to repeat the debacle, the fiasco of this year. Mr. Speaker, that will not come as comfort to the people of northern Manitoba. The millions of dollars of Manitoba tax dollars that are now, as of today, according to this announcement, the millions are melting and they will be gone in a few weeks. Mr. Speaker, we now must be at the point in time when we must consider the beginning of a permanent winter road system, permanent all-year system to the more remote communities. We've been asking for years that some of the millions that melt every year with these roads be applied to the development of a road, a permanent road, along the east side of Lake Winnipeg, which would both serve the northern people, the southern people, the tourism industry and the mining industry, and some of the millions that we spend each year on a temporary system would find their way into permanent value in Manitoba. We look to a much better report from the Minister.

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

TABLING OF REPORT AND ORDER FOR RETURN

HON. HOWARD PAWLEY (Attorney-General) (Selkirk): Mr. Speaker, I would like to table a report received by me by Dr. Ray who was commissioned to investigate the feasibility of the sale of beer and wines in grocery stores in Manitoba, a copy for each of the Whips.

Also I would like to table an Order for Return from the Honourable Member for Assiniboia in respect to remuneration of each vendor for sale of liquor, etc., with a number of other questions included.

MR. SPEAKER: Any other Ministerial Statements or Tabling of Reports? Notices of Motion; Introduction of Bills; Questions. The Honourable Member for Fort Garry.

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MR. L.R. (BUD) SHERMAN (Fort Garry): Mr. Speaker, my question is to the Honourable the Minister of Labour. I would like to ask him what he and his department are doing this afternoon with respect to meeting the many crises that exist in the whole labour field in Manitoba

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(MR. SHERMAN Cont'd) today, and that at this moment are crippling the economy in Winnipeg and throughout the province?

MR. SPEAKER: The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): Mr. Speaker, I know of no crippling effect within the economy of Manitoba that is under the jurisdiction of the Department of Labour or its Minister. Most of the items that have been given great publicity too, deal with matters under federal jurisdiction, and I think even my hostile friend, the Member for Fort Garry, should recognize that.

MR. SHERMAN: Mr. Speaker, would the Minister tell the House what became of the brave plans and the brave conciliation to which he referred in response to a question of mine in the House not two weeks ago on the threat of a possible strike at the Health Sciences Centre by 1,600 workers there? Would he tell us what happened to that conciliation that was going to solve the problem?

MR. PAULLEY: Mr. Speaker, this reminds me of the grave concern of the Honourable Member for Fort Garry when negotiations were being undertaken and conciliation proceedings were taken with the Winnipeg Police and the Winnipeg City Council. My honourable friend the Member for Fort Garry if you recall stood repeatedly in this House and wondered what was happening. My reply at that time is the same reply now in respect to the Health Services Centre. There is no strike, there is no strike of the employees at the Health Services Centre; the Director of Labour Relations of the Department of Labour is involved and will have discussions as he had in the past between the two parties concerned. After all, Mr. Speaker, it was only yesterday, as I understand it, that the employees concerned took a strike vote and a strike was authorized which would not take place, so I am informed, at least until May 1st. So I would suggest to my honourable friend that it didn't happen so far as the strike was concerned of the police; I still trust and hope it will not insofar as this Health Services Centre is concerned.

MR. SHERMAN: A further supplementary, Mr. Speaker. Can the Minister assure the House of contingency plans in reserve in the event of a breakdown of the talks he's now talking about.

MR. PAULLEY: Mr. Speaker, my honourable friend posed the same question some months or so ago in respect of police, and I would say that if an emergency does arise the fortitude and the intelligence of the people concerned will be put to good use to see that no one suffers unduly in the Province of Manitoba.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, my question is to the Honourable the Minister of Labour. I wonder if the Honourable Minister can report to the House what success he had in placing unemployed Manitobans into the jobs of the garment industry following his personal commitment to this House in February that he would undertake steps to achieve this objective.

MR. PAULLEY: I cannot answer that precisely. As my honourable friend is aware, I've been tied to the House pretty constantly since that time and the garment industry, management and labour appreciate that fact, and have agreed with me that further input will take place as soon as I'm relieved of some of my present responsibilities.

However, I want to offset a misconception, Mr. Speaker, that seems to be prevalent, that we by our actions prevented any immigration insofar as the garment industry is concerned. There was an agreement of some 250 people that was requested coming in from outside of Canada to become employed in the garment industry, and people are confusing, particularly the Leader of the Liberal Party, are confusing that fact and indicating that there has been a total ban. There has not. There was a commitment for 250. They are now coming into the province, into the garment industry; a further amount of 1,000 is a point that we made on behalf of the Government of Manitoba.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Thank you, Mr. Speaker. Can the Minister indicate to the House what specific steps has the government taken since, say, February towards the objective of placing more unemployed Manitobans into the garment industry?

MR. PAULLEY: One endeavour we have made, Mr. Speaker, in order to make more attractive to Manitobans recruitment into the garment industry, is to join with the Government

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(MR. PAULLEY Cont'd) of Canada, the Fashion Institute of Manitoba, Fashions Canada Limited, with a substantial contribution of funds to assist in the production of a film dealing with facets, dealing with all facets of the garment industry in relation to recruitment of employees into the industry.

A MEMBER: Tell us about the models.

MR. PAULLEY: There are no models. There are a few eggheads but, Mr. Speaker, there are no models. It is a recruitment film and we have made a contribution, as I say, Mr. Speaker, in an endeavour to tell the story of what can be expected in the garment industry.

MR. SPEAKER: The Honourable Member for Roblin. The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, a further supplementary to the Minister of Labour. I wonder if the Minister or his department have any studies or reports that would indicate that the labour shortage in the garment industry can be met by the people in Manitoba or by the unemployed people in Manitoba?

MR. PAULLEY: That is one of the endeavors that we're attempting to resolve, Mr. Speaker. But it's typical of some members in this House if the moon isn't moved immediately, then nothing is being done. I can say that we are attempting to make it more attractive. I announced the other day, I announced the other day the possibility of a new minimum wage in the Province of Manitoba that will assist some in obtaining employment in the garment industry. There are many steps being taken. I have had numerous inquiries directed to my office as to the possibility of training programs in the industry. I have, as I indicated a moment ago, received substantial support from the garment industry itself, and if I only received the same support from certain quarters in this House I think the matter would be more speedily resolved.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, I have a question for the Honourable Minister of Agriculture. I wonder, can the Honourable Minister advise the House if the Parkland Regional Library is to be phased out and a new library system is to be commenced in this province July 31st?

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Mr. Speaker, the Member for Roblin really is addressing the question to the wrong Minister. I'm not just sure, I believe it's Tourism that is involved.

A MEMBER: He wouldn't know the answer anyway.

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

HON. RENE E. TOUPIN (Minister of Tourism, Recreation and Cultural Affairs) (Springfield): Mr. Speaker, I believe that the honourable member would be posing his questions more particularly to the Parkland Region which has received a part grant for the year 1974-75. And the reason why we gave them only a part grant for the next four months is that there is a study being conducted in regards to regional libraries. It is not intended to prevent them from operating in 1974-75 but to receive a study and to have a more comprehensive library service in the Province of Manitoba.

MR. MCKENZIE: . . . question, Mr. Speaker. Can the Minister give the House, or the people of Manitoba, any indication of what the new program will be?

MR. TOUPIN: Well, Mr. Speaker, obviously since the study is not yet completed I can't indicate that now. Once I am presented with the report itself and it is considered by myself and my officials, I will be in a position to make certain recommendations to my colleagues in Cabinet and then relate the policy then to this House.

MR. MCKENZIE: . . . question. I wonder if it will be fair for the Honourable Minister to explain to the House, is it an expansion of the present program or the phasing out of the present program?

MR. TOUPIN: Well, Mr. Speaker, at this time there's no assumptions being made of phasing out anything, but to have a system that will be more comprehensive and more accessible to all those interested in availing themselves of that type of service, whether it be students or the general public, and that whatever service is being made in the Province of Manitoba either through the public school system or through the regional libraries under the Department of Tourism, Recreation and Cultural Affairs be available to that population much more so than it is now.

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MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): Mr. Speaker, I would like to direct my question to the Minister of Labour and ask him if his attention has been drawn to a letter that his office received from a group of concerned workers at the Fort Garry plant of Flyer Coach Industries, in which charges are made against management which result in an unbelievably high rate of waste, high turnover rate, absenteeism rate, and a high industrial accident rate? These charges of incompetence in management, have they been brought to his attention?

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, I received a carbon or xeroxed copy, as indeed I believe my honourable friend did or the leaders of the other parties, which original was addressed to the First Minister outlining certain complaints by a group who call themselves "a concerned group", without any address to which I could reply on behalf of the Premier. The answer to the first part of the question is, yes I have received a carbon or xeroxed copy of the letter that was addressed to the Premier; and secondly, I cannot reply because I don't know from whence the letter came; and thirdly, they are a unionized shop and I would suggest, and in accordance with normal practice, grievances should be aired through their representatives in the union.

MR. JORGENSEN: Mr. Speaker, I direct a further question to the Minister of Labour, and ask him if his department would consider investigating the situation at the Fort Garry plant as well as the situation in the Transcona plant, where I understand similar uncalled for firings are taking place. People are called in and just simply given their severance pay and told not to come back.

MR. SPEAKER: Order please. Order please.

MR. JORGENSEN: I wonder if the Minister would investigate that kind of activity on the part of management.

MR. PAULLEY: No, Mr. Speaker, it is not the purpose of the Department of Labour to investigate into matters of concern in which the parties who issue letters do not give us information as to who they are, and these matters are subject to grievances under a collective agreement that is in force at the present time between management and labour.

MR. JORGENSEN: I direct my question to the Minister of Industry and Commerce, and ask him if he is concerned about incompetence in management in Flyer Coach Industries, and if he will do something about it?

MR. SPEAKER: Orders of the Day. The Honourable Minister of Industry and Commerce.

MR. EVANS: Mr. Chairman, I don't really believe that that question should be directed to myself. I'm not responsible for the Manitoba Development Corporation. I'd only reiterate what my colleague has stated, and that is that there is a union there, and I'm sure that the union has every right and power under the labour laws of Manitoba to rectify any problem that might exist between management and labour.

MR. SPEAKER: The Honourable Member for Minnedosa. --(Interjection)-- The Honourable Member for Morris.

MR. JORGENSEN: Mr. Speaker, is no one in the government concerned about incompetence in management, particularly since taxpayers dollars are involved in Flyer Coach Industries. The government have about, for the taxpayers of this country, \$14 million in that plant. Is nobody interested?

MR. SPEAKER: Order please. Order please. Order please. The question is out of order. The question has been answered. The Honourable Member for Minnedosa.

MR. DAVID BLAKE (Minnedosa): Thank you, Mr. Speaker, my question is directed to the minister responsible for the Manitoba Public Insurance Corporation. I wonder if the Minister can inform the House if he has launched an investigation into the reasons for the spiralling auto rates that he has indicated are inevitable with the situation as it is with the increase in auto accident rate?

MR. SPEAKER: The Honourable Minister of Autopac.

HON. BILLIE URUSKI (Minister responsible for Motor Vehicle Branch) (St. George): I don't know where the member got those allegations but if he is indicating that it's inevitable that the insurance rates will increase with the rising increase in claims and costs, that is correct, it will.

MR. BLAKE: I was referring to a statement attributed to the Minister that it's inevitable

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(MR. BLAKE Cont'd) that the motorists of Manitoba will be faced with increased rates if the accident rate continues increasing at the . . .

MR. SPEAKER: Question please.

MR. BLAKE: . . . present percentage it's increasing now, and I wondered if he had instigated an investigation into the reasons for the continual increase in automobile accidents in Manitoba.

MR. URUSKI: Mr. Speaker, the incidence of high accident rates is Canada-wide or country-wide or North America-wide, because if the member will note that the private industry figures of underwriting losses in the last year are approximately \$100 million or more, in the last year because of exactly what we are saying. We are endeavouring through our various announcements that I made earlier in the year when we announced the premium increases, endeavouring to slow down and impress upon people that safe driving is a must.

MR. BLAKE: A supplementary, Mr. Speaker. Would the Minister confirm then that the increase announced at the start of the insurance year will not be sufficient to meet this year's losses and pick up any part of the \$10 million loss suffered last year?

MR. URUSKI: Mr. Speaker, the premium increases were made on the basis of a continual claims figure as represented by 1973 figures with an inflationary escalation clause, but not for the increase that has been reported up till now - not to take in another 20 percent increase.

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

MR. GORDON JOHNSTON (Portage la Prairie): Mr. Speaker, I direct my question to the Minister of Industry and Commerce. Could the Minister inform the House the reason for his refusal to meet with executives in the garment industry with respect to solving some of their problems, as stated by Mr. Ralph King in a recent newspaper interview.

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

MR. EVANS: Well, Mr. Speaker, I reject the question. It's an incredible question. I have met with the executive of the garment industry a number of times. As a matter of fact, the Department of Industry and Commerce, during my ministerial involvement, was instrumental in setting up the Fashion Institute of Manitoba. We virtually assisted them in organizing it. I have met on numerous occasions and I reject completely any allegation of Mr. Ralph King. I don't think Mr. Ralph King speaks on behalf of the Fashion Institute of Manitoba.

MR. GORDON JOHNSTON: Well, I thank the Minister for his indignant denial, but could he inform the House, in the time that he has been in the Department what programs he has instituted by way of training to assist the garment industry or

MR. SPEAKER: Order please. The question is out of order at this time. It would take hours probably. Will the honourable member rephrase it?

MR. GORDON JOHNSTON: Mr. Speaker, I know it won't take more than 10 seconds for the Minister to answer, but could he inform the House as to what steps he has taken to assist the garment industry?

MR. EVANS: Mr. Speaker, this information is available in annual reports of the Department of Industry and Commerce, and from time to time we make statements of various programs that we've instituted. I would suggest that the proper time for debate on this subject is the time of the discussion of the estimates of the Department of Industry and Commerce.

MR. SPEAKER: The Honourable Member for Ste. Rose.

MR. A.R. ADAM (Ste. Rose): Thank you very much, Mr. Speaker. I would like to address my question to the Minister of Agriculture and ask him if he could advise the House what the current situation is insofar as the price of hogs is concerned.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, I don't know the latest as of now, but I know that there have been long negotiations with the industry across Canada between the Hog Producers Marketing Board and the various industry people with respect to a formula on pricing, that is that would bring about some understanding between the two as to the relationships in prices between Winnipeg and the Ontario market, and those negotiations, of course, concluded without an agreement and my understanding is that as of Monday of this week the Board unilaterally imposed a pricing system on the Winnipeg market, which has been respected to date and which has brought redress to the price differentials as between Winnipeg and Toronto in our

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(MR. USKIW Cont'd) favour. As you will know, last week we had variations in prices ranging from about \$4.00 to \$7.00 per hundredweight differential between Winnipeg and Toronto, and that has now been narrowed to around \$1.90 between Winnipeg and the Ontario price by the order of the Manitoba Hog Producers Marketing Board. Now, hopefully, that system will evolve and indeed improve over the months and years ahead, Mr. Chairman, so that the producers of pork in this province will get their rightful share of the market in Canada and indeed a rightful price within that market.

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

MR. ASPER: Thank you, Mr. Speaker. My question is to the Minister of Finance, or perhaps to the same Minister in his acting Premier's capacity. Will he confirm that the financial report that was tabled in the House, I believe yesterday, relating to the operations of CFI for the past nine months, will he confirm that that statement, the financial data, does not give an accounting of the assets, the liability and the equipment, and the debt of the organization that existed prior to the takeover by the government?

MR. SPEAKER: The Honourable Minister of Finance.

HON. SAUL CHERNIACK, Q.C. (Minister of Finance) (St. Johns): Mr. Speaker, I will not confirm anything in relation to that statement. The statement no doubt speaks for itself. If it doesn't, then the honourable member can ask specific questions and either they'll be taken as notice or they can be dealt with by Public Accounts Committee, or rather, I guess there's the Committee on Economic Development which meets frequently enough and as soon as tomorrow morning.

MR. ASPER: Mr. Speaker, my question's to the Minister of Finance who is responsible for the financial reporting to this House. I ask him to indicate to the House why the data put before us does not give a full accounting of the depreciation and the interest that should be charged against CFI for the last nine months.

MR. CHERNIACK: Mr. Speaker, I will not rise to the provocation of the honourable member. I would invite him to discuss this matter at the proper time before the proper committee. I will also agree that if he has any questions to ask which would be specific and have some relevance, to take that as notice. I would further suggest to him that, as he must well know by now, he has the right to speak to the Provincial Auditor just as any other member of the Legislature does, and he could direct questions to him. I assume he's now speaking of a report prepared by the Provincial Auditor. No? Well then, obviously I would need further elaboration.

MR. ASPER: Thank you, Mr. Speaker. I accept the invitation of the Minister of Finance to put a question to him of which he might take notice then. Will he undertake to examine the financial report that was tabled yesterday on CFI and report to this House and confirm if it is true, that the charges of interest and the depreciation which would normally be made would have showed a loss, not of a million dollars as reported . . .

MR. SPEAKER: Order please. Order please. The question is argumentative in its context. The Honourable Minister of Finance.

MR. CHERNIACK: I must have misunderstood the earlier question because he has assumed, and I've let him assume, that the report that he is speaking about is one prepared, not by the Provincial Auditor, which I understood, but now I think that he gave the impression that it was prepared by my own department, which is obviously incorrect and therefore its being, I assume now, a report by the Receiver - or is it the Churchill Forest Industries? - therefore is probably not under my responsibility at all.

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

MR. ENNS: Mr. Speaker, it has happened on numerous occasions now and we really don't know how to respond to it without some direction from you, Sir, where you, Sir, have ruled a question out of order for whatever reasons, Sir, you saw fit, and we accept that ruling on this side, the question of being argumentative or hypothetical or not within the jurisdiction of this House. Having made that ruling with respect to the question, you then, Sir, allow an answer to be made from the members opposite to that question which was out of order, and Sir, I suggest to you that that leaves an imbalance in the situation here that, you know, makes it difficult for the opposition to operate. If the question is out of order . . .

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MR. SPEAKER: Order please. Order please. I would hope that what the honourable gentleman is suggesting he would sincerely adhere to, that when I ask for order I would get it from all sides of the House, and when we can get that co-operation in the Chair, we'll have no further problem. The Honourable Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, on a point of privilege, the point of privilege is that the Minister of Finance put on the record an assumption that was incorrect as to what I was referring to. I wish to state that what I had referred to was the report of the Receiver filed yesterday in respect of the nine months of operations of CFI ended 1973, which contained an audited statement by the auditor for the Receiver, and which disclosed that certain charges of operations had not been taken into account, and I simply say that so that the record is correct as to what I was asking the Minister about.

MR. CHERNIACK: Mr. Speaker, speaking both to the point of privilege raised by the Member for Lakeside, if I may, and the privilege of the Member for Wolseley, may I firstly express an understanding but hardly sympathy with the statement made by the Honourable Member for Lakeside, because when I rose, I rose in order to explain the fact that I'd misunderstood the Member for Wolseley, and as such I suppose I should have asked for a point of privilege. On the other hand, of course, when a question is asked which is ruled out of order but which carries in it mis-statements, unfortunately it does invite a response. So although I suppose he was right, I kind of feel that it was provoked.

But, Mr. Speaker, more in relationship to the point raised by the Member for Wolseley, I now understand why I was confused by his original question. I accepted his statement that the document filed came under the responsibility of my department, and he stated that it was the responsibility of the Minister of Finance, statements of this type. Mr. Speaker, this is a report by Mr. Hallgrimson, the court-appointed Receiver, and it is a report made for the period of his receivership and includes an audited statement by auditors who were no doubt appointed by the Receiver, the court-appointed Receiver, or by the court itself, and then for him to ask questions, as to why there are certain items missing or maybe present in the statement, of me on the assumption that I am responsible for a report of Touche Ross and Company made to a court-appointed Receiver, is certainly either not knowledgeable as to my responsibility or designed to provoke, and unfortunately it did get an answer which I should not have given was I fully aware of what he was aiming at.

MR. SPEAKER: The Honourable Member for LaVerendrye.

MR. BOB BANMAN (La Verendrye): Thank you, Mr. Speaker. I direct my question to the Minister in charge of the Manitoba Public Insurance Corporation. Could the Minister confirm that motorists who suffer accident damage to their cars can receive two or more claims from different claims centres and then submit the same for payment?

MR. SPEAKER: The Honourable Minister.

MR. URUSKI: Mr. Speaker, if motorists are in effect going to separate claims centers to submit claims for the same accident, they are in effect committing a fraud against the Corporation, but the system in effect should be able to pick up if any motorist goes to one claims center and reports a second claim to another center. If the member has any specific details regarding any individual doing the same, I would hope that he would bring it forth to me so that the motorist or whoever he is speaking about could be checked on.

MR. BANMAN: Could the Minister confirm that there are at present no checks from keeping people from going from one claims center to another, getting different claims on their vehicle?

MR. URUSKI: Mr. Speaker, if the honourable member was listening, I indicated that checks are made and there have been instances where motorists have attempted to do just what the member is stating, but the computer system and the verification system picks it up and only one claim is acknowledged.

MR. BANMAN: A further supplementary question, Mr. Speaker. Is the Minister then saying that this has happened in the past?

MR. URUSKI: Mr. Speaker, yes. Attempts have been made in the past. But if the honourable member has information that he is withholding from this House I think it's his duty to bring that information forward.

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

MR. J. PAUL MARION (St. Boniface): Thank you, Mr. Speaker. I'd like to direct my

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(MR. MARION Cont'd) question to the Honourable the Minister of Finance. Will the Minister advise this House what action he contemplates to alleviate the 30 percent increase in school tax that alone represents an additional \$50,00 to \$60,00 onus on the homeowner.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I want first to point out the fact that school boards are responsible to the persons who elect them and have a responsibility to account for their actions. Secondly, I point out that the government is deeply concerned about the fact that costs are rising and that apparently the increase is greater at the educational level, probably due to the higher proportion of salary costs in the school budget than in other public services. Certainly I can only report that we are studying the problem. We do have certain ideas as to what we might like to do, but the information has come very late, as the Honourable Member for St. Boniface must realize, and we will try to deal with the matter to the extent that we can, both in terms of time and ability.

MR. MARION: Has the government given any considerations - to the same Minister, Mr. Speaker - to enlarging the property tax credit plan or introducing a new school tax credit program to deal with the increases that are now evident in the education mill rate?

MR. CHERNIACK: Yes, Mr. Speaker.

MR. MARION: Will the Minister indicate who will represent the province on the joint task force to be established with the City of Winnipeg to study the new sources of revenue for that city?

MR. CHERNIACK: No, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD McGill (Brandon West): Mr. Speaker, my question is for the Honourable the Minister of Industry and Commerce as the Minister responsible for the operations of A.E. McKenzie Seed Company in Brandon. With reference to earlier questions regarding the accountability to the Legislature by the government for the operations of this large seed company, perhaps the largest in Canada, would the Minister now tell the House which of the standing committees will receive a report, financial report and statement of the operations of the Seed Company?

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

MR. EVANS: Mr. Speaker, I don't know whether a commitment was made that a specific report would be made to a particular committee of this Legislative Assembly. We said we would take the matter under advisement. I also indicated that a summary financial statement was made in the regular course through the Information Services Branch to the public, including the Members of this Legislature, far more information than has ever been given since 1945. This company has been owned, 90 percent owned by the government of Manitoba since 1945, and it's only in the last four years that we have made regularly available financial statements with regard to the company, financial summaries, and in effect we are providing far more detail, far more information than was ever made available. There was absolutely no information made available to the best of my knowledge except back in 1947, I believe, when there was either a strike or some labour difficulty, and what we are following are the practices of most private companies giving summary, financial information of the highlights of the company, and as I've indicated publicly in the financial statement, the company did make a profit in the last fiscal year.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Speaker, to the same Minister. Inasmuch as the Government of Manitoba has a 90 percent equity interest in this firm, would the Minister not agree that the operation should be reviewed in the same manner as other firms and operations in which the government has a major equity position?

MR. EVANS: Mr. Chairman, at least to the best of my recollection at this point in time, all of that equity was donated by the late Dr. A.E. McKenzie; it was not equity that was put in via the Manitoba Development Corporation.

MR. MCGILL: Mr. Speaker, again to the Minister. Since this government has effective operating control of this company, will the Minister not ensure that those operations are reported to this Legislature?

MR. EVANS: Well, Mr. Speaker, as I've stated, we have provided financial summaries. However, in view of the honourable member's particular interest, also coming from Brandon

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(MR. EVANS Cont'd) I presume he shares with me the desire to see this Company a success because it employs approximately 150 people in Brandon and will be employing another 60 by the time the fall arrives. I assume he shares this same mutuality of interest of success of this company. Therefore, Mr. Speaker, in view of his interest I will endeavour to provide more detailed financial information.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Speaker, I'd like to also ask a question of the Minister of Industry and Commerce, going back to his description of these close meetings with the garment industry. Can he tell us if he is aware that just recently one of the garment industries in Manitoba lost a \$14 million contract to export to the United States because of a lack of labour supply in the Province of Manitoba or the lack of training for that labour supply?

MR. EVANS: Mr. Speaker, I don't profess to know of the intimate operations and agreements and potential sales of every single company in Manitoba, and I am not aware of this particular incident to which the Honourable Member from Fort Rouge refers to. However, I have had discussions with some of the leading manufacturers in the garment industry in Winnipeg. Quite recently, one told me he had no problem whatsoever in getting manpower. He had no problem whatsoever. In fact he's expanding to a new facility and he says, "I have no problem whatsoever because my wage level is a good wage level and I have all the assistance, all the labour that I require." And, Mr. Speaker, I would also add that the figures show that the expansion of the garment industry in Manitoba in terms of value of sales has been phenomenal. There's been no decrease in the level of production; the level of production of the garment industry in Manitoba has expanded enormously in the past few years.

MR. L. AXWORTHY: I have a supplementary, Mr. Speaker. Could the Minister tell us what steps he or his department might be taking to counteract the present involvement of the Government of Alberta who are presently negotiating with garment industries in Manitoba to come to Alberta on a guaranteed full labour supply? Is he taking any steps to counteract those moves by the Government of Alberta?

MR. EVANS: Well, you know, I'm pleased to inform the honourable member and members of the House that we have excellent relations with the Minister of Industry and Commerce, the Honourable Fred Peacock in Alberta. We have a Western Ministers Industrial Strategy Committee. I am not aware of any great strategy on the part of the Department of Industry in Alberta. I've seen one ad, but I would not suggest that that particular ad alludes to any particular strategy on the part of the Alberta Government with respect to this particular industry. I might add that the wage level, the average wage level in Edmonton and in Calgary, is considerably higher than the average wage level in Winnipeg.

MR. AXWORTHY: A supplementary. Could the Minister tell us, then, whether the government's lack of interest in supplying labour to the garment industry is part of the Western Industrial Strategy Committee's . . . to move the garment industry to Alberta?

MR. SPEAKER: Order please. Order please. I would like to again implore the honourable members not to preface the questions that are going to elicit an argument. I think I have mentioned that before, and for the sake of procedure so we can get some efficiency, I wish they would adhere to that rule. Does the Honourable Member for Fort Rouge wish to rephrase?

MR. AXWORTHY: Yes, I would. Could the Minister tell us then, is it part of the industrial strategy of the Western Economic or Industry Ministers to have the garment industry in Manitoba moved to Alberta?

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

MR. ASPER: Mr. Speaker, my question's to the Minister of Finance. Could he indicate - and I address it to him in his role as Acting First Minister - could he indicate to the House in what document or where in the Provincial Accounts the cost of interest and depreciation on the equipment and assets of CFI is reflected, and could he also indicate whether he would concur that if those items were reflected the Complex . . .

MR. SPEAKER: Order please. The second question's getting argumentative. The first question I'll allow. The Honourable Minister of Finance wish to answer the first one?

MR. CHERNIACK: Mr. Speaker, the accounts dealing with the Churchill Forest Industries are the accounts of the Manitoba Development Corporation. I would have thought that the Honourable Member for Wolseley would have known that, and if he doesn't he now knows, that it is within the Manitoba Development Corporation and if he attends the meetings, of which apparently there is one tomorrow which may or may not be dealing with Manitoba Development Corporation, he would then be able to find out the answers to his questions.

MR. ASPER: I thank the Finance Minister for his answer and would ask him, in view of the fact that the accounts of the Manitoba Development Corporation do not reflect these expenses and in view of the fact that this statement does not reflect it, where are they reflected?

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

MR. CHERNIACK: Yes, Mr. Speaker, the Honourable Member for Wolseley is again attempting to stage a provocative question which is inviting a discussion and argument, and I assume he knows it and knows full well that I probably would not answer the question but, Mr. Speaker, I don't think he ought to be asking a question which he knows very well is one that should be asked in the committee which deals with the Manitoba Development Corporation.

MR. SPEAKER: The point of order's well taken. Order please. Before the honourable member proceeds let me say to him again: any time he makes a statement with an assertion that has argumentative values in it, it becomes ineligible as a question, and unfortunately almost every one of his prefaces does include that. Now, if he wants information he can ask all the questions he likes, but I wish he would confine his prefacing to only important matters and not to arguments. The Honourable Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, on the point of order, the information stated to the House by the Minister of Finance is incorrect. There is no way that you can tie the two together in any committee unless I ask the Minister of Finance as Acting First Minister, and that's why the question is highly proper because there is no other form that deals with this as a whole except this Legislature. Now, Mr. Speaker, my question to the Minister of Finance so that there's no provocative preface is: Will he concur, as the Minister of Finance for Manitoba, that the loss in operations for CFI for the year just ended when the appropriate charges for interest and depreciation are added in, is not \$1 million as reported, but closer to \$50 million? Yes or no?

MR. CHERNIACK: Mr. Speaker, the answer I would have to give to the honourable member is not one that he feels he has a right to demand. The answer I would have to give the honourable member is that moneys advanced by the government as a loan to the Manitoba Development Corporation are repayable with interest, and I believe it has been reported more than once, both by me and the Provincial Auditor, that there is the suggestion by the Provincial Auditor that since the moneys advanced to the Manitoba Development Corporation which were advanced to Churchill Forest Industries - which are now being reviewed by the Inquiry Commission - are possibly in excess of the true value of the assets, and it has been stated more than once that one of the terms of reference to the Churchill Forest Industries Inquiry Commission is to recommend exactly on the point that he seems to be getting at dealing with the cost of the use of the money, that when that comes in, that report and the recommendations, it is expected that we will then deal with the possibility of writing down the amount of accumulated interest, and that carries with it depreciation. And until that comes down, it is not my intention to propose that there be any change. Therefore, for the honourable member to become involved in speculating as to what interest might add up to or what depreciation would amount to, is not a discussion that I am prepared to have with him, because it's premature. However, I have to repeat again that tomorrow morning the Committee on Economic Development is meeting, and I am now reminded that Mr. Hallgrimson will be there to report on behalf of the Churchill Forest Products, which is involved in the very matter he's concerned with, and if he wants to get information of a factual nature relating to costs, he can try and get them from there. If

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(MR. CHERNIACK cont'd) that doesn't satisfy him, he can come to Public Accounts and deal with it there rather than take up the time that he has taken up, both in the House and elsewhere, in asking questions the answers to which he knows are not available to him at the time.

ORDERS OF THE DAY - GOVERNMENT BILLS - BILL NO. 27

MR. SPEAKER: Orders of the day. The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, will we go into the Adjourned Debates on Second Readings.

MR. SPEAKER: Thank you. Bill No. 27. The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, I made some remarks about this legislation earlier when we were on Interim Supply. I'm glad to have an opportunity to speak now on the substance and the principle of the bill itself, and in essence to register once again, and underline once again the question that I raised before and that many of us on this side of the House and many of us in the province generally have asked this government and this Minister. Why junk and scuttle a productive, successful institution and enterprise like the Manitoba Golden Sweepstakes for a new, co-operative, consolidated kind of enterprise that is untested and that is unproven and that even by the Minister's own admission is going to result, at least at first, in substantial losses in sales revenues to ticket-selling agencies?

Mr. Speaker, I've been trying for some time to analyze the position of the Minister in this respect on this bill and to satisfy myself that he is really in agreement and in accord with the legislation which he's charged with piloting through the House. And I must say, Sir, that I'm not at all satisfied that the Minister, who I think is endeavouring to do a good job in his department, I'm not at all satisfied that he really has much more faith in this legislation than I have or that my colleague the Honourable Member for Roblin has, or than any others on this side have. I really am forced to the conclusion that perhaps this Minister has been hung out on a line to dry, Mr. Speaker, by predecessors who made decisions into which he's locked and from which he has not been able to construct an escape route of his own. I can't escape the suspicion that there has been a particular axe, perhaps, to be ground here where the elimination of the Manitoba Golden Sweepstakes is concerned, and that some advice has come to the department through the Minister who formerly held the portfolio and to the Cabinet, and a decision by the Cabinet has been made on that advice, and all the while that advice has been highly questionable, all the while that advice has been wrong. The problem is that the decision has been made, the government has openly and outspokenly professed its commitment to the concept of the WesCan Lottery, and the Minister who now occupies the portfolio is stuck with that kind of a decision, is stuck with that kind of a commitment, and is being made the scapegoat for a governmental error in judgment of pretty substantial proportions.

MR. SPEAKER: Order please. The Honourable Minister state his matter of privilege.

MR. TOUPIN: Mr. Speaker, it's impossible to leave on the record such an assumption as being made by the Honourable Member for Fort Garry. The present Minister of Tourism and Recreation is not presenting legislation to this House as being government legislation against his will. The present Minister of Tourism and Recreation is endorsing the legislation and is encouraging every member of the House to do so.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Well, Mr. Speaker, I respect the intervention of the Minister and certainly I recognize the privilege at issue, but I'm entitled to my opinion. I accept what he has to say. I believe that the decision was pre-made for him. He may have persuaded himself that it's a good course to follow. I repeat that I think that his predecessors hung him out on the line to dry and I was prepared to help him get down from that line, and I think my colleagues are. We were prepared to show him a rational, reasonable argument that he could take to his colleagues and with which hopefully he could persuade them to a course of common sense. So I respect the point of privilege that he raised, and I am sure he believes it as he raises it, but I think he may have, as a loyal member of the government and his party, persuaded himself to a position that in his better judgment he might not subscribe to, and I want to help him with an escape route and with another course of action if he'll listen to me and to my colleagues with our arguments and I hope that he'll be able to take them to the government and have that course of action changed before it's too late. So I say, I hope we can help him out on this, Mr. Speaker,

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(MR. SHERMAN cont'd) and I offer my suggestions to the Minister in that sense and in that spirit. I think there is an interesting question as to who masterminded the legislation that's before us and I cannot accept any suggestion that the present Minister really masterminded it, because he did not occupy the portfolio at the time that the concept and the principle on which this bill is based was framed and accepted by the government generally. I don't know where the advice for this kind of decision originally came from; I don't know who the department got its basic advice from; and I don't know what axes were being ground at that time, but I raise that question and leave it on the record, Mr. Speaker, because I think it has to be asked. I can't see really any justification for the course that the government has embarked upon in rational, political, or business terms. The only justification that I've been able to discover thus far is because it suited the particular ambitions of framers of policy - and I don't know who those framers of that policy were but I suspect that in their origin they did not include the present Minister of this department.

Mr. Speaker, I can understand an adviser or a group of advisers coming to the conclusion that there would be benefits accruing from the WesCan Lottery and therefore proposing and framing policy approach for the government on that subject, and I can understand the government listening to it and perhaps moving in some substantial direction towards acceptance of it. I don't criticize those decision-makers, and I don't criticize those advisers who helped persuade the decision-makers to make the decision they did, but I think that it is folly of the worst degree for any of us to pursue a course that is demonstrably wrong, and I think that the government is in the position now of doing precisely that. And it's this kind of action that we want to forestall and prevent.

MR. TOUPIN: Will you answer a question?

MR. SHERMAN: Yes.

MR. SPEAKER: The Honourable Minister.

MR. TOUPIN: Mr. Speaker, a question to the honourable member. Assuming that in either case, whether it be under the Manitoba Sweepstakes or the WesCan Lottery Commission scheme, coming before us as presented by means of this bill were to be offered to the people of Manitoba only, because that's the only people we can really deal with, and we wanted to live within the section of the Criminal Code, doesn't the honourable member feel that we can be more successful in having an inter-provincial arrangement to offer to our citizens here having larger prize funds, and having more benefits for all those concerned.

MR. SHERMAN: Well, Mr. Speaker, I have to answer no to that question, and I have to say that I think that this is the nub of the issue on which the whole controversy turns. And that is the question of the Criminal Code which I think is a non-question, and I think is a contrived --(Interjection)--Oh it's a contrived kind of difficulty. The Minister says it's the law, and I agree that it's the law, but it also was the law in this province some time ago that you couldn't go into a public drinking establishment with a woman, a man and woman couldn't go into a public drinking establishment and have alcohol with their meals. As a consequence of that people were smuggling bottles in under the table, and drinking in their cars, and drinking in ditches, and we all are familiar with that kind of situation. The fact of the matter was that the law was an ass, or was "a ass" to be literally correct. Now the Minister wants to ask me another question, and I will yield to a question, but I wish he'd just let me deliver my answer here. He is talking about, he is basing his argument on his insistence that this is the law and it must be obeyed. Well I say if the law is stupid, if the law is not welcomed and not liked by Canadians generally, and by society generally, then the law should be changed as is done over and over and over again. The fact of the matter is that Canadians like buying Sweepstakes tickets; they like participating in lotteries, and if the law says that that's illegal that you can't buy a sweepstakes ticket in B. C., or sell a sweepstakes ticket in B. C. unless you live in B. C., then I say the law is an ass and the law should be changed, and I think that most Canadians would agree with me on that.

Now the Minister, you know, the Minister's argument is hard to refute because we're in this Chamber and in this arena to frame laws, and obviously to pay more than lip service to law, but I insist, Sir, that we become blind and dogged and stubborn to the point of stupidity if we do not recognize the point at which a law becomes outworn, the point at which a law is no longer livable with and the point at which that law should be changed. Yes. So I'll yield to one more question, Mr. Speaker, but I'm losing all the time.

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MR. SPEAKER: The Honourable Minister.

MR. TOUPIN: Mr. Speaker, I'm sorry that I'm cutting in on the time of the honourable member, but I have two questions that I'd like to pose at this time, one being that, is the honourable member aware that the previous Attorney-General, and now being pursued by the present Attorney-General, discussed the possibility of amending that section of the Criminal Code that would actually allow reciprocal arrangements between provinces, that that has been done? Now let's say that we do go with the bill before us and we do reach agreement - that's the second part of my question - with other provinces in Canada - now we have four, possibly more in the future - and in the future if the section of the Criminal Code in question is amended, that we could eventually, even though we have arrangements with other provinces in Canada, have 10, 12 subsequent lottery schemes in Canada, and does the honourable member say that all of those twelve sweepstakes could be successful in each province in Canada?

MR. SHERMAN: My answer to the first question is yes, Mr. Speaker, I am aware of the negotiations that were undertaken. My answer to the second question: I think at this stage of the game it's certainly a qualified yes. I don't believe that because each province ran its own particular sweepstake or lottery that the Manitoba Golden Sweepstakes would necessarily suffer, and I don't believe that the Minister has any evidence to support that kind of argument. In fact, Sir, in fact if one looks at some of the more notable sweepstakes conducted in the western world today, at the Irish Sweepstakes, at Quebec Loto, at the New Hampshire Sweeps which were very successful at New York, and at Manitoba one will see that in every instance there has been - and now the Olympic Lottery, and now the Olympic Lottery - in every instance there has been increased participation, there has been increased ticket sales, there has been increased revenue and increased benefit for those who participate in it.

The fact of the matter is that the activity in one sphere seems to generate activity in another, and so I must answer a very qualified but nonetheless what I believe to be a certain "yes" to his second question. There is no evidence that the Manitoba Golden Sweepstakes would necessarily suffer. Furthermore, as long as the Manitoba Golden Sweepstakes retain the degree of efficiency and of effectiveness and of integrity that it has established, which has now become a standard in the field, I don't think there's any question, Sir, that those ticket sellers all over the country who've been selling Manitoba Golden Sweepstakes tickets would continue most enthusiastically to serve as sub-agents for Manitoba.

I think that another consideration that must be recognized is that people who sell sweepstakes tickets and people who buy sweepstakes tickets enjoy variety. They like to buy tickets on different sweeps, they like to sell tickets for different sweeps. They don't like to be committed to just one massive organization or one single monolithic lottery opportunity, and I think that argument is substantiated by the degree to which success has piled upon success for the Irish and the New Hampshire and the Olympic, etc. etc. in the wake of the Manitoba Golden Sweeps and several others that have been held in recent years.

Sir, the basic question, however, is this one of the Criminal Code, and I was going to come to that a little later in my remarks but since the Minister raised the question I would just as soon address myself to it now. As I suggested, I think the law may be behind the times in this area and that the negotiations to which the Minister alluded should be intensified and continued and that all stops should be pulled out in an effort to have the provinces and the Federal Government effect a practical change in the Criminal Code that would permit the kind of activity that's been going on for years anyway.

And that brings up the other side or another aspect of the argument which I think must be placed on the record. It's all well and good for the Minister to say these things are against the law, and that we want to do things that are within the law, and that the Manitoba Sweepstakes ultimately would be crippled and inhibited by the fact that it is operating outside the law. Sir, whether we like it or not, whether this is an admirable statement to make or not, the fact of the matter is that there is no evidence to support the Minister's argument in this case. The Manitoba Golden Sweepstakes have not been inhibited up to this point by operating outside the law. The Irish and the others to which I've referred have not been inhibited. The Olympics and all the others to which you want to point have operated illegally, admittedly, but unfettered, unencumbered, regardless of what the law has said. The number of prosecutions, Mr. Speaker, in the past few years in the field of lotteries and sweepstakes in North America is absolutely minimal. It's absolutely minimal. And the suggestion that we've got to get inside the law to

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(MR. SHERMAN cont'd) make the thing work, while being admirable, is not realistic, is not practical.

The fact of the matter, Sir, is that these sweeps and lotteries have operated and the law has winked at them. And I don't condone a winking law, but the facts are that the law has winked at them and one cannot argue that we can't do it because of the law. Because it has been done and the law has not interfered to any substantial degree, and what really is at issue here is the necessity to legitimize a practice that's been going on for years. And that's what we're asking. Rather than throwing out, rather than scuttling a successful institution, let us continue and persist with the building of an institution that is now respected across North America, and let us work unceasingly to legitimize its operations, to change the law and make its operations acceptable in a legal way.

Sir, the Minister's statement in introducing the bill for second reading on April 8th contained what appeared to me to be a wide number of anomalies and contradictions and incorrect assertions. I don't suggest for a moment that any of these were placed on the record knowingly or intentionally. I believe, as I said earlier, I think I've made it quite clear even though the Minister doesn't like my saying so, that he's been forced into this position and he's doing his best to make the legislation palatable and to get it through. But, Sir, I must object to many of the points he made or attempted to make in his remarks on second reading on April 8th, because they do not jibe, they do not square with the facts.

Sir, the Minister has said that all four western provinces are in, have agreed to participate in the WesCan Lottery, and that they've signed letters of intent to that effect. Well I ask him again and I've asked him in question period in the House, how about Alberta? What is the situation with respect to the province of Alberta? He tells us that the Alberta Lottery Foundation Limited has signed what amounts to a letter of intent and in fact he sent me a copy of that letter. You may recall, Sir, that I pointed out to the Minister at the time, that the Alberta Lottery Foundation Limited is a private company, a private corporation, and is not an agency or an arm of the Government of Alberta. In fact we have a statement dated June 12, 1973 from the Minister of Culture, Youth and Recreation in Alberta, the Honourable Horst Schmid, that Alberta will not participate in the proposed four western province lottery. The statement goes on to say that "this decision was reached today," that's June 12th, 1973, "by the Provincial Cabinet after members considered submission from associations and sports groups in Alberta." Now I know the Minister has pointed to meetings that have taken place since then, particularly one in Regina not too many months ago, but there still is no official indication from the Province of Alberta as a province, as a government, that they are going to be in on this WesCan Lottery operation. And in fact I know the Minister had hoped and intended that everybody was going to be in and swinging by April 1st and the whole thing was going to be under way by the 1st of June. Well the facts today are that April 1st has come and gone and the 1st of June isn't that far away, and the thing is not set up yet. It's not ready to roll yet.

Mr. Speaker, the province of Saskatchewan to my knowledge is not in. The province of Saskatchewan apparently signed a letter of intent, at least so the Minister told us in the House, but, Sir, we checked with the government in Regina and have been informed that as of today Saskatchewan has not introduced any bill into their current Legislative session having to do with the entry into a WesCan Lottery scheme, and that as far as anyone close to the legislative mill in Regina is concerned, there's nothing on the books, nothing on its way into the House. The Minister is bringing me over something from his seat and it's interesting - thank you very much - it's interesting to see him responding to the point I have raised.

I see, Sir, that it's Bill 20, the Legislative Assembly of Alberta, the Interprovincial Lottery Act, introduced for first reading I presume in the Legislative Assembly of Alberta. It's a very brief legislative proposal, Mr. Speaker, but I must concede it's an indication that Alberta is moving in the direction in which the Minister suggested. It doesn't alter the fact that there's nothing on the books in Saskatchewan as yet; it certainly does alter the fact and I concede that, Mr. Speaker, that the province of Alberta has moved beyond the letter of intent stage and there now is a piece of legislation introduced in the House there. So I accept that. But the fact of the matter, Sir, is that the Province of Saskatchewan is necessary too, and the province of British Columbia is necessary too, otherwise the rationale for a WesCan structure goes down the drain.

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(MR. SHERMAN cont'd)

Mr. Speaker, the Minister said in his comments in introducing the bill for second reading that the Lotteries Commission here, the Manitoba Lotteries Commission had turned over \$2-1/2 million to the province as of the end of 1972. Well that figure is no more than half and possibly less than half of the benefits that have actually accrued to Manitobans as a result of the existence of the Lotteries Commission and the Manitoba Golden Sweepstakes. It's not a case of \$2-1/2 million, Mr. Speaker; in fact there has been more than \$5 million that has accrued to agencies, organizations, educational institutions, charitable bodies and others as a result of the Manitoba Golden Sweepstakes. And the argument that most of us have raised against the WesCan concept is that the moneys that have accrued to the selling agencies are going to be placed in jeopardy by the regulations imposed in the new lottery scheme. Approximately 70 percent of the tickets sold in the Manitoba Golden Sweepstakes are sold outside of Manitoba and once the new regulations related to WesCan are introduced, Mr. Speaker, it will cut down by possibly as much as that 70 percent the opportunity for sales agencies, for ticket agencies in the province to derive the kind of income that they've been getting up till now. The result will be either a collapse of the operations of those agencies and organizations, or a turn to government for a handout to support them. Sir, that argument has been raised before and I don't mean to belabour it, but I do want to record that the Minister's suggestion that \$2-1/2 million has been turned over to the province as of the end of 1972 is misleading, because if one takes the picture as a whole, the truth is that it's been a far more profitable operation to Manitobans generally, a far more profitable operation than that statement of the Minister's would imply or suggest.

Sir, the Minister has talked in his initial remarks about administrative inefficiencies that would result if a single individual province tried to carry on in the teeth of competition from other provinces across the country. Well there seems to be no evidence to support that kind of argument up to this point in time in those jurisdictions where other lotteries are being held and in the absence of actual and factual evidence to support that kind of position we have to ask the Minister once again, Mr. Speaker, why the headlong rush into the elimination of this successful program and this successful institution.

The Minister said, Sir, that it is assumed that the marketing potential for lottery programs has a limit. Well as I said a little earlier, what actually appears to be the fact on the basis of the performance of other lotteries in the past few years is that they are self-sustaining and they are mutually productive and they are mutually helpful. The climate and the excitement that is created by lottery activity and lottery participation in one area has demonstrably encouraged and generated activity of that type and volume of that type in other areas.

Mr. Speaker, the Minister has made mention in his remarks of the agencies and the manner in which tickets under WesCan would be sold and he's talked, Sir, for example about setting up a new level of groups for marketing the tickets. At the present time there is the one level, the Manitoba Lotteries Commission, then under the Manitoba Lotteries Commission are the 286 or 290 or 300 individual organizations that have sold tickets and made profits for their particular enterprises. I gather from the Minister's remarks in introducing the bill that he envisions another level of agency distribution that would consist of three separate bodies. One would be the Manitoba Lotteries Commission which would presumably be a general agency dealing with general organizations; one would be a sports agency and a third would be a cultural agency. Well, Mr. Speaker, one has to ask at this point as to who the sports group would be and does this mean the writing off of the Manitoba Sports Federation for example; one has to ask who the cultural group would be and one has to ask why set up that other level of bureaucracy and of agency organization.

The Minister has made a big thing about the fact that the 45 percent commission paid, or earned, by agencies selling the Manitoba Golden Sweepstakes lottery tickets will be preserved under the new system. He says the agency commission will continue to be 45 percent. But, Sir, we would like to know and most of the agencies would like to know, is he talking about those three new agencies at the new level of authority, or is he talking about the 286 or 300-plus who have been out selling tickets in the past and would presumably be hoping to do so in the future. If he's talking about 45 percent for just the lotteries commission general agency, the sports agency and the cultural agency who will sort of sit in authority and jurisdiction over the sub-agencies then that's an entirely different financial kettle of fish that these people are facing.

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(MR. SHERMAN cont'd) If the commission to the selling agencies is reduced below the 45 percent level, and there certainly has been mention of 35 percent, Mr. Speaker, it will force many of them out of business and out of operation. Many of the smaller agencies cannot afford to have to meet a particular minimum or a particular quota to qualify for a 45 percent commission and this is a point to which the Minister has made reference in this House and made reference during the introduction of the bill.

The structure as I understand it and the way the Minister and the government contemplate it would go like this: That there would be 45 percent commission payable to the three super agencies but under them the individual selling agencies would only get 30 or 35 percent and in order to get 45 percent they would have to qualify by selling a certain number of tickets by meeting a certain sales quota. Well for certain organizations like St. Paul's College and perhaps Seven Sisters Wildlife and perhaps the Royal Canadian Legion that is possible, that kind of quota is attainable, Mr. Speaker; but for the others who constitute the vast majority of these agencies that have profited in their own way as a consequence of lottery tickets, that system would spell doom and disaster; for there is no way, Sir, that the vast majority of them could meet the kind of sales quota of \$20,000 or \$30,000, whatever it is the Minister wants to fix as the minimum, there is no way that they could meet the kind of quota that some of the larger agencies can meet. So it becomes a highly discriminatory kind of structure and the individual selling agencies which have laboured in this field since the lottery was born here would like some clarification from the Minister on that point. We would hope, Sir, that the commission structure of 45 percent will be maintained to all the agencies who participate in selling sweep-stake tickets and that it not be limited simply to the three or four sort of quasi government agencies that would be set up in that superstructure arrangement.

Mr. Speaker, the Minister has said that there must be a limit of selling expenses and that they'll be specified in the regulations to the bill. Well how's he going to limit these expenses and what is his formula for limiting expenses? We'd like to know what aspects of expense he's thinking of in this connection. He has had much to say about the commission structure in this province in our lotteries being higher than that anywhere else in North America and presumably his attitude on limiting expenses may be linked to that point. But, Sir, it's not actual or factual that the commission structure in the precise way in which the Minister has referred to it is all that much higher than anywhere else in North America. The lotteries that he's talked about in certain other areas and jurisdictions pay ten percent commission I believe and on one level in comparison to what's paid here in Manitoba that looks rather inferior. But, Sir, the commissions that are paid in many of those other lotteries are paid to private enterprisers. The lotteries pay the private enterprisers and they pay the advertising and administrative costs. The Manitoba commissions which are 45 percent go to non-profit and charitable organizations, Sir, and that is all their commission money and they pay their own expenses. So the two positions are not comparable.

Sir, the Manitoba Golden Sweepstakes under the Manitoba Lotteries Commission has established itself as a leader in the lotteries and sweepstakes field. It has established a record and a reputation for prestige and integrity that is accepted the length and breadth of the continent. It has acquired willing ticket sellers for itself throughout the length and breadth of the continent; people who take pride in selling tickets for the Manitoba Golden Sweepstakes. It has developed the machinery to conduct an operation that is a credit to the province and a profit to all those who participate in it. And there is no guarantee, we have nothing from the Minister or from anybody else in the government, other than a pipedream, there is no guarantee that we can enjoy the same kind of benefits, the same kind of profitability should we go into the WesCan Lottery. In fact the Minister himself has admitted that there is every likelihood that there will be a reduction in the profits available. And, Sir, why are we buying this pig in a poke, why are we being led into this particular situation when we have an extremely creditable and enviable institution; an extremely enviable institution and when what is necessary only is that this province in concert with our sister provinces address ourselves to the necessary changes in the Criminal Code.

I make that one final plea to the Minister, Mr. Speaker, I remind him that if he checks his opening statement on second reading it's shot full of anomalies and contradictions when measured in the light of the facts about lotteries in North America and when measured in the light of the facts about the Manitoba Golden Sweepstakes, and I make that one final plea not to

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(MR. SHERMAN cont'd) junk an institution that is a profit producer and a credit to this province. That brings us tremendous benefits if only in the field of public relations and in the field of general publicity, that carries the name of Manitoba the length and breadth of North America and indeed to other countries. Sir, he should be working with his colleague in Cabinet, the Attorney-General, to have the Criminal Code changed so that it is legitimate, not possible because it's already possible, but legitimate for ticket sellers on the Manitoba Golden Sweepstake to operate outside Manitoba without breaking the law. They're doing it anyway so as I've suggested his argument for WesCan is partially spiked on that point, but I agree with him it's distasteful that we should be operating outside the realm of the law, and we'd like to legitimize it, but that is the problem that he should be addressing himself to, not the destruction and disintegration of one of the most successful institutions that we have.

MR. SPEAKER: The Honourable Member for Crescentwood.

MR. HARVEY PATTERSON (Crescentwood): Thank you, Mr. Speaker. I just have a few comments to make on this particular bill, Mr. Speaker, I feel obligated to make a few remarks on this bill. As president of a small agency in the Manitoba Golden Sweepstakes I just wonder due to having a vested interest in this particular bill I wonder if that would be a prohibition against voting on the bill. I don't know the rules of the House in that regard. I hear lots of talk about it sometimes and I just wonder.

A MEMBER: Have you got personal gain in it - any personal gain?

MR. PATTERSON: Well when you're the president of a small agency I would think that sometimes there's a personal gain in it as my Honourable Member for Radisson is suggesting. But I certainly don't want to inhibit the process of this bill in going to Law Amendments. I think that in Law Amendments is where we will hear from the public, we will hear from the concerned people of Manitoba and that's where I want to hear all about it. So I'm certainly looking forward to that exercise.

I, like my fellow colleague opposite, the Honourable Member for Fort Garry, I'm not certain of the participation of all of the western provinces in this particular venture of WesCan and I can certainly agree that there's some uncertainty about it and I can see where we can be hesitant about it. It is not clear that all of the other provinces is going to go along with the WesCan Lottery and if that is the case then the WesCan Lottery will have a great deficiency in getting off the ground, and I would be hesitant at this time to really put Manitoba in the lead in that respect because we have a good sweepstake going and I wouldn't want to do anything that would jeopardize the Manitoba Golden Lottery Sweepstakes.

Everyone knows that the Irish Sweepstakes have operated for years, world-wide, they've operated on the borderline of the law, they have had problems but they have overcome those problems and they have been a most successful sweepstake. So I think that in that light that the Manitoba Lottery Sweepstake can continue to be just as successful. The evidence is there, the Manitoba Lottery Sweepstake is growing and growing. It is becoming more widespread and is becoming known throughout the world.

The indication is that the other provinces would enforce the criminal code and instruct their law enforcement officers to crack down on the Manitoba Golden Sweepstakes. Well that may be true and that may be the instruction from the Attorney-General of the other provinces but I really don't think that they could police that type of activity; the police have too much work to do in the field of policing traffic and other elements of our society in this day and if they're going to spend their time trying to police the Manitoba Lottery Sweepstake tickets then the other provinces are going to hire a tremendous amount of policemen to enforce that particular type of law, and I just can't buy that particular argument.

I think in Manitoba we have a good thing going in the Manitoba Lotteries and I don't think that we should give it up too easily, and I don't think that we should be too anxious to share our experience, share our progress with other provinces. It seems to me that other provinces are trying to get on the bandwagon of the Manitoba Lotteries Golden Sweepstakes. I can't blame them for trying to get on the bandwagon of our sweepstakes you know, but I don't say that we should be too ready to accept that particular argument, I'm not convinced that that is the right course to take. My honourable friend from Radisson here keeps interjecting, Mr. Speaker, and I know you're aware of that so . . . But I just wanted to say those few remarks, Mr. Speaker, and, now you see . . . In our small agency, we worked hard to establish the agency, we worked hard to get sellers and we have branched out and we have become more successful

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(MR. PATTERSON cont'd) the longer the agency has went on. Now the records of the Manitoba Golden Lottery Sweepstakes will indicate to anyone who wants to take the trouble to go down and look, is that the Sweepstake of Manitoba is becoming world-wide. They are selling tickets in Australia. They are selling tickets in Japan. Now if we can get that type of economic return to Manitoba through the Manitoba Golden Sweepstakes, then I don't think that we should be too ready to jeopardize that structure and this is what it might do.

So, Mr. Chairman, I just want to issue those words of caution at this particular time. And I can appreciate what the Honourable Minister is faced with in this regard, I truly can. But when we go to Law Amendments there's where you're going to hit the crunch, there's where we're going to see how concerned the people of Manitoba are about their lotteries that we fought so hard to establish, that we worked so long to develop and now we get the insinuation that we're going to get in a big ball of wax with three other provinces, supposedly in the initial instance. Maybe Ontario and the East Coast provinces will see what a good thing it is and then maybe they'll want to get in on it too. I don't think we'll ever get Quebec to go along with it because they've already established their lottery and I know that people from Quebec, they're not going to give it up that easily, the people that have been involved in this thing like Mayor Drapeau is certainly not going to want us to get in on his good thing.

So with those few remarks, Mr. Speaker, I just want to . . . and certainly will await the appearance before Law Amendments to see what happens then.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Thank you, Mr. Speaker. I beg to move, seconded by the Honourable Member for Swan River that the House do now adjourn.

MOTION presented and lost.

MR. ENNS: Ayes and Nays, Mr. Speaker.

MR. SPEAKER: Call in the members. Order please. The motion before the House is shall the House adjourn?

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

YEAS

Messrs:	Bilton	Miller
	Cherniack	Moug
	Craik	Patterson
	Derewianchuk	Petursson
	Enns	Shafransky
	Ferguson	Sherman
	Johannson	Turnbull
	McGill	Uruski
	McGregor	Uskiw
	McKenzie	Walding
	Malinowski	Watt

NAYS

Messrs:	Adam	Evans
	Asper	Henderson
	Axworthy	Johnston (Portage la Prairie)
	Barrow	Jorgenson
	Blake	Marion
	Bostrom	Osland
	Brown	Patrick
	Burtniak	Paulley
	Doern	Pawley
		Toupin

MR. CLERK: Yeas 22; Nays 19.

MR. SPEAKER: In my opinion the Ayes have it, declare the motion carried.

The House is accordingly adjourned and stands adjourned until 2:30 tomorrow afternoon.

MR. CHERNIACK: . . . Mr. Speaker, the Honourable Minister for Northern Affairs had risen.

MR. SPEAKER: I am declaring a motion and there's no debate on that motion. The House is adjourned . . .