

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, 30 April, 1981

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . . Ministerial Statements and Tabling of Reports . . . Notices of Motion . . . Introduction of Bills . . .

INTRODUCTION OF GUESTS

MR. SPEAKER: At this time I would like to draw the honourable members' attention to the gallery on my left where we have 85 students of Grade 5 standing from the Heritage School under the direction of Mr. Walter Shurraw. This school is in the constituency of the Honourable Member for Assiniboia.

On behalf of all honourable members, we welcome you here this afternoon.

The Honourable Minister of Economic Development.

HON. J. FRANK JOHNSTON (Sturgeon Creek): Mr. Speaker, yesterday in the question period when I was questioned about Kane Equipment I made the statement that we have been in touch. Since that time I was contacted by a reporter from The Sun yesterday afternoon and he informed me that he had been in touch with the President of Kane and he had said that our department had not been in touch with him as the report says, Mr. Speaker. I said, well, I'll have to check that out. On checking it out, Mr. Speaker, I found that we certainly were not in touch with the President of Kane and it certainly appears that there wasn't anybody in the department, although we're checking with one other group that were in touch with Kane Equipment after the article of February 3. So, Mr. Speaker, I would not like to leave the impression in the House that we were in touch if, in fact, we weren't.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. HOWARD PAWLEY (Selkirk): Mr. Speaker, my question is to the Deputy Premier, the Minister responsible for Hydro. In the letter which the Minister responsible for Hydro tabled in the House Thursday of last week to the Manitoba Hydro dated April 16, 1981, which letter was addressed to Aikins MacAulay & Thorvaldson; since the letter contains a number of questions that remain unanswered and the letter which the same Minister tabled in the House from Aikins MacAulay & Thorvaldson, which letter was dated April 21st tabled by the Minister in the House, a number of questions that were not answered amongst which was a question pertaining to whether or not there had been discussions held with the Board of Manitoba Hydro, any of its members or any member of the staff respecting either the jurisdiction

of the Tritschler Commission or the commencement of court proceedings.

Secondly, a question pertaining to the paper referred to as to the circumstances surrounding . . .

MR. SPEAKER: Order please. The honourable member is asking a series of questions. Perhaps it should be in the order of a return or ask one question at a time.

MR. PAWLEY: Mr. Speaker, I was trying to facilitate because it's not a series of questions; it's a number of points that were raised in the letter which fit into one general question. I'm prepared to answer then singly if it will accommodate your concerns, Mr. Speaker.

Relating back then, the letter asked for information pertaining to discussions held with the then Board of Manitoba Hydro, any of its members or any members of the staff respecting either the jurisdiction of the Tritschler Commission or the commencement of court proceedings. Mr. Speaker, that question was not answered in the response from Aikins MacAulay. In view of the fact that the answer was not provided and in view of the advice in Aikins MacAulay that the question amongst other questions could only be answered by Mr. Steward Martin, can the Minister advise whether or not Manitoba Hydro has now been in contact with Mr. Steward Martin since Mr. Steward Martin has now returned, as of April 28, for an answer to the question which they had forwarded to Aikins MacAulay?

MR. SPEAKER: The Honourable Minister of Energy and Mines.

HON. DONALD W. CRAIK (Riel): Mr. Speaker, I am going to answer the last question first although it has been answered a number of times in the House.

What arrangements Manitoba Hydro make with their solicitors is going to be their decision. Mr. Speaker, if there's information coming from that the House will be advised of it. I don't have the letters in front of me but I do know that one of the earlier questions, as to whether or not the solicitor had met with the Board, I think that question was answered in the committee on about Day One of the committee hearings here. As far as the rest of the questions are concerned I don't have any further information. I can repeat to the member I don't have those letters sitting on my desk.

MR. PAWLEY: Mr. Speaker, further to the Minister, a question related to discussions held with board members, Mr. Speaker. If the Minister can show to me in Hansard where that information was provided then indeed we would not be asking this question. Can the Minister advise whether the Manitoba Hydro will be contacting Aikins, MacAulay in respect to the fact that the their question pertaining to the circumstances pertaining to the paper referred to in the Manitoba Hydro letter of April 16th and earlier; that question was not answered by Aikins MacAulay? Can the Minister advise whether or not the Manitoba Hydro will be in contact with Steward Martin as

they've been invited to do so by Aikins MacAulay in regard to that matter?

MR. CRAIK: I haven't any information that I can give the member on that question, Mr. Speaker.

MR. PAWLEY: Mr. Speaker, then further to the letter dated April 16th from Manitoba Hydro in which the question was posed as to with whom within Hydro, if anyone, it was discussed or presented to and whether the view expressed, the actions proposed, represented the considered legal opinion at Aikins MacAulay; Mr. Speaker, since that question was not responded to in the letter dated April 21st from Aikins MacAulay and, in view of the fact, Mr. Speaker, that Aikins MacAulay invited Manitoba Hydro to communicate directly with Mr. Steward Martin as a lawyer within the firm who had personal knowledge of the matters, can the Minister advise whether indeed Manitoba Hydro has now followed up the invitation of Aikins MacAulay to communicate directly with Steward Martin in that regard, in respect to that particular question?

MR. CRAIK: Mr. Speaker, when I get information of that nature from Manitoba Hydro I'll be pleased to pass it on to the member.

MR. PAWLEY: Mr. Speaker, the Minister indicates when he receives that kind of information; the Minister tabled these letters which were most incomplete. Can the Minister advise whether or not he will be seeking from Manitoba Hydro a complete and full response to the questions which were raised in the letter of April 16th so that letter may be tabled in this House as a compliment to the letter of April 16, 1981, so that indeed members in this Chamber will have complete and full information, as indeed, that information was sought by Manitoba Hydro itself in their letter of April 16th from Mr. Steward Martin? Will the Minister request that information, that follow-up from Manitoba Hydro so that we have some meaningful information pertaining to this matter in this Chamber?

MR. CRAIK: Mr. Speaker, the member is correct when he says indeed it was requested by Manitoba Hydro and I said if and when the utility provides that information I'll be pleased to hand it on to the members of the Chamber.

MR. PAWLEY: Mr. Speaker, then further to the Minister responsible for Hydro, will the Minister then indeed — let us be very clear — that he will not be seeking any further information from Manitoba Hydro in order to clarify the points that were raised by members of the Opposition and pertaining to the questions which are left unanswered in the letter from Manitoba Hydro to Aikins MacAulay and Company April 16th? Will the Minister be undertaking no further effort to obtain any further information with respect to this matter?

MR. CRAIK: Mr. Speaker, I have said consistently throughout the course of the exchange that has gone on in this matter that the dealings between Manitoba Hydro and their solicitor are exactly that, they belong in that arena. They have not had instruction from myself in the selection of their solicitors or in their

dealings with their solicitors, whoever they may be and I don't intend to become engaged in the process of advising them what they ought or ought not to do with their solicitors.

If the information that is referred to here, which has been volunteered by Hydro by way of provision of their letters, is received from them — and I presume that since they've asked for the information — that they will want to pursue a request to those answers, if that becomes available I'll be pleased to make it available to the House.

MR. PAWLEY: Mr. Speaker, since some two weeks ago the Minister indicated in the Chamber that he would endorse Manitoba Hydro in releasing Mr. Steward Martin from solicitor confidential relationship, can the Minister now advise whether or not Manitoba Hydro has so released Mr. Steward Martin from solicitor-client relationship?

MR. CRAIK: Well, I'm pleased Mr. Speaker, that the Leader of the Opposition has used the right word for a change. He used the "endorse" and not "force" and that I am pleased about. The latter part of his question I can't answer.

MR. SPEAKER: The Honourable Leader of the Opposition with a further question.

MR. PAWLEY: Mr. Speaker, I'm not going to belabour this but it's interesting the Minister suggests that the Leader of the Opposition had used the word force, we have always used the word endorse. Mr. Speaker, further to the Minister responsible for Hydro, he indicates that he is not aware, can the Minister advise whether or not he will indeed follow up his recommendation or suggestion that he indeed endorsed the release of Mr. Steward Martin? Will he now, Mr. Speaker, follow that up by enquiring from Manitoba Hydro whether or not they are intending to release Steward Martin from solicitor-client relationship? Will he now follow up his statement of some 10 days, 2 weeks ago in that respect?

MR. CRAIK: Mr. Speaker, I have answered that question before in this House on a number of occasions.

MR. SPEAKER: The Honourable Member for St. Johns on a point of order.

MR. SAUL CHERNIACK: Mr. Speaker, as I recall it the Minister did give an undertaking after I asked certain questions that he would send copies of Hansard to Hydro for them to understand what it is that he was accepting as questions. I believe, Mr. Speaker, that there is now a change in his approach, that he is no longer going to enquire from them about the Hansards they send but rather just let it go, that's my point of order.

MR. SPEAKER: Order please. Order please. The answers that a Minister gives in this Chamber may not be the answers that people wish to hear but they do not constitute a point of order.

The Honourable Minister of Labour.

HON. KEN MacMASTER (Thompson): Mr. Speaker, in my absence yesterday the Leader of the

Opposition asked if the Department of Labour had received appropriate notice as it related to the Walter Woods operation — I suspect by appropriate notice he meant notice as per the legislation — and the answer to that is, yes, we have received the appropriate notice but in this particular case no notice was what we received because that was appropriate under the legislation.

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

MR. CHERNIACK: Mr. Speaker, two days ago I asked a question of the Minister of Economic Development which he referred on to the Minister of Energy, although I thought it should have been dealt with by the Finance Minister, but neither were here on that day. So I will ask either of the two of them who are able to answer the question and the question was relating to what studies were undertaken by the Province of Manitoba to attempt to calculate the tax benefits that would derive for Alcan through their ownership, a part of Manitoba's hydro-electric power, as compared to there being a purchasing power in the normal way.

MR. SPEAKER: The Honourable Minister of Energy and Mines.

MR. CRAIK: Mr. Speaker, I have the question taken as notice by the Minister of Economic Development which was referred to me with regard to tax savings that would inure as they are quoted here. It's probably not going to be possible to answer that question for quite some time, perhaps not until a mean agreement is drawn. It's expected that there is some possibility of course that capital cost allowance on the ownership part of the power structure would be available to Alcan with regard to inclusion in the calculation of their tax.

It's not possible at this point to indicate what it would be in the case of either the federal or the provincial position. As I say it probably will not be possible to answer that either until some time towards the point where a final agreement would be reached.

There was one further question that the member asked at the same time and it was with regard to whether or not the negotiations contemplate a water rate chargeable to Alcan which would be fixed and not flexible as the present water rates are in relation to Hydro and other users of water rates. Mr. Speaker, that too is currently under negotiation with the company. As the member may recall there was reference in the Letter of Intent that was tabled to water rentals and other charges and those two items will not be finally spelled out until some point later on, probably at the time of a final agreement.

MR. CHERNIACK: Mr. Speaker, my question was what studies have been made by the government to ascertain these calculations and the Minister is giving an answer saying that it's not likely that there will be information available. I'd like him to answer the question itself as to what studies have been made?

MR. CRAIK: Internal studies, Mr. Speaker, and sufficient to indicate that it will not be possible to do a finite calculation until the timing of the occurrence of the construction of different aspects are known.

MR. CHERNIACK: Yes, Mr. Speaker, internal studies would have some assumptions built into them in relation to the capital cost and expected capital costs and these other factors that the Minister refers to but I would like to ask him whether the studies, internal or otherwise, made by the government or Alcan itself which will be available to government, will be made available to the members of this Legislature before any final contract is entered into and before any commitment is made by this government so as to enable the people of Manitoba to have an opportunity to assess the comparative benefits deriving to the customer and to the people of Manitoba, the suppliers of the energy.

MR. CRAIK: No doubt, Mr. Speaker, some general information will be available. How specific the information will be by that time only time will tell because, as I said, there may be some aspects of the total development that may still not be entirely known, particularly in terms of timing at the time of a final agreement, but certainly general information should be available by that time.

MR. SPEAKER: The Honourable Member for St. Johns with a further question.

MR. CHERNIACK: Thank you, Mr. Speaker. I wanted to ask the honourable, the Minister, whether legislation will be required in order to approve of this new departure of granting ownership to private industry, if legislation will be required, and if not, will the government undertake to ensure that the matter is brought to the Legislature for consideration and approval before any commitment is made by the government?

MR. CRAIK: Mr. Speaker, it has already been indicated publicly at the time of the announcement that legislation will be required.

MR. SPEAKER: The Honourable Member for Crescentwood.

MR. WARREN STEEN: Mr. Speaker, I'd like to direct a question to the Minister of Energy and Mines and ask him if as a result of the discussions in Thompson in the Premiers' meeting recently, if he can report any progress in relation to the Western Power Grid.

MR. SPEAKER: The Honourable Minister of Energy and Mines.

MR. CRAIK: Yes, Mr. Speaker, I can indicate to the House that at least as much as has been indicated by the official press release from the Premiers of the three provinces involved that the Ministers responsible and myself as Chairman of the Three-Ministerial Committee have been instructed to proceed with the conclusion of the negotiations as a matter of high priority and to bring the matter to a conclusion at the earliest possible date. A time frame was not spelled out specifically in the press release. I would hope that it will probably be at some sort of conclusion by about the middle of the summer of 1981.

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

MR. D. JAMES WALDING: Thank you, Mr. Speaker. Last Thursday I asked the Minister reporting for Manitoba Hydro a question which he took as notice. In fact there were two questions having to do with the current operating budget for Hydro. I wonder if the Minister now has an answer to the question.

MR. SPEAKER: The Honourable Minister of Energy and Mines.

MR. CRAIK: I'm sorry, Mr. Speaker, I didn't hear the question.

MR. WALDING: Mr. Speaker, if I may repeat the question. The Minister took as notice a question from me last Thursday referring to the current operating budget of Manitoba Hydro. I wonder if he has the answer to the questions now.

MR. CRAIK: No, Mr. Speaker.

MR. WALDING: Another question for the Minister reporting for Manitoba Hydro, Mr. Speaker. In view of the fact that the Premier of Saskatchewan is reported in today's newspaper as saying that all of the studies for a Western interconnection are not yet completed, I wonder if the Minister can confirm that fact in view of the impression that is being given that both Manitoba and Alberta are prepared at this time to sign an agreement.

MR. CRAIK: Mr. Speaker, I have not heard reference, I have not seen any direct comment by the Premier of Saskatchewan but I have to presume that he is referring to internal studies rather than a three-province type external studies. The Ministerial Committee was not authorized to proceed with any further external studies. It is recognized at this point in time that all of the external studies required in both the technical and overall economic feasibility matters with regard to the grid have been completed and any studies that are required are internal studies, very likely shared amongst the three provinces but referring in particular to the matters surrounding pricing.

MR. SPEAKER: The Honourable Member for St. Vital with a final supplementary.

MR. WALDING: Yes, Mr. Speaker, to the same Minister. Could the Minister give us an undertaking that prior to the expenditure of the estimated \$3 billion for such a project that he would make all the studies available to the Opposition so that we would be in a position to evaluate them and discuss them in a rational manner?

MR. CRAIK: Mr. Speaker, I would be quite happy to do that. I would trust that after the first foundation is poured we can have a big bonfire and we can all jointly watch them burn.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MS. JUNE WESTBURY: Thank you, Mr. Speaker. My question is addressed to the Honourable Minister of Labour. I wonder if the Minister has any intention of changing the legislation which only allows six

months back pay for statutory holidays as opposed to 22 months back pay for vacation pay for people who have been working for some considerable time and for one reason or another have terminated employment.

MR. SPEAKER: The Honourable Minister of Labour.

MR. MacMASTER: Well, Mr. Speaker, I have no intention of introducing legislation in that regard in this particular section and this particular session but I will review the points raised by the member and I will get an answer back to her as to why we feel it acceptable at this time.

MR. SPEAKER: The Honourable Member for Emerson.

MR. ALBERT DRIEDGER: Mr. Speaker, I have a question to the Minister of Economic Development. Does the Minister have any figures on the housing starts for the first quarter of 1981 and if so could he maybe indicate how Manitoba's placing is in there?

MR. SPEAKER: The Honourable Minister of Economic Development.

MR. JOHNSTON: Yes, Mr. Speaker, the Province of Manitoba is second in the country and has an increase of 154 percent the first quarter this year over the first quarter last year.

MR. SPEAKER: The Honourable Member for Emerson with a supplementary.

MR. DRIEDGER: Thank you, Mr. Speaker, to the same Minister. Could the Minister indicate what the national percentage is?

MR. JOHNSTON: No, Mr. Speaker, I don't have the national percentage here but I can indicate to the members of the House — it would certainly be interesting seeing it's about housing — that March '81 over March 1980 we had nine last year; we have 117 this year with a 1,200 percent increase, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Wellington. —(Interjection)— Order please. Order please.

MR. BRIAN CORRIN: I'm trying not to enjoin the debate that's going across the floor, Mr. Speaker. My question is for the Minister responsible for Energy and I would ask him if he can advise why the government has given Alcan what amounts to an option to use this province's water resources for all time without charging a proper fee for such option rights. Can he advise us of that, Mr. Speaker?

MR. SPEAKER: The Honourable Minister of Energy and Mines.

MR. CRAIK: Mr. Speaker, there's an inaccurate assumption contained in that statement and that is the Member has stated they have been given a right for all time? Mr. Speaker, the announcement indicated that the water licence period was for 35 years which is something short of all time, Mr.

Speaker. I think that probably the member apprised of that kind of information may wish to readdress the question.

MR. CORRIN: I'll do that, Mr. Speaker. I would ask the Honourable Minister if he can advise what the government will do if another major hydro-electric user approaches them with a better offer for this valuable provincial resource? I would ask him why the government has foreclosed other options without obtaining any remuneration from this particular perspective developer?

MR. CRAIK: Again, Mr. Speaker, the member has made an incorrect assumption and included it in his statement, that options have been foreclosed. No options have been foreclosed.

MR. SPEAKER: The Honourable Member for Wellington with a final supplementary.

MR. CORRIN: Yes. Thank you, Mr. Speaker. My final question to the Minister is to ask him whether or not the reason that no option charge has been imposed is because the Letter of Intent provides no real assurance of future development? Is it not true, Mr. Speaker, that there is no commitment on the part of either party to proceed with this and the so-called Letter of Intent and perspective feasibility study is therefore wholly worthless? Is that not true?

MR. CRAIK: No, Mr. Speaker, that's not true.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Speaker, I'd like to direct a question to the Honourable Attorney-General in his capacity as Minister of Urban Affairs. I wonder if the Attorney-General has been made aware of the practice that is now adapted by the City of Winnipeg Planning Branch whereby they will not give a file copy of their Surveyor's Certificate to a prospective purchaser of a home because the Surveyor's Association has asked them not to. This means that what a purchaser could buy for possibly a penny and-a-half for the copying cost he now has to pay a surveyor \$180.00 to do what is repeating what was done before. Is he aware of that practice?

MR. SPEAKER: The Honourable Attorney-General.

HON. GERALD W.J. MERCIER (Osborne): No I'm not aware, Mr. Speaker, of that practice.

MR. GREEN: Mr. Speaker, I wonder whether the Attorney-General, again in his capacity as Minister of Urban Affairs, would examine the legal implications which are being pursued by the Manitoba Surveyors Association, which has unnecessarily put on new purchasers of homes a \$180.00 charge for something that can be copied for about a penny and-a-half.

MR. MERCIER: Yes I am, Mr. Speaker.

MR. GREEN: Mr. Speaker, do I take it that the Minister will make himself aware of that position. (Agreed)

Mr. Speaker, would the Minister also, if he determines that what I am saying is accurate, and I

got this information from the Planning Branch today, see whether any laws are necessary to undo what is presently happening which amounts to a complete waste of money for something that has already been done?

MR. MERCIER: Yes, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Churchill.

MR. JAY COWAN: Thank you, Mr. Speaker. My question is to the Minister responsible for Natural Resources. I'd ask the Minister if he can provide us with a status report as to the development and implementation of regulations for the Churchill Wildlife Management Area. I might add, Mr. Speaker, that those regulations were promised by the previous Minister of Natural Resources several years ago and have not been forthcoming and we are embarking or coming very close to embarking upon another tourist season in the area and those regulations would probably be quite beneficial in respect to making certain that we don't lose that wildlife management area's use because of improper use at this time.

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. HARRY J. ENNS (Lakeside): Mr. Speaker, I would be pleased to provide those regulations for the Honourable Member for Churchill. I have to check with the department to make sure that we have them in place. It was this government that established the Wildlife Management Area to which he refers, previous action by the far-sighted former Minister of Resources. We will of course undertake to provide the information that the Honourable Member for Churchill requires.

MR. COWAN: I'm somewhat confused by the Minister's answer and I think justifiably so, Mr. Speaker. He says he will provide those regulations to me and at the same time he indicates that he has to check to see if the regulations are in fact in place.

I'd ask the Minister a question that is supplementary to that and that is what action is he going to take in respect to the departure of the Administrative Secretary at the Churchill Natural Resources office in the community of Churchill, which now leaves that office totally unstaffed which means, over the past couple of years, that office has lost a biologist, two technicians and now an administrative secretary; which means that there is no possible way in which a government can maintain a proper monitoring system on what's happening in that area and, therefore, in fact does have a negative impact on what the Minister says is the far-sighted actions of the Minister previous to him. So what is he going to do to undo the damage that he has done over the past term of his position in that office in respect to making certain that wildlife area is protected?

MR. ENNS: Mr. Speaker, the Honourable Member for Churchill can rest assured that I won't let them do that to me. Once I find out what they are doing I will put an immediate stop to that because it's one thing I won't stand for is the way they always undermine the efforts of this department. I am

concerned about the wildlife interests in that particular management area and I'll make sure I'll stop them from doing any of what he suggests in his question may be happening.

MR. COWAN: Mr. Speaker, I notice that the members opposite find a great deal of humour in the gratuitous remarks of the Minister for Natural Resources but I can assure them that the people of Churchill do not share their humour in respect to what's happening in that community. I think the Minister's answer is as illustrative as it is enlightening. I would ask the Minister quite frankly what he is going to do now that he has been informed of that action in this House because I can assure you that he has not been answering mail from the residents of Churchill in respect to questions they are forwarding to him about the continuation and the implementation of regulations in the area? Is the Minister now prepared to act very quickly, because the tourism season is fast approaching, in respect to putting in place regulations which will in fact protect that wildlife management area? Further to that is the Minister prepared to put back in place the four staff person years that previously worked out of the office in Churchill?

MR. ENNS: The development of management schemes for any wildlife management area takes a considerable amount of time to develop in consultation with local people. My understanding is that the department has drafted the regulations, have held numerous meetings within the area at Churchill and surrounding area that takes in this very large wildlife management area — it is a very large one, Mr. Speaker, the largest one in the province. It's my understanding that the kind of concern that the honourable member speaks about are being dealt with, are being met with through this consultative purpose. We don't assume to have all the answers within the department. We have sketched out or we have laid out the kind of regulations that we believe ought to apply to that area. They are now being circulated throughout the area for consideration for adoption as to a proper management technique for that area.

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

MR. BILLIE URUSKI: Thank you, Mr. Speaker. I direct this question to the Minister of Agriculture and ask him since he's made his announcement several weeks ago of assistance to hog producers, could the Minister indicate what level of funding will be made available to producers under the program that he's announced?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. JAMES E. DOWNEY (Arthur): Mr. Speaker, I indicated at the time of the announcement of the hog program that a committee would be established to work out the details of the levels and the other matters of concern to the hog industry. I will be very shortly, Mr. Speaker, making that committee known to the public and making the final appointment so they can get on with that work and will report back to the House as soon as possible.

MR. URUSKI: Mr. Speaker, in view of the fact that Manitobans produce approximately one million hogs annually and that \$2.2 million can mean roughly \$2.00 per hog — if there is going to be assistance on a hog — when other provinces have been assisting their producers for the last two years or more to the tune of \$10.00 or more per hog, how does the Minister of Agriculture of this province feel that now this will be an adequate program in terms of a large number of producers who have now gone bankrupt or ceased their operations? Can he tell the producers what is the nature of the program that he is intending to put in or is he intending to put in further dollars into this program?

MR. DOWNEY: Mr. Speaker, I think it would be fair to comment to the member that when he refers to other provinces he should lay all the facts on the table. One that is immediately west of us in Saskatchewan I believe they don't produce that many less hogs and there is a very small percentage of the producers that participated in their program; less than \$5 million has been paid out in that program. In fact I think it was \$2.8 million over a period of five years is all that was paid out. So we look at those kinds of numbers, Mr. Speaker, when we establish programs; plus the fact that we would anticipate a recovery in the marketplace for hogs and would expect that towards the latter part of this year there wouldn't be any need to pay out funds; plus the fact that there is a federal program that will be paying money out to the hog producers which, by the way, has to be taken into account in figuring out what levels we established because it was the last government that brought in The Manitoba Agricultural Stabilization Act that could in fact limit the amount of money that is put into the hog industry by this government. So we have a multitude of things, Mr. Speaker, to look at and we are progressing in a responsible manner.

MR. URUSKI: Mr. Speaker, in view of the fact I'm advised that the Province of Saskatchewan now insures approximately 65 percent of the hog production in that province and that the programs to the east and to the west of us range at least four and five years in duration, can the Minister indicate — now that it appears many producers have gone out of business — that this program will end in two years' time and how does he expect producers to get out of the problems that they have had up until now after he's encouraged them to go into hog production? How does he expect this program to pull them out in a short two-year period, Mr. Speaker?

MR. DOWNEY: Mr. Speaker, let me say that we as a government are very concerned about the state of our agricultural industry and feel that the marketplace where the producers sell their hogs should be the point at which they receive adequate returns for that production. If that is not adequate on nationally produced commodities we believe that it's a Federal Government program that is required to in fact remove the anomalies between the different provincial jurisdictions and we can in fact have a program that does not have one Provincial Treasury compete against the other.

I think that's important, Mr. Speaker, so important that at the Premiers' Conference it was one of the

major concerns that they were talking about and suggesting that we as Agriculture Ministers should re-meet to try and work out any differences in programs and I think it's important that we do that, plus the fact that we have to further continue to work with the hog producers in the establishment of their program. I think it's important that it's a producer-control type of organization and not allowing governments to continually direct the kinds of agriculture production that are going to take place; that the more natural competitive or comparative advantage we retain for our producers, Mr. Speaker, the better off the Manitoba producers of pork will be.

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

MR. A. R. (Pete) ADAM: Yes, thank you, Mr. Speaker. My question is for the Minister responsible for Manitoba Housing. I would ask him, the Portage Graphic reported that there were only five building permits issued in 1980 for the City of Portage la Prairie for housing. I wonder since the Minister has the housing statistics at his fingertips this morning, if he could advise us if in fact that statistic is correct that there were only five permits issued last year for Portage la Prairie.

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

HON. GARY FILMON (River Heights): Mr. Speaker, I can't confirm that statistic but I can confirm that CMHCs current figures indicate an expectation for the entire year of 1981 an increase of housing unit construction in Manitoba of approximately 150 percent, to the level of about 4,000 new housing units projected for this year for the entire province.

MR. SPEAKER: Order please. The time for question period having expired we will proceed with Orders of the Day.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Government House Leader.

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

MOTION presented.

MATTER OF GRIEVANCE

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

MR. CHERNIACK: Mr. Speaker, I am prompted to speak on a grievance because of the manner in which the Minister reporting for Hydro has waffled today in regard to his response to the questions that were asked him regarding the letters that went back and forth between Hydro, and Aikins MacAulay & Thorvaldson.

Mr. Speaker, I was certainly not planning to speak on this matter or on this grievance. I would ask the

Honourable — well, I'll just ignore him — I guess the best way to deal with the Minister of Economic Affairs is to ignore him. Mr. Speaker, the Minister for Hydro had first made various representations in Committee and in this House that he really knew nothing about the recommendations by Mr. Steward Martin dealing with the activities of the Tritschler Commission and the recommendation that Mr. Steward Martin had made that a letter been sent to the Tritschler Commission informing the commission of his concerns about the manner of handling it. Well, the Minister for Hydro made it appear as if he didn't really know about that letter. It took some time before he admitted that amongst other things the Acting Chairman discussed Mr. Martin's concerns but it took a great deal of pressure from our side to get the Minister to agree to approach Hydro and inform Hydro about the concerns in a formal way because, when we asked him to take certain steps, he finally said I will send copies of Hansard to them. But, Mr. Speaker, he did say that he would endorse the decision of Hydro to . . .

MR. SPEAKER: Order please. There are a number of private conversations being carried on. It makes it very difficult to hear the words of the Honourable Member for St. Johns.

The Honourable Member for St. Johns.

MR. CHERNIACK: Thank you, Mr. Speaker, the Minister stated that when we were discussing the approach to Mr. Steward Martin to ascertain from him the facts as to his position, his attitudes on the activities of the Tritschler Commission, were such that we said they needed clarification. We said would you release Mr. Martin, or would you have Hydro release Mr. Martin, from the solicitor-client confidentiality and the Minister, as I say, he waffled, he swung one way and the other making it appear as if he had nothing to do with that but he finally agreed and made the statement, something to the effect that if Mr. Martin requested to be released he would concur with the decision to release him. But after further pressure from this side of the House he then stated — I dropped my Hansard so I don't have it readily available at hand — but he stated something to the effect that if they, of their own initiative, at Hydro would release Mr. Martin from that confidentiality that is expected of lawyers acting for clients, he would endorse it, he would accept it, whatever specific word he used; I think it was endorsed.

Well, he made it then appear as if, why he was quite prepared for the truth to come out and indeed it wasn't until he produced — well he was given a draft of a letter addressed to the commission, which he called a half-hoax, which his First Minister called a fabrication and then tried to withdraw that word; which the First Minister said was trumped up which he did not withdraw. After all of that and whilst the Minister for Hydro took the time to study the gong show, to watch it and to decide whether or not it was worth his while to read that draft letter and he finally did, he would still not, on questioning, and it's in Hansard, I was just looking at it a moment ago, he would not confirm that the sense of the letter which he then read, that seven-page letter, was such as would support the statements that were made to him by the chairman. He never admitted having the read

the letter, nor denied having read the letter, but what he did do, finally, after a great deal of personal embarrassment, I believe, did finally produce a letter from Manitoba Hydro setting out a number of questions addressed to Aikins, MacAuley, Thorvaldson and, Mr. Speaker, he in this House stated that he would ask Hydro if they would address themselves to their counsel and make these enquiries. And now we find and my leader today tried to bring it out during the question period that there were a number of questions asked.

The question was whether Hydro had ever received a legal opinion from its solicitors to the effect that the Tritschler Commission exceeded its jurisdiction and that court proceedings should be taken? They asked that they wished to know all the facts involving this matter and would appreciate receiving a full and complete report respecting any opinion given, or discussions held with the then Board of Manitoba Hydro and any of its members or any members of staff, respecting either the jurisdiction of the Tritschler Commission or the commencement of court proceedings. And they asked, in regard to the paper, the draft letter, if it was in fact prepared "by you", which means by the firm of Aikins, MacAuley and, if so, the circumstances surrounding it, with whom within Hydro, if anyone, it was discussed or presented to, and whether the view expressed or the course of action proposed represented the considered legal opinion of Aikins, MacAuley, Thorvaldson? Mr. Speaker, this letter signed by, Mr. Kristjanson, Chairman of Hydro, asked very specific questions on behalf of Manitoba Hydro and as Chairman of Manitoba Hydro.

The Minister then produces a letter from Aikins, MacAuley, Thorvaldson addressed to Mr. Kristjanson, the Chairman, and, Mr. Speaker, this letter is wanting in a number of respects. I make only passing mention but specific mention has been made on previous occasions that this letter has on it printed at the top of the letterhead the phrase "Please Refer To" and it is blank thereafter. Normally it gives the name of the member of the firm who has conduct of this letter. It then says in print "File No." and normally it would have the firm's file no. for this matter and this is left blank. And as has been pointed out the letter is signed in a very unusual manner by the name of the law firm, Aikins, MacAuley and Thorvaldson, without indication, which again is the usual thing, where one finds at the bottom left hand corner of most letters that were dictated, the name of the person dictating them and the person who has typed it. Having practised law for some 40 years I can tell you that's rather important in a law firm, even as small as the firms with which I have been associated. But, Mr. Speaker, I've never been associated with a firm that has as many as 40, approximately 40 solicitors, and here this firm of some 40, approximately, members of the firm or solicitors, setting aside clerks and staff of any other kind, does not even bother to make a record on the letter as to who dictated the letter, who is responsible for it. I just mention to you that when Manitoba Hydro's Chairman wrote a letter he not only signed it, not only did his name and designation appear beneath his signature but on the left hand corner of that letter, at the bottom the initials "KK" appear with an oblique stroke and "im". I can only

assume from past practice that "im" are the initials of the person who typed the letter and "KK", of course, are the initials of Kris Kristjanson.

Another interesting comment, Mr. Speaker, about this letter sent by Mr. Kristjanson is that it is addressed to Messrs. Aikins MacAuley & Thorvaldson and that copies were sent to R.G. Smellie, Q.C. and to W. S. Martin, Q.C. It is of interest only that he has written to the firm but maybe because there are 40 members of the firm he wanted to make sure that copies were received by the two counsels, the senior counsel and then his successor who appeared before the Tritschler Commission.

Now, Mr. Speaker, I want to make comment about a letter obviously dictated by someone, obviously authored by someone in that firm, a person who is not described at all and point out to you that the reply is not a reply to the letter from Manitoba Hydro to the extent requested by their own client. I'm critical of it although it's not for me to criticize it, it's up to Manitoba Hydro to criticize them and say we wrote a letter to our lawyers; we got a reply from our lawyers which we have now made public and the reply does not answer the questions to the extent that they were asked. Since the Minister for Hydro took it upon his responsibility to file both letters and the attachment which served to justify the statements we've been making all along that we believe that the draft letter to the Commissioner was indeed authored by Mr. Steward Martin.

They then responded by actually giving us a copy of the letter adding the final page — Page 8 which we did not have in our possession — and in effect supported everything that had been said on this side of the House. Now the letter from Aikins MacAuley acknowledges receipt of a letter addressed to our firm concerning the recent appearances and mentions the receipt of a 7-page document — and they then refer to the fact that theirs is an 8-page document — and nowhere do I think does it say specifically that the first seven pages of their document is identical with the seven pages — which the Minister for Hydro didn't bother reading until after he had finished with the Gong Show but it was identical — and they say this document was prepared by Mr. W.S. Martin of this forum whose recollection is that it was prepared shortly before the Tritschler Commission.

Now we find, Mr. Speaker, that whoever dictated that letter must have been in touch with Mr. Martin in order to ascertain that his recollection is that it was prepared shortly before the Tritschler Commission resumed its hearings in January 1979. I believe that statement is true, Mr. Speaker, because when I read the minutes of Hansard, the Minute Book, there was a meeting held — and I'm speaking from memory I think it was December 19 — where the board said they'd like to meet with Mr. Martin and instructed the secretary to get in touch with Mr. Martin. The secretary reported and it's in the minutes that Mr. Martin's counsel would meet with the board at 2:00 or 2:30 that afternoon and the concluding line of those minutes is — that the board adjourned at 12:30 or 12:45.

I am certain that meeting was held. I don't know why minutes were not kept. I assume the Minister reporting for Hydro doesn't know why those minutes

were not kept but if I were Minister for Hydro I would be interested in knowing how it was that they held a meeting and didn't record any minutes. But we can assume that there was that meeting held; I'm certain it was held; I'm certain that Mr. Martin expressed concerns; and I'm certain subsequently that Mr. Martin drafted the letter.

My timing is supported by the fact as I recall it that the Minister for Hydro didn't fire Mr. Bateman until the end of December, about the 28th or 29th of December — (Interjection)— gave him a Merry Christmas as suggested by the Member for Winnipeg Centre. I think he may have waited till after Christmas but made sure that it was done during the season and before the end of the year and the draft letter from Mr. Martin refers to the fact that Mr. Bateman had been fired. So now we get the timing and it supports what is stated here about Mr. Martin's recollection.

It's amusing to me that the firm of Aikins and Company says in their letter on whose letterhead Mr. Martin appears at the top of the third column they refer to the fact that he has a recollection that it was prepared shortly before the resumption of the Tritschler Commission hearings in January. They state, "It was Mr. Martin's submission to be presented to the Commission if the Board of Hydro approved it", and I think that's very clear. He was appointed by the Board of Hydro as counsel for the purpose of representing it before the Commission — clearly that was his role — to make recommendations.

Now, Mr. Speaker, what I think is a foolish statement on the part of whoever dictated this letter and probably he's a friend of mine because I know quite a few members of that firm and have regard for them, the foolish thing is that he says the document itself is not a legal opinion. Mr. Speaker, that's his answer to the question asked about whether or not they received any opinion given or discussions held with the board and they say it's not a legal opinion. Mr. Speaker, if I draft a document and let's say bring it to the Cabinet of the Province of Manitoba and say to Cabinet — I would like to send this letter. Would you agree that I send it, and in the letter it is addressed to Tritschler. I would then not pretend that it's not my opinion that the letter be sent to the Tritschler Commission and when I say at the end and make a definite threat which as I recall that draft letter does that if the Tritschler Commission does not cease its hearings, that the legal counsel will apply to the court for a review of the matter in which it was conducted.

Now, Mr. Speaker, I want to take a moment to try and find that letter because I would like to be able to refer to it in specific rather than according to my recollection. So I do see at the bottom of Page 7 I believe it is, where the draft says: "I hereby request such a reference", and that is the reference under Section 97-1 of The Manitoba Evidence Act to the Court of Appeal and the section is cited. The letter says, "I hereby request such a reference as a person affected on the grounds that you have not adhered to the jurisdiction prescribed for your Commission under and pursuant of Order-in-Council 1328".

For anyone, Mr. Speaker, and he doesn't have to be lawyer, for anyone to say that is not an opinion

given by legal counsel to his client about procedures that he thinks ought to be taken then that person is ignorant. —(Interjection)— I just received an assurance that I should use the words that first came to mind but I won't do that. But certainly that person is ignorant of what is involved when a lawyer says to his client — I think I ought to write the following letter — and that letter has specific statements and warnings about proceedings that will be taken. To say that's not a legal opinion is what do they say — begging the fact, begging the answer. Then they say however — and listen, Mr. Speaker, please to how foolish it is — "However the legal conclusions expressed therein" — what is a legal conclusion? It's not an opinion? It's not a recommendation? It is a conclusion according to them. They admit in their letter in the very second sentence, that indeed there were legal conclusions; they were expressed in that document; that they did reflect the view of Mr. Martin, who was the person hired by Manitoba Hydro as has so often been stated; and who did advise the Board of members of his opinion. Which opinion, Mr. Speaker? His opinion, which deals with the legal conclusions he arrived at as expressed in that letter. For the firm of Aikins and Company to demean itself by sort of standing aside and saying, "Well, it was Steward Martin that had those opinions and therefore it's not a legal opinion" — they're not saying it's not their legal opinion — they're saying it's not a legal opinion and yet they are the ones who say that Mr. Martin was hired by Manitoba Hydro. It wasn't the firm of Aikins and Company, it was Mr. Martin.

They're now suggesting that when the legal counsel hired by Manitoba Hydro drafts a letter, submits it to Hydro for approval to send — all of which they admit — that in doing so there are legal conclusions in that document, that they reflected his view and he advised the board of his opinion, that it is not a legal opinion is ludicrous. I blush for my colleagues in the professional firm of Aikins and Company; I blush for the Minister for Hydro for quoting this as being valid; I blush for the Chairman and for the Chief Executive Officer of Hydro in pretending there was no legal opinion. The only excuse I give to the members of the Hydro, the Chairman and the Chief Executive Officer, is that they weren't there, they didn't know and in all generosity I would say they ignored the minutes or didn't see the minutes of the January meeting where Mr. Wedepohl reported that he had discussed the concerns of Mr. Martin with the Minister and he arrived at a conclusion that they should not approve of this letter going forward.

The Minister, according to Mr. Wedepohl, he and Mr. Wedepohl agreed that this should not be done. Then Mr. Wedepohl relying on his memory maybe more than on his minutes said, "Why, this was my decision". That's nonsense, Mr. Speaker. The decision was shared with the Minister for Hydro who apparently didn't remember this enough the first time it was raised to come forward and say, yes, I was told about the opinion; I heard the opinion; I disagreed with the opinion; I agreed with the chairman that we want the Commission to go ahead with full force, with full speed and therefore we did it. We disregarded, we rejected the opinion of counsel. That would have been not only the sensible way to

do it, not only the honourable way to do it but also the easiest way to get rid of an embarrassing situation but he didn't do that. He tried to hide behind the fact that information was not readily available and it wasn't at the time, to others.

Now, Mr. Speaker, the letter from Aikins and Company goes on to say, "Other than Mr. Martin no member of this firm considered such legal aspects". I would really like to know, Mr. Speaker, how many occasions there are when a letter is written with an opinion expressed on the stationery of Aikins MacAulay, how often they hold meetings with other members of the firm so they get expressions or consideration of these legal aspects from other members of the firm? The fact that they say it is again, Mr. Speaker, unnecessary and seems to me for them to say, we disassociated ourselves with one of the senior members of our firm. He did not consult anybody else here. No other member of the firm considered such legal aspects. Then, Mr. Speaker, the letter goes on to say, "The course of action indicated in the submission", which is what? Which is the expression of Mr. Martin's "legal conclusions" which are his opinion. Then although they said that no member of the firm considered such legal aspects they say, "The course of action indicated in the submission was disagreed with by Mr. Smellie". How did he know about it? If he came to the conclusion that he disagreed with him, he certainly had to have known about what they were and he must certainly have considered them in order to disagree with him. In any event he so advised board members. I don't know when he did that, Mr. Speaker; it may be at that meeting they held which was not recorded, on which minutes were not kept — it may have been on that occasion — but there's no record in the minutes I saw or any record I found that would indicate he did give an opinion adverse to Mr. Martin's, or that — and I quote again from the Aikins letter — "His view was that regardless of legal technicalities it was in Hydro's overall interest to co-operate".

Note, Mr. Speaker, that apparently there are some legal technicalities that were raised. Mr. Smellie did not disagree with them as legal technicalities but he said regardless of those legal technicalities, "it is in Hydro's overall interest to cooperate with the Commission". Mr. Speaker, now we find that the legal counsel Mr. Smellie, is giving opinions to Hydro which are no longer legal opinions but procedural or even political opinions because he thinks that it's in Hydro's overall interest to co-operate with the Commission and bring its proceedings to an early conclusion. Mr. Speaker, this phraseology is very similar to that used by Mr. Wedepohl when he reported on his and the Minister's conclusions as to how to deal with this letter because they wanted proceedings brought to an early conclusion.

Now, Mr. Speaker, Aikins and Company by this anonymous dictator says, "Our firm continued to act for Hydro after Mr. Martin ceased to be involved as counsel and a course of action was followed that was contrary to that suggested by Mr. Martin in his submission". A further effort to separate the firm of Aikins and Company from one of their senior members, Mr. Steward Martin. Then they say, "Mr. Martin has personal knowledge of the matters raised in your letter such as discussions held. He is

presently out of the country and is expected back on April 28th". Then what do they say, this firm of Aikins and Company? "We suggest that if you require further information you contact him directly". Again a further saying, just don't bother us, talk to Steward Martin.

Well, his relations with his firm are his affair, Mr. Speaker. But the relations of the Minister for Hydro with the people of Manitoba represented by the Legislature of Manitoba and the legislators, and the relation of the Minister of Hydro with Hydro itself, is indeed a matter of concern for all of us because, Mr. Speaker, the Minister instigated this letter going from Hydro to Aikins and Company. The reason it went to Aikins and Company is because he asked them to consider approaching their counsel to ask them to get answers to questions — and it's in Hansard that he said he would do so — as a matter of fact it's in Hansard that he said he did do so. I would really like very much to have heard from the Minister actually to receive a copy of the letter which he said he sent to Hydro setting out what recommendations he gave them. I would really like to that now. I suppose we could ask him to table it but I doubt if he will do it because, Mr. Speaker, he has discovered that every time he dealt with this matter he dug the hole deeper and deeper into which he was falling.

Now, Mr. Speaker, what I am saying is that the correspondence produced to us is a first step, it is not sufficient, it is obviously not a complete answer. The questions asked by Hydro are not answered by Aikins and Company and they must know it and the Minister must know. If he took the trouble to bring to us a letter from Hydro to Aikins and Company an inadequate response — and I think it's apparent on the face of it — that it is an inadequate response from Aikins to Hydro and they admit it because they say if you want anymore information get in touch with Mr. Martin. So they're saying do that and I'm saying that the Minister, who is the person who stands between and is the link between this Legislature and Manitoba Hydro, has a moral obligation to point out to Hydro that they did not indeed get the information they asked, which he asked them to get.

He called out from his seat a moment ago, you want me to tell them what to do? Mr. Speaker, I don't know that any of us have said he should tell them what to do but we've constantly said he should make recommendations to them. Mr. Speaker, do you know this is not out of order to remind you that the Minister for Transportation reporting for Telephones in taking credit for the decentralization of the system and Manitoba Telephone System says, this is the policy of this government and Manitoba Telephones are carrying out our policy. Well, the Minister for Transportation apparently doesn't hesitate to instruct the Telephone System as to what is the policy but the Minister for Hydro who fires a man like Bateman after 40 years of service in this province, who does it out of hand and does it in one of the ruthless ways that he learned from his own Premier and one of his other colleagues who have used that technique, using that technique he's prepared to do that because it was an Order-in-Council appointment. So that's fine he does that.

But to make further recommendations to Hydro he says you want me to tell them what to do? Yes, Mr.

Speaker, I want him to point out to Hydro, people for whose appointment he is responsible, that they wrote a letter on a vexatious issue which has aroused a great deal of concern not only in this Chamber but outside of this Chamber as was revealed by newspaper reports and by even editorials; that they wrote a letter at his request; that they did not get a reply; that the letter from Aikins and Company invited a further discussion with Mr. Martin; did indicate that Mr. Martin had personal knowledge; did say that if you require further information contact him directly; that it is now the moral and I suppose ethical obligation not only of the Minister to point out to Hydro they did not get a sufficient reply.

But for them themselves — and I believe that both Mr. Blachford and Mr. Krisjanson should be requested — and if they read the newspapers or read Hansard I think they should know that there are some people in this House who feel they have not received an adequate reply about something that went on before they were ever on the scene. I think it's their obligation to do it and I'm glad the representative of this Legislature on the Board of Hydro is present and has heard what I've said and I tell him, Mr. Speaker, it is my belief, where I cannot say to the Minister for Hydro, you must tell them, it is my belief that I can say to the Honourable Member for Rhineland that I think it is his duty and obligation to inform Hydro, the officers of Hydro and the Board of Hydro that a request is being made, has been made, is being made and will continue to be made in this House, that they get the answers to the questions which remain unanswered.

It is in the front I believe not to give a full response to Hydro and it's a dereliction of duty, I believe, for Hydro not to get the answers to the questions they asked especially when Aikins and Company in their concluding paragraph say, "Mr. Martin has personal knowledge. We suggest if you require further information you contact him". So I think it's their duty to do that. The Minister for Hydro seems to shrug it off as not being his responsibility. I tell the Minister for Hydro I believe it is his responsibility but more than that the Member of the Board of Hydro, who sits on the Board as a representative from this Chamber and who is in the Chamber now, I think it is his duty on behalf of Hydro if not on behalf of the Legislature to make clear what criticisms are being launched on the board and on the management on this side of the House to see to it that they do that and further, Mr. Speaker, that's the point that we've been trying to make all along.

This matter has now become so much of a public knowledge, not the truth, the truth is not yet available to us all but the whole matter, the circumstances, has become so much a matter of public knowledge that I can't conceive in my mind that there need be any continuing burden on Mr. Martin to honour the solicitor-client confidentiality. So much has come about. His name has been used so often in this House and in the Committee and in the press that he ought to be released; he ought to have the right to speak to anyone. I will assure you, Mr. Speaker, that if the Board of Hydro which I believe should have nothing to hide and whose relations with Mr. Martin in regard to the Tritschler Commission which has completed its report, can no longer be a matter of confidentiality; that they ought

to make sure if they're not prepared to bring the truth out for the people of Manitoba that they release Mr. Martin so that we on this side or the press or anyone else can go to Mr. Martin and say, Mr. Martin are you prepared to tell us the truth? Are you prepared to give us your opinion? Are you prepared to tell us just what you said to the members of the board? There should be nothing to hide except embarrassment — and that has occurred, they have been embarrassed — and, Mr. Speaker, as I've said on some previous occasion, they are continuing to be embarrassed stupidly.

When they could show that they've finally seen the necessity to make possible full co-operation with members of the Legislature to arrive at the truth, whatever it is, then indeed they do so rather than talk about trumped-up charges, half-hoaxes, fabrications or anything else. If they are not prepared to do it and they are not, Mr. Speaker, if Hydro is not prepared to do it and they are not so far, Mr. Speaker, then at least release Mr. Martin - he may not be prepared to do it — but at least let's have the opportunity to ask him and find out. I would sincerely, Mr. Speaker, attempt to do so.

One of the reasons, Mr. Speaker, is that I had a little correspondence with senior counsel to the Tritschler Commission before this matter took place; before Mr. Martin appeared before Hydro; before Mr. Martin gave his opinion in writing in that draft letter and at that stage and before I appeared before the Tritschler Commission I told the counsel for the Commission that I believed that he was going well beyond the authority and the terms of reference of the Tritschler Commission and that he was out on a fishing expedition — that's not my exact words — but that he was going beyond the authority granted to him; that I was beginning to doubt the impartiality I think is necessary for counsel to the Commission to have; he replied and said well, history will tell the story.

Mr. Speaker, history has told the story in the words of the special counsel of Manitoba Hydro, one of the highly respected counsel in this Province of Manitoba. That story has been told; I believe it has to be told; it will be told; they can hide behind their legislative defences as much as they like; it's got to come out and they'd be much better off on the government side to see to it that the questions are answered to the fullest extent. They ought to insist that they be answered; they ought to see Mr. Martin; and further I believe they ought to release Mr. Martin so that we can approach him and get at the truth in that way if they're not prepared to do it in the legislative way we suggested, which was by legislative committee. Thank you, Mr. Speaker.

QUESTION put, MOTION carried and the House resolved itself into a Committee of Supply with the Honourable Member for Radisson in the Chair for the Department of the Attorney-General and the Member for Emerson in the Chair for the Department of Northern Affairs.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY — NORTHERN AFFAIRS

MR. DEPUTY CHAIRMAN, Albert Driedger (Emerson): I call the Committee to order. I'd like to

refer members to Page 107, Resolution 112, Item 1.(b) — pass — the Member for Rupertsland.

MR. HARVEY BOSTROM: Mr. Chairman, I was making some general comments the last day before we completed the afternoon's discussion and I only had a couple of things to say in conclusion. The record will show that I indicated our feelings as far as the lack of attention of this government to many of the social and economic problems in the North. I think the main point is that the government seems to be content to simply provide a minimum level of service which would be sufficient to offer containment to people so they will stay in the communities and not make very much noise basically to keep people at a level of dependency.

I referred to an article which I believe was in *The Globe and Mail* of this year and it relates to a story about one of the Northern communities. I think it is exemplary of what is happening in Northern Manitoba and it indicates the lack of attention that both levels of government have directed at the north. In the article it describes the experience of one of the missionaries from the Roman Catholic church who lived in a Northern community and who indicated in his life's experience living and working in a Northern community he saw things happening which disappointed him in the way in which governments relate to Northern communities. In his original days in the community, in the early days he was working with the community to assist them to develop themselves and to develop the community by way of starting a small sawmill and encouraging people to grow their own gardens, potatoes and cabbages and so on and it was his intention as a missionary to assist the community to become self-sufficient. His lament is the coming of what he called "easy government assistance", in other words, a welfare society which government has tended to create in Northern communities.

I think this is the thing which governments now have to try to overcome. I think that's a mistake that was made by both Federal and Provincial Governments in the past and it's something that the governments have to direct themselves to solving. Welfare is not the answer and the Minister and this government seems to be taking the position that no kind of make-work projects are the answer. They have rejected that completely in this Minister's comments and his predecessors comments and as I was explaining the other day, Mr. Chairman, they have also had a sorry record on the other side of creating long-term jobs for northern people and they also have had no innovative programs developed to assist people to be trained and educated to move out of the community and into urban society or the industrial and other towns and villages in Manitoba to have full-time employment.

So, Mr. Chairman, it's necessary for government and I would say that the Provincial Government has to be put on the spot here because the Provincial Government is closest to the scene. In the case of the Indian reserves, this government has just wiped their hands completely of any kind of relationship with the Indian people by saying, well, they are a federal responsibility, we just wash our hands of them completely, we're not even interested in Treaty Indian people; that's the attitude of the Progressive Conservative Government. On the other hand, with

the other communities, they have simply relied on their standard procedures of relating to the communities by way of municipal services and putting in the basic infrastructure and that's been very minimal to the point of simply allowing them to be dependent on government. I think that the government has to take some initiative here; it has to be innovative; it has to do something in terms of assisting the community to develop their resources, whatever resources they have to develop. They have to assist them to assess those resources and find out exactly what can be done in the area and they should be honest in doing that too so that the communities are not lead to believe that somehow there is going to be enough jobs through development of the resources for everybody in the area.

Coupled with that and in tandem with that, Mr. Chairman, the government has to I believe assist people in the communities to become as self-sufficient as possible with the resources that they have available and, at the same time, assist those that are interested and can be given the opportunity to be trained to be able to fit into society and to have jobs in society outside of the remote communities and that is something which this government is not doing either.

So on all those points this government has failed in their responsibility to northern communities, even to the point when work is to be done within remote communities. This government has, instead of negotiating with the local community and coming up with a price for doing the work which would be reasonable to government and acceptable to the local people, they have instead relied on the old standby tendering process and they have, by and large, given that work out to people and construction companies outside the community. Mr. Chairman, that is not the answer; that is certainly not assisting the communities to either develop the expertise that they should be able to develop to take advantage of projects that are going on in their own community to offer employment opportunities for themselves.

On the other hand, we know from experience that the companies that come into the communities to do work normally have a skeleton crew, if not a full crew, of people that are employees of their company who they have a responsibility and feel a loyalty toward that they bring with them to do the work in the community. It may even be at the outset that they hire a few people and on the second or third day they find some excuse to let the local people go and their outside people are in there doing the work. We've seen that in the past on Hydro projects and various other activities. So, Mr. Chairman, I think the government should be looking at this problem and they must look at this problem; otherwise we are just going to see a continuation of the problems that people are facing in the Northern communities and in fact an escalation of them — because I should point out to the Minister if he's not aware — the problems are definitely not going to go away. In fact they're going to get much worse.

Approximately two-thirds of the people who live in most of the remote communities are children or people who are under 18 years of age. Mr. Chairman, they are the ones that are coming on stream so to speak, that will be looking for work,

that will be looking for opportunities and, Mr. Chairman, there is not enough opportunities for the labour force that's in the community now. So what in the world is the government doing to gear up for to assist that majority group that will be coming into the picture in the immediate future and over the next 10 to 15 years? These people will be coming on the labour force and will be very frustrated and discontented people if there's no opportunities for them.

I must emphasize that the welfare solution is certainly not the answer. It's only containing people; it's not giving them the opportunity to do anything. That is going to create bigger problems because as we've seen in many Northern communities welfare has led to other social problems in the communities with alcoholism and family breakdown and all the rest of it and social dislocation. It seems the further away the communities are the more isolated, like Shamattawa and others, the more difficult those problems become.

So I would like to hear the Minister's comments on this, Mr. Chairman, and see if he has any thoughts on it, if the government is giving any attention to this. I know they seem to have a preoccupation with private enterprise preparing all the solutions for problems in society. I think this is one case where private enterprise has not provided the solutions to the problem.

They have not moved into the communities in any significant way in order to allow the communities to be able to take advantage of enterprise development and the spinoff jobs that are associated with that development. In fact, where private enterprise is involved in a big way like the mining towns and in the mining ventures in Northern Manitoba, they have not traditionally followed any real concerted effort to bring in the Native people to become an important or significant part of the labour force. I think that's an area which should be looked at. I gave the example the other day, Mr. Chairman, of AMOC in Saskatchewan and the way in which the Saskatchewan government is dealing with a mining company and laying down the stipulations right in a lease which compels the company to do certain things in order to ensure that their labour force, even at their head office in Saskatoon, is made up of Native people, people from the area where the mine is being located. They're making a supreme effort there to do something about the unemployment problem. It pays off, it pays off to the government because there'll be less problems in terms of social costs; there's going to be less welfare to pay out; it pays off for the people naturally because they're going to have a much better life; it pays off for the companies because they have a more stable work force than has traditionally been the case with the transient outside workers who, through our experience we've seen that they have a turnover rate of the outside workers of approximately 100 percent. Whereas the experience just in AMOC with the Native people has been a turnover rate of only 38 percent.

If you look at the Native people in Northern Manitoba — the ones that are working in mining communities — you'll see that is the experience there too, that the Native people are, by and large, the more stable part of the work force. The ones

who are transient and turning over are the ones who are coming in for short stints of time to make a stake and go on to other things. Some are southern people who are only going there for a short period out of their own intention to just make a short stake and get out, Mr. Chairman, and there are others who make this a part of their lifestyle.

I note the Chairman is looking at me impatiently, I must be running out of time so I'll leave the Minister or someone else to make comments.

MR. CHAIRMAN: The Honourable Minister.

HON. DOUG GOURLAY (Swan River): Mr. Chairman, we've heard considerable input from the Member for Rupertsland and many of the comments he makes are certainly of concern to this government. I'm surprised that he would elaborate so long on so many of the points when in fact he was a member of the previous government, I presume for eight years, when they were in power and I'm surprised that he expresses so many concerns for the various people of the north, that they actually accomplished so little while they were in power, other than to create many make-work government types of programs. The statistics are quite clear that their record as far as developing employment opportunities in this province was absolutely a disaster. He's talking about creating job opportunities with the Native people in the mining industry and northern communities and other types of industries. I'm sure that the record speaks for itself that they accomplished very little in their eight years in power.

Certainly as a government we have, even since I've become Minister I've had three meetings with the Four Nations Confederacy; I've attended a meeting in Thompson; we met with the executive in the Cabinet, with Cabinet members in the Legislature and just recently the Minister of Resources and myself met with the Four Nations All Chiefs Meeting held in The Pas just a week or 10 days ago. Although we've had some stormy discussions with the Indian people I would say that the atmosphere has improved tremendously in the last year. We have agreed to have ongoing meetings with the Native people not only in the North but the Native people throughout Manitoba to discuss many areas of concern, certainly employment and economic development and also the concern that even the Indian people feel the responsibility for their welfare and help or assistance from the Federal Government has been on the decrease and there seems to be some push to remove the federal responsibility and force the province into picking up traditionally the support that should come from the Federal Government. We are not abandoning the Indian people; we want to work with them in every way we can. At the same time we don't want to undermine our role to the extent where the Federal people would back off and abandon their responsibilities; and the Indian people recognize this fact that they have to be careful too in that area.

With respect to the Communities Economic Development Fund we have discussed this in the Standing Committee with respect to our guidelines dealing with Indian people on reservations and it's clear to the Indian people we feel that the economic development on reserves is the responsibility of the Federal Government. They do have an Indian

Economic Fund established to help the Indian people in that regard. Sobeit, that fund I'm not sure it has much financial resources attached to it to help the Indian people. Certainly we will receive applications or honour applications, look at applications from Indian people who are Treaty Indians who have some project they want to commence with off Indian reservations, we feel that becomes too complicated in legal matters to try and obtain any kind of security or collateral where Indian people want to get into business on Indian reservations. (Interjection)— I'm not finished Mr. Chairman.

With respect to the development of employment opportunities in the province it has been stated many times that we have a reasonably good record as a government during the last three years, where we have established some 30,000 jobs of which 28,000 are in the private sector and approximately 2,000 in the public sector compared to the 10,000 jobs that were established in the last three years of the former administration, of which 7,000 were in the public field and only 3,000 in the private area. So, Mr. Chairman, the members opposite can speak all they like about the Conservatives' poor record for developing employment but certainly the record stands that if our record is poor then for sure the previous administration just have a disastrous record to talk about. They were gaining more and more momentum in creating make-work programs which was just draining the provincial economy where it could not last forever.

Now, also the Member for Rupertsland spoke of — we were just maintaining infrastructure types of programs in the Northern communities — and I would also like to put on the record that we have spent probably somewhere in the neighbourhood of \$5 million or thereabouts just maintaining and cleaning up the mess that we acquired from the former administration in many of the Northern communities.

The Wabowden Arena is one example; the Norway House Arena is another example; the Water and Sewer Programs that were hurriedly put in by social engineers through many of the communities in Northern Manitoba, that many of them were bad design; they were broken down much of the time; they were costly to maintain and in many cases had to be replaced because of just incompetent work that was being undertaken. We acquired those when we came into power and we had to fix them up. We had to spend millions of dollars on arenas. I mentioned the Norway House Arena, the Wabowden Arena and more recently the Camperville Arena which was poor design and it wasn't designed for an arena in the first place. It should have been condemned. It was never inspected by the Department of Labour. That arena was put up I would say in 1973 or '74, inspectors came out this past year, they condemned the use of that arena and it had to be disposed of.

There is also the water intake at Cross Lake. The people working for the department at the time advised the Northern Affairs that it would not function properly because the water intake would be above the water levels within the Hydro licensing. It was suggested that a well should be put in to lower the water intake supply but no, the previous administration said that's too costly, we'll just stick a

pipe out in the lake and what happens when you get a dry year? The pipe is sitting out of the water and it was a half-a-mile from water by the way last year and still the Hydro people were within the licence that was established back several years ago.

Another example — and there's been much publicity about it — is South Indian Lake. Will you believe that it's going to cost \$1 million last year and this year just to put new foundations under the houses in that community that were put in, in 1975 — \$1 million — that could have been used for other projects in Northern Manitoba. I don't hear the members speaking about that sort of thing; they must be proud of that.

So I say we are spending millions of dollars just to maintain what was established back a few years ago so obviously it doesn't look like we're doing anything in many of these communities but we're spending lots of money trying to clean up a mess — just one hell of a mess in many places. So when the members speak — we're just trying to maintain the infrastructure or facilities in the communities and not doing anything else that's maybe true but we're spending a lot of money that could have been used for worthwhile projects in Northern Manitoba.

The members criticized me the last time we met with respect to the Road Program because I had mentioned in the paper roads were important and I couldn't remember where some of the roads were being built but I can tell you that the Department of Highways since late 1977 have spent \$49 million on roads in Northern Manitoba, \$49 million. The Department of Northern Affairs has spent \$2 million on internal road facilities in the various communities in Northern Manitoba. I would just throw out those figures they, I think, are very significant and we're not getting much credit from the Opposition for doing anything and I just want to put on the record that it's a very frustrating job to work with these communities to try and retain what was put in several years ago but never functioned properly in the first place and we have to go in there and try and clean up this to make it something that's workable and can be useful to the local citizens.

MR. CHAIRMAN: The Member for Rupertsland.

MR. BOSTROM: Well, Mr. Chairman the Minister in his opening comments tried to make the point the NDP while in government accomplished very little in Northern Manitoba but it's very significant I think when looking at the Estimates of this department and the Estimates of other departments that relate to Northern Manitoba that the only good programs that this government has that they can talk about are the ones that were introduced and put in place by the New Democratic party while they were in government. Mr. Chairman, if you look at the infrastructural involvement, this government has been working on some of the things that were introduced when the NDP were in government, sewer and water programs and so on. Naturally there are going to be problems when you are first introducing a system like that into northern communities where you are working under the most difficult conditions and you are working with engineers and architects that are trying to adapt themselves to that kind of a situation and I would think where there were problems it was problems that were not the

responsibility of elected officials of the government of the day but they were problems related to people like the architect that was involved with the Norway House School. I think that people like that, if the facts were known, and if you looked into the details of the situation, I mean, perhaps some kind of charges should have been laid against people that were designing these systems to show that they were not carried out properly.

So, Mr. Chairman, these are things that should be looked at as far as the South Indian Lake homes are concerned. I mean I think that there is a tragedy there in the way those homes were put in place but is that the fault of the government of the day. I mean, there were contractors hired to do a job and if the job wasn't done properly then the government should be following through at this point in time and ensuring that the proper action is taken to go after the people who are supposed to put in the infrastructure in the proper way. I understand they were experimenting with various forms of construction at the time and I know that there may have been problems there.

But, Mr. Chairman, if we look at this government's record in office as far as Northern Manitoba is concerned, as I mentioned, the only good programs are the ones they are carrying on which the NDP introduced. There is not one new innovative program which this government has introduced as far as assisting northern communities, not one. There is not one that this Minister can point to and say this is something that we brought in that we want to do to help people in northern communities.

If you look at their social and economic programs you see that they cancelled or restrained many good programs that were introduced to assist people in Northern Manitoba. If you look at the economic development programs they are practically non-existent. The only ones that are being carried on in any minimal way are the ones that were in place when this government took office.

As far as the provincial job office is concerned there is no more provincial job office as far as I know. There is no more Critical Home Repair Program on reserves; they have cut that out even though the Indian people in Manitoba are probably the most poverty stricken or disadvantaged group in our society; this government has cut out this service to them. They have restricted the activities of the Communities Economic Development Fund to the point where the Indian people are no longer even eligible to be able to participate in that program. The only programs that are operating in Northern Manitoba as far as economic development is concerned, practically the only ones, there are some minor ones that this government is still operating but the major ones that are operating at the present time come from the Federal Government. There are programs that are operating through the Federal Department of Regional Economic Expansion or the Federal Department relating to Manpower and Employment. They are the only programs that people are taking advantage of. There are no programs introduced by this government which are creating any jobs in Northern Manitoba. There is no more Special Northern Employment Program even though the Premier, at his address to the first meeting of the Four Nations Confederacy had mentioned that the

SNEP Program was something which the government was offering for the people of Northern Manitoba. The Indian people at that meeting were laughing at him because they knew that program is no longer in existence; they knew the Premier was trying to mislead them, or whoever wrote his speech was misleading them.

So as far as the Conservative government's record in Northern Manitoba, it has been an absolute disaster. The people of Northern Manitoba have certainly expressed their feelings as far as this government is concerned as well. I mean the Minister should be fully aware of that if he is not already aware of it. In the election which followed the Conservative government victory in Manitoba, the next federal election, resulted in the federal member in that area losing his seat. Why did he lose his seat? It was not because he was not a good member himself, it was a backlash of the northern people against the Progressive Conservative government in this province. They recognized the PC government for what it is; one that planned to restrain activities and practice restraints on the backs of the poorest people in Manitoba, those that are living in the remote and isolated communities and they did this because they felt that the people in those communities didn't have access to resources and they didn't have the opportunity to make their voice known in Manitoba.

As far as the people in Northern Manitoba are concerned they feel that they've been given the back of the hand of the Conservative government. When it came time for the second federal election the Minister and the PC government in Manitoba should have taken another lesson from that because when the PC candidate ran in the next federal election, following his defeat the first time, he dropped down to third place in that election in Northern Manitoba. In other words, from a very good first-place victory in 1974 he dropped down to third place in Northern Manitoba — and I must say I know the man personally and it is no fault of his personally that happened — it was the fault of the Progressive Conservative Government in Manitoba. It's an example of what the Northern people think of the P.C. government.

In pointing out some of the problems that people feel in Northern Manitoba I think the Minister would be well advised to take some note of these problems and try to do something about them because as far as the people in Northern Manitoba are concerned right now, the only political solution to any of the problems they face is to get rid of the Conservative government and you will see, Mr. Chairman, in the next provincial election the Conservative candidates in the Northern constituencies are going to run a poor third, where there are remote communities. The Liberals will probably run a second in most constituencies because the people in Northern Manitoba know that there's no way they can look to the Conservative government to be responsive to their needs and that's not saying very much for the Conservative government's first term in office.

I think if this Minister thinks he has accomplished a lot of things, he's sadly mistaken. People are certainly not impressed with what little that has been done and they're certainly not impressed with the government's attitude. In fact, Mr. Chairman, they're

not impressed with the governments officials attitude either when it comes to dealing with their affairs. In the South Indian Lake a recent example is a good example of that. They're pretty upset with the way in which people have treated them very highhandedly and autocratically; where there's been a centralization of the power; where the powers of councils have been taken out of their hands and they've been treated like poor cousins when it comes to being able to make decisions for themselves.

So, Mr. Chairman, the Minister would be well advised to have some discussions with the community councils on his own and open his door and open his eyes and open his ears to what's happening in those communities and allow the communities to have access to him directly, because I don't think it's sufficient for a Minister to be isolated from his responsibilities and to be isolated from the group he's relating to as far as the client group is concerned.

The people he represents as far as his department is concerned, should have access to him. They should be able to call his office. They should be able to lay their complaints on his desk directly when they have problems like they were having with South Indian Lake. Obviously they don't feel any confidence in the Minister or they wouldn't have had to resort to resignations over an issue like this. This is something that's been building up and building up and it's just the tip of the iceberg. There are a lot of communities out there that are at the same point as the South Indian Lake Council but they haven't taken the final step of resignation yet. But they're certainly very upset with the way in which the Northern Affairs Department is operating.

So I think this Minister has a lot of cleaning up to do as far as his existing operation is concerned and as far as his operation in terms of the general government policy toward the Northern communities. I think the government, if they have any thought of establishing any credibility at all, have to do more than what the Minister says he's doing, going to meetings, trying to pat people on the back to try and tell people they're doing something. trying to tell people that they're really concerned, because actions speak louder than words. This government and this Minister has demonstrated by their actions they do not really care about Northern communities and are not prepared to assist them in developing; they're not prepared to give them a hand in developing themselves so they have some say in the way in which their community is operated and the way in which their community is developed. It's disappointing to me certainly and it's more than disappointing to the people who have to suffer from the lack of attention, the lack of concern and the lack of action on the part of this government.

MR. GOURLAY: Mr. Chairman, earlier the Member for Rupertsland indicated with respect to their years in office and the very difficult task of putting in water and sewer into the Northern communities but really the main problem was poor design and workmanship, which doesn't matter if it's in the north or in the south. This is what happened for the most part in the North. It was just poor design, whether it was water, sewer or recreation buildings; insufficient fire exits; improperly constructed beams supporting second floor; no safety glass from viewing area; fire

wall separations incomplete and roof supports, now that doesn't necessarily mean it happened just because it was in the North. it was just because of the people who were doing the job.

They had all the different departments within the Northern Affairs because they felt they could do a better job than other people who were designed to do specific jobs. This didn't work out. With their 500-and-some-odd employees in Northern Affairs trying to do jobs they weren't competent in doing, resulted in the disasters I refer to.

When you speak about the dissatisfaction with the mayors and councils and you use the example of South Indian Lake, I can tell you I received a letter yesterday from the mayor and councils and indeed they have resigned. They said that the straw that broke the camel's back was with respect to the garbage contract. But I can tell you that we want to give more and more responsibility to the various community councils. Many of the communities are accepting the responsibility on a fairly slow basis but I think that's the only way to go. Some areas are moving ahead a little faster than others.

In the South Indian Lake community, the garbage contract and all of the community councils are aware of the policy guidelines with respect to tendering, they are required to take the lowest tender unless they know for sure that the lowest tender, the person or persons cannot adequately do the job or they don't have the equipment to carry out the job. In the case of the garbage contract they had some seven tenders ranging all the way from \$9,500 to \$16,800 and the community council chose to take the contract that was \$14,400, almost \$5,000 more than the lowest contract, there was no indication that the lowest bidder couldn't perform the job. As a matter of fact, I think he probably could do the job quite adequately.

The coordinator from the Department of Northern Affairs was in attendance at the meeting. They asked her opinion on the bids and she said, "Well, the bid for \$14.4 was certainly above what was being budgeted in their account". They didn't have the money to pay that. So what did the community council do? They talked the bidder that had 14.4 down to 13.2, which was the amount specified in the budget, in spite of the advice from the coordinator. Although she didn't make the decision for them she said, "You know we don't have the money in the budget for that. You should really consider the lowest tender". After it was found out they had discussed the bid with the second highest bidder to have him bring it down some \$1,200 to \$13,200 and when the co-ordinator, in consultation with the Area Manager in Thompson, found this information out it was phoned back to the Council that they would be required to take the lowest bid of \$9,500.00. The co-ordinator couldn't reach the Mayor by phone but she got a hold of one of the Council members to pass this message along and this phone call was followed up later and the Council member could not be reached and he did not return the call. Subsequently a letter was received in the Thompson office that the Mayor and Council was resigning as of April 16. I got a letter dated April 16 which came to my desk yesterday morning indicating that they felt that they could not continue and were resigning with the garbage contract being the final reason.

But we have a responsibility too. As the Department of Northern Affairs we are responsible to the people of Manitoba that fund almost 100 percent the money that goes into the South Indian Lake community to carry out their operations in that community. So if we were to disregard the tendering process, and that's the purpose of tendering in the first place, is to try and come up with the best possible price provided the people can perform adequately the functions that is expected of them. So I don't think there was anything really harsh and out of place from the actions that were taken. The communities want more responsibility and we're prepared to give them more responsibility but they have to act in a responsible fashion.

Just for example, South Indian Lake community is a relatively new community and although the housing project that was established back in 1975 or '76 has turned out to be a disaster in most cases requiring \$1 million, as I have said, in the last two years just to fix up the foundations but the community of South Indian Lake have many good facilities in that community. They have a new school; a new store; they have a new laundromat; they have one of the most sophisticated water and sewer facilities in the town that you would have a tough time finding in other communities in Manitoba of that size.

Since 1978 there's been extensive remedial work to the water system and landscaping involving some \$144,000.00; extensive repairs to fire protection system at the school cost \$10,000.00; major road upgrading and drainage under way and graveling two years ago was \$182,000.00, this past year was \$56,000.00. As a result of my visit last fall we were able to speed up the new sewage pick-up truck, \$28,000 — that would have been coming in this year but we wanted to speed it up so it could be taken in on the winter roads this year; a new fire truck, \$17,000.00; a new water delivery truck for \$25,000.00 — this is all since 1978.

This is the same Council that have resigned just recently because of the heavy hand of the Provincial Government, the interference of the Provincial Government. I thought they were a good council. I met with them, I had a good discussion with them. I was able to get some of the things done right away that they requested. Now they say that there's been so much interference that they have quit because we interfered in the garbage contract. I've explained that here today. I think the actions that this government took were reasonable and something that should have been expected to have been done by any government under the circumstances. I mentioned about the foundation repairs which is going to cost us \$1 million at least. There's the new detention centre, \$21,000.00; there was a new sub-division last year and one more going in this year; we're upgrading of docks and there's the proposed projects for this year — drainage and gravel, sub-division development, water and sewer to community buildings, a new garbage facility and additional landscaping.

Now that's just the example of South Indian Lake that the opposition members try to paint us as being real bad actors; we disregard the northern communities; we are shafting the community of South Indian Lake. In most of the community councils we do have problems arise from time to

time. The problems are discussed with departmental officials. Sometimes I get involved and for the most part we are able to solve many of the problems. In some communities they choose to deal with the media rather than coming to the department and that's fine; if that's their alternative I don't mind that. This doesn't happen in many cases but obviously it happened in South Indian Lake because I read about it in the paper before I heard about it and before any of our staff certainly in the city here heard about it. I'm sure it was in the media before it was heard in the Thompson office.

MR. CHAIRMAN: 1. the Member for Churchill.

MR. COWAN: Mr. Chairperson, I'm pleased that the Minister brought up the example of South Indian Lake because I feel he has given only part of the story. Certainly one would not expect him to talk about the failures of the government in respect to that community but they are as numerous, if not more numerous, than what he suggests are the successes of the government in that community and that is why we have a community council resigning. The Minister said that it's the opposition that is constantly saying that the Minister and the Conservative government are — and to use the Minister's words I quote — “real bad actors” and that they “disregard northern communities”. The fact is it is not us who are saying it alone. Certainly we do say it because we believe it to be a fact but the communities themselves are expressing a great deal of frustration.

It was the community council and the Mayor who resigned in the community of South Indian Lake. That was not an action that was taken lightly. I can tell you that I talked to that community three years ago and they were talking about the many difficulties that they had and they were talking about resignation at that time but they stuck it out in the hope that something would change. They were optimistic that they could perhaps convince the government of the wrongdoing which they were perpetrating upon the community of South Indian Lake. They tried; I know the Minister had meetings with them; I know they go to the media and quite frankly I don't blame them for going to the media. They go to the media because they do not feel they are getting the proper response from the department nor from the Minister himself and that's the reason. They don't go to the media right off the bat; they don't resign right off the bat. For three years now they have been living a tortured existence as community councillors where they believe that their decisions have been overruled on a consistent basis; where they believe that they have had very little input into the way in which their community has been run and where they believe that the government, the Conservative government, has been acting in a wrong-headed manner and to the detriment of the community.

We need only talk about the laundromat situation again this year, if the Minister wants to talk about the way in which his government in fact operates in Northern Manitoba and we can go through the details if the Minister wants to but we went through them last year. Perhaps it's important that they are on the record once again. The Minister himself brought up this new laundromat that they put in the

community but if the Minister reflects on last year's Estimates he will recall that we talked about the way in which that laundromat went into that community and that the community council wanted to put it on a certain of land and that the department came in and said, no, it can't go on that piece of land. There was soil sampling which was done and there was a whole process which was undertaken which in fact delayed the construction of the laundromat. In the end it was put on the exact site where the community wanted it to go. Then the community wanted to be active participants in the construction of that laundromat and the development of the design and the construction but the department wouldn't allow them to do that. The result was that laundromat was put up while that Minister was government and torn down while that Minister was government and put back up again while that Minister was government.

Now if you want to talk about mismanagement, that is a classic example of mismanagement and all the time they were doing it they were ignoring the advice of the community council; they were ignoring the advice of the people most affected by the construction of that laundromat and the people who wanted to become involved in the construction of that laundromat. And don't make it sound for one minute like that laundromat is a gift from the government to the community of South Indian Lake; that laundromat was a negotiated settlement over the loss of the laundromat which was in the community school before. They were actually not in the community school, next to the school and the school wanted to use that area as a library and the department came in and they negotiated a settlement and said, we will take over that space but the laundromat must be moved. So when the Minister puts that on the table now as a gift from his government to the community of South Indian Lake he is misrepresenting the case as it was. That was a negotiated settlement and in fact it was a difficult torturous negotiation for the people of South Indian Lake because his government did not want to listen to them from the beginning to the end.

The Minister talks about the detention centre going into South Indian Lake but I ask the Minister who prepared the site for the detention centre which went into South Indian Lake? Can he provide us with that information now?

MR. GOURLAY: Mr. Chairman, I think I should respond to the laundromat situation. I don't deny that we, as a department, had some problems there but you mentioned that the site that was picked for the laundromat and the community was denied that site and then it ended up that the laundromat was put there. The reason that it was denied in the first instance was because it was below the severance line; it was in a flood plain area. I presume they wanted to still use that site so the severance line had to be changed artificially. A lot of fill had to be brought in to make it feasible to use that site. But the community acted in haste in the first place and ordered the laundromat building and they ordered the wrong type of building for a laundromat which made it difficult. Then, it's true, the department was responsible for hiring people to put this building in place and we got stuck with a bad contractor, I will admit that. However, the contractor that was obtained, he was obtained with references that were

given to us that he was a competent individual. Unfortunately, he wasn't competent and we did end up having to spend extra money, somewhere in the neighbourhood of I believe \$20,000 or \$25,000 that little problem cost us. I don't deny that we do run in, from time to time, problems but we try to keep them to a minimum and we never ever tried to cover that situation up. The facts were given to the media at the time as to what happened and so we do acknowledge the fact that we do run into problems from time to time. The laundromat, I've been in it and it's functioning well. Unfortunately it was the wrong type of building for that kind of use but it is being made do under the circumstances. Certainly the people use it to the fullest and I think that it's serving a very worthwhile purpose.

I would put on the record that from time to time in the many communities we run into some minor problems, some maybe not so minor but we never ever tried to cover them up to my knowledge. The staff usually, in all cases, if we do run into a problem I'm notified of it and usually there is reasonable explanation but certainly we haven't run into the millions of dollars of mistakes that we've acquired from the previous administration on many projects like the foundations, the arenas and the water and sewer design. As I mention again, the water and sewer designs were not necessarily because they were put into Northern Manitoba; they were just poor design and poor workmanship.

MR. CHAIRMAN: I think the Member for Minnedosa — if it's just a question.

The Member for Minnedosa.

MR. DAVID BLAKE: Thank you, Mr. Chairman. It was just on the same thing and I just wanted to ask through you, Mr. Chairman, a question to the Member for Churchill.

MR. COWAN: No, you can't ask him . . .

MR. BLAKE: Through the Chairman, I'm just asking the member if during the period of the Minister's responsibility for that community if he has attended in his office to discuss the problems that he is relating to us now for South Indian and discussed them with the Minister, other than through questions in the House or through the media or through the council at South Indian because I know when the Member for Rupertsland was in his ministry I attended his office on one or two occasions with problems that originated in my area and had them solved. I just wondered if the Member for Churchill has attended at the Minister's office to discuss some of these problems and try and find some solution to them other than going to the people in the community or to the media.

MR. COWAN: Firstly, it has to be said, Mr. Chairperson, that this is a legitimate environment in which to ask these sorts of questions and try to put the pressure on the Minister to get things done. As well, it must be said that the media is a legitimate environment in which to try to apply pressure. I can assure the Member for Minnedosa that pressure is necessary but he asked me, have I contacted the Minister? I think the Minister will agree that he is a recipient of many of my letters on different issues

and that we have ongoing correspondence back and forth and that is the way in which I prefer to deal with these matters. Many of those letters are private correspondence that had not been made public and they are matters which I hope I'm able to, by correspondence, convince the Minister of the legitimacy of a request or the legitimacy of an argument. Some of them are letters which deal with matters such as this. I cannot say in specific now what those letters are but I keep a file on them and certainly can come back with some of the letters I've written to the Minister if he wants to make those public at this time. I don't think it's necessary but I would just ask the Minister if he would not agree that perhaps he and I exchange as much correspondence as he and any other member of the Opposition on matters relating to Northern Manitoba.

MR. GOURLAY: I would agree that I correspond frequently with the Member for Churchill.

MR. COWAN: I just want to make the point that the Member for Minnedosa prefers to do it on a personal basis. I prefer to do it in writing and those two styles I think can be equally effective and I think that he has to agree to that.

Now, having defended my position in respect to this I'm not certain whether I've written to the Minister in respect to the laundromat. I may well have, I can check the files to see if that was the case but the Minister's comments a few moments ago do have to be addressed. He says from time to time in any community the government runs into minor problems, sometimes not so minor problems. I'd ask him for clarification when he says not so minor problems, does he in fact mean major problems?

MR. GOURLAY: I would say the most major problem we've had is the South Indian Lake laundromat, would as I mentioned run into some extra \$25,000 worth of expense and I don't consider that serious when you take into account some of the disastrous fiascos that happened during the previous administration's term of office.

MR. COWAN: I don't believe the Minister is being fair when he says disastrous fiascos. I think there were mistakes made; I think the Minister makes mistakes; I think any government makes mistakes. I think if the New Democratic government were in power again there would be mistakes made. Hopefully one learns from their mistakes in the past and fewer mistakes are made and one does not have to repay mistakes.

But if the Minister is saying that millions of dollars have not been wasted because they have not made the mistakes — and when I say they I mean the Conservative government not made mistakes — I can only suggest to him they have not done the type of construction; they have not done the type of innovative works which the previous government did and had they undertaken an aggressive outreach program such as that they would be making the same mistakes — I don't wish it upon them because the residents of Northern communities ultimately pay for those mistakes — but had they been in the forefront of putting in place the structures which we were in the forefront in putting in place because they were necessary and long overdue after many many

years of other governments in this province, then they would be making the same types of mistakes and those are honest mistakes.

There are several types of mistakes one can make and I think if one goes in and tries to develop an infrastructure in a community and tries to develop community awareness of how to better govern themselves by allowing them some latitude in their self-governing then that's an honest mistake. But I think if one does nothing or as little as one can possibly do to get by with — and I think that's what this government has done — and if one sits on the councils because they are so afraid of letting them learn by their mistakes then you will in fact find that, in my opinion, is not an honest mistake — not a dishonest mistake, I don't want to leave the implication that there is anything dishonest about it — but the mistake of omission is far worse than an honest mistake which is created by government wishing to do something and if we want to dwell upon the mistakes of the past we can do that. We can dwell upon the mistakes of 10 years ago, of 100 years ago, of 150 years ago, of 20 years ago, of three months ago, of three years ago, we can talk about mistakes all you want. For every one you lay on the table another one can be laid on the table and it's a very nonproductive way to spend the time during these Estimates but we can do it.

What I want to talk about is what is being done? How is this government reacting to the serious structural problems that are in Northern Manitoba? I don't think they are reacting very well to that. I don't want to say and I didn't bring up the laundromat in the first instance, that the government because they messed up the construction of the laundromat is a bad government. I don't think they are a bad government because once in awhile things go awry. I think they were a bad government in the fact they really abused the community council on the construction of that laundromat; they created a great deal of frustration in that community over the construction of that laundromat.

I asked the Minister about the detention center — he hasn't answered me yet — but they've created a great deal of frustration about the detention centre; they've created a great deal of frustration about the other projects that are ongoing in that community because the community does not see those projects as benefiting them to the utmost. Certainly they're pleased to get the foundations improved; certainly they are pleased to get some of the other aspects of infrastructure which the Minister mentioned, there is no doubt about that. The fact is they want to be a part of the construction; they want to be a part of developing that; they want to be a part of building a better community; they have been denied that opportunity by the government and that's why we have councils resigning, that's why we have a mayor resigning and that's why we have the situation in Northern Manitoba we have today which is a situation which betrays the government's lip service to local control and local government.

MR. CHAIRMAN: The hour of 4:30 having arrived, I move Committee rise for Private Members' Hour.
Committee rise.

SUPPLY — ATTORNEY-GENERAL

MR. CHAIRMAN, Abe Kovnats (Radisson): This committee will come to order. I would direct the

honourable members' attention to Page 15 of the Main Estimates, Department of the Attorney-General, Resolution No. 17, Clause 2. Legal Services. Item under discussion is (b) Criminal Prosecutions.

The Honourable Minister.

HON. GERALD W.J. MERCIER (Osborne): Mr. Chairman, yesterday I undertook to obtain and perhaps I can ask a Page to leave this with the Member for St. Johns, a report from a law firm in Quebec, . . . Clarkson, Parsons and Tetreault with respect to . . .

MR. CHAIRMAN: Order please. The Honourable Member for Wellington on a point of order.

MR. BRIAN CORRIN: Thank you. I can indicate that the Member for St. Johns just walked out of the room. He said he would be back in 10 minutes so if the honourable member wishes to forego providing the information until about 3:35, the Member for St. Johns will be here to receive it personally.

MR. CHAIRMAN: That's fine. Would the Honourable Minister be guided by the suggestion rather than on a point of order.

The Honourable Minister.

MR. MERCIER: I have no objection to waiting to give the document to the Member for St. Johns as I undertook, Mr. Chairman.

We were at the point where we were discussing yesterday afternoon, Mr. Chairman, a particular child abuse case and child abuse cases in general. For the information of the Member for Wellington, Mr. Chairman, I want to refer him to guidelines in cases of child abuse which were developed within the Attorney-General's Department in September of 1976 by the Honourable Minister of Health, now the Member for St. Boniface and the Honourable Attorney-General at that time, now the Leader of the Opposition, who developed these guidelines in conjunction with the Director of Child Welfare, City Police, child-caring agencies in which, Mr. Chairman, as a result of experience with prosecutions in child abuse cases, they recommended that no criminal prosecutions be commenced without consultation with the local police, the appropriate child-caring agencies and the doctors involved in the case. They went on to offer a number of procedural ways in which complaints should be dealt with; reported through the regional offices of the Department of Health and Social Development, Children's Aid Society or local police departments and developed procedures for dealing with these matters in the best interests of the child.

Those guidelines, Mr. Chairman, did not preclude criminal prosecutions where the circumstances warrant it but were developed by this multi-disciplinary team approach to avoid criminal prosecutions, I think, in first offences where it was decided to be in the best interests of the child. So I can only recommend to the Member for Wellington that he consult with the Honourable Leader of the Opposition and the Member for St. Boniface further with respect to this matter and his caucus before he continues on in the vein that he has with respect to this matter.

As I said, Mr. Chairman, the guidelines do not preclude prosecutions. In the exact case the Member

for Wellington has raised and referred to, Mr. Chairman, I wish to indicate to him that the father in this case was charged with two counts of assault causing bodily harm and appeared in court on Monday of this week. I assume the Member for Wellington was not aware of that, Mr. Chairman, so I bring this matter to his attention.

While I'm speaking to this matter, Mr. Chairman, I'd like to raise, connected with this, a comment, Mr. Chairman, on the manner in which this matter has been raised. In writing to the senior Crown Attorney and to the City of Winnipeg Police Department the Member for Wellington indicated that he represented the mother involved in this matter and that she was his client. In both of these letters, Mr. Chairman, he specifically referred to the mother as his client. In Hansard yesterday on Page 3169 the Member for Wellington stated that the boy's parents were "constituents of mine" and appeared to raise the matter as a problem for his constituents. (Interjection)— The Member for St. Johns said some of his best clients are constituents and vice versa. But I just want to caution the Member for Wellington, Mr. Chairman, and the Member for St. Johns if that is indeed the practice that he follows also, that the Rules of this Chamber provide that a member shall not vote on any question in which he has a direct pecuniary interest. I think there's a clear implication, Mr. Chairman, that a member should not be raising a specific case in which he is financially involved with a client in this Chamber as a specific matter. I think the member could raise the general child abuse problem. I'm not, Mr. Chairman, going to raise this as a matter of privilege of this Assembly . . .

MR. CHAIRMAN: Order please. The Honourable Member for St. Johns on a point of order.

MR. SAUL CHERNIACK: I'm not worried about the Member for Wellington being able to speak for himself but I think it's unseemly for the Honourable Minister to tell me what my duties are in regard to The Legislative Assembly Act, or to my clients, or to my constituents. I resent the suggestion that I might be dealing contrary to The Legislative Assembly Act if I carry on that practice. Let's get it clear, Mr. Chairman, I said that some of my best clients are constituents and vice versa — period. That's all I said. If the Minister for Fitness and Recreation interprets that to mean that I represent them in this House in a capacity where I'm being paid then he doesn't understand English the way I do.

MR. MERCIER: I don't want to speak to the point of order, Mr. Chairman, I just want to continue.

MR. CHAIRMAN: I am recognizing you, continue.

MR. MERCIER: Mr. Chairman, as I indicated, I'm not attempting to raise it as a matter of privilege on this occasion but I'm just suggesting, Mr. Chairman, that a member of this Assembly should not be raising a particular matter where he represents one of the individuals involved and therefore has a direct financial interest in a particular case. Yesterday he was asking me to commence prosecutions in this matter, in a case involving one of his clients. I just don't think, Mr. Chairman, with all due respect to the Member for Wellington, that is an appropriate

manner to deal with in this House. So I'm just going to leave it there, Mr. Chairman, and hope this kind of situation does not arise.

In any event, Mr. Chairman, prior to any discussion taking place yesterday, proceedings had been started by the Crown Attorney involved last week and the individual father involved, as I indicated, was being charged with two counts of assault causing bodily harm and appeared in court on Monday of this week.

MR. CORRIN: Thank you, Mr. Chairman, I'm going to respond to the Attorney-General's rather vague and inferential and rather trumped-up charges but I'm going to try and maintain my perspective, because I don't know whether to take them seriously because I don't think he really himself does or could or can, or whether, if I were to scorn them and take them as earnest and serious remarks, give them the sort of treatment they should be accorded

Mr. Chairman, firstly, I want to indicate that in my letter to the City of Winnipeg Police Department and the Attorney-General's Department there was indication of the fact that I was representative of the lady. My representation with respect to the lady was with respect to a separation matter which has now been terminated for well over a month. I have never at any time been involved in any private prosecution proceedings with respect to criminal charges against Mr. X. The provisions of The Legislative Assembly Act do not apply. There is no pecuniary interest in advancing the case of the little boy who was abused by his father. Mr. Chairman, if the honourable member's departmental staff would have fulfilled their commitment and informed me, as they said they would in their letter of March 23rd, of what disposition they were going to make of this particular matter then, Mr. Chairman, that I think would have been well within the realm of responsible conduct on their part. If they would have done that, Mr. Chairman, perhaps the question of this particular case would never have to have been raised in this particular forum.

But, Mr. Chairman, I want to indicate that if the Minister thinks that he or his departmental staff are going to slide off the hook, are going to be able to skirt this sort of important policy issue, as child abuse is, simply by coming in here and raising their little red herrings and lacunae, I can tell him now, Mr. Chairman, that he has another think coming because, as long as I stand here and draw breath in this Chamber, I will continue to raise these sorts of substantial issues.

Mr. Chairman, I wish to indicate that my real concern is the rather neglectful attention which has been given this matter by the department and by this particular Minister. I conferred, as was suggested by the Minister, with my colleagues the Member for St. Boniface and the now-Leader of the Opposition, the former Attorney-General, I did indeed, after reading the Free Press article today, confer with them. Mr. Chairman, they indicate and they wish me to put on the record that when they took those preliminary steps child abuse was not a dramatic problem. They felt it was one that should be attended to and they felt there should be policy defined but it was not the sort of problem then that it is now, Mr. Chairman. The manifestation of this particular social problem, as evidenced by the statistics related in the several

articles in the Winnipeg Free Press in the past week, Mr. Chairman, is sufficient evidence that the then appropriate policy — the policy that was put in place by the former government some five-and-a-half years ago — is probably now outmoded and outdated. Mr. Chairman, it isn't just spending that should be subject to sunset laws. It isn't just a question of governmental expenditure but also general programming and policy position. I can say now that we've probably reached at least the penultimate if not the final session of this particular term of office, I can say to the Minister I am sorely disappointed with respect to this important issue he has not seen fit to revise or review, assess and evaluate the position taken by the former Attorney-General. It doesn't speak well for his government. It shows, Mr. Chairman, that this government has generally neglected to fulfill its responsibility.

So, Mr. Chairman, I don't suffer fools lightly and in this particular case I can say I regard the positions and the opinions of the Attorney-General as being somewhat spurious, out of order and certainly disrespectful.

MR. CHAIRMAN: (b) — pass — the Honourable Minister.

MR. MERCIER: Mr. Chairman, as I indicated earlier the Member for St. Johns has now returned and perhaps we could ask the Page to deliver to him a copy of the opinion from the firm of Courtois, Clarkson, Parsons and Tetreault to the Minister of Justice of Quebec with respect to the implications of an entrenched Charter of Rights.

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

MR. CHERNIACK: I thank the Minister. I agreed that I would accept it in its original language and I only hope he would also give me the memo which he said was prepared for him by his staff of some form of summary. If he can find it possible to do that I'd appreciate it. —(Interjection)— It's in French. The Chairman will now deal with it. I assume the Minister is also going to be dealing with the wire-tapping questions.

MR. MERCIER: Mr. Chairman, firstly the Member for Inkster raised a question yesterday with respect to tapes listened to in a case involving a member of this Assembly. I have to indicate through you, Mr. Chairman, that the question raised by the Member for Inkster is a question. It is an issue I'm informed that will be raised in the appeal proceedings before the Manitoba Court of Appeal as I understand it, sometime in the month of May. For that reason, Mr. Chairman, I'm not going to deal any further with that matter at this time.

With respect to questions raised by the Member for St. Johns with respect to the other Wilson case involving a gentleman by the name of James Wilson — the decision of His Honour Judge Dubiński — as I indicated to him this case is under consideration by the department as to whether or not an appeal should be launched therefore it is difficult to deal with the facts of that case. I do not have an estimate of costs involved in the police investigation yet, I see no difficulty in dealing with that question and

providing that information to the Member for St. Johns as soon as I receive it.

I believe he referred in his questions to the tapping of solicitor-client conversations. I can attempt to deal with that in a general way, Mr. Chairman. I would firstly refer the Member for St. Johns to the Criminal Code, Section 178.13 (1.1) which deals in part with the tapping of solicitor's telephones. It indicates, "No authorization may be given to intercept a private communication at the office or residence of a solicitor or at any other place ordinarily used by a solicitor and by other solicitors for the purpose of consultation with clients unless the judge to whom the application is made is satisfied that there are reasonable grounds to believe that the solicitor, or any other solicitor practising with him, any person employed by him or any other such solicitor or a member of the solicitor's household has been or is about to become a party to an offense". The procedures used with respect to calls that may involve a solicitor's telephone, Mr. Chairman, are such that they are not to be listened to where there is a lawyer-client call.

MR. CHERNIACK: Mr. Chairman, reference was made that not only was the wire-tap listened to of conversations as between solicitor and client but also that summaries were made and if summaries were made then on what justification? Does the Order of the Court say that may be done? Because I fear very much — and we all have reason to fear with an entrenched Bill of Rights or not — we have to be concerned about the protection to the individual especially when the Code makes it so clear that there must be protection in the case of wire-tapping. I fear the extent to which the investigative people go beyond the intent of the law and sometimes the specifics of the law. I wish I could ask the most searching questions possible to ensure that there is a review made of all that has been done. In this case I think the statement was made — and I suppose I have it somewhere — 5,000 pages of transcript were prepared from 1,000 hours of wire-tapping. I'd like to be assured that somebody has taken the trouble to read those 5,000 pages; has taken the trouble to ensure that it was not an excessive surveillance which did impinge on the rights of individuals who had nothing whatsoever to do with the investigation. Certainly not only were there investigative people listening to conversations between solicitor and client apparently but summaries were made. Now for whom were they made and for what purpose were they made? These are questions that I'd like to hear discussed.

MR. MERCIER: Mr. Chairman, I know that this is a difficult matter and I want to indicate to the Member for St. Johns I have some of his same concerns.

The procedures which I have indicated, Mr. Chairman, have been changed after this case which I understand goes back to 1978. In this case my advice is that were certainly no telephone calls tendered as evidence that were any way referred to solicitor-client calls but a log was tendered to prove continuity.

At the same time one of the factors that has to be taken into consideration as the Code indicates, a lawyer is not immune from an interception of a telephone call not related to a solicitor-client

privilege. This case was one of a number of cases involving five other accused persons — five other persons who plead guilty — one of whom was a lawyer who plead guilty to engaging in the business of betting.

MR. CHERNIACK: All right, Mr. Chairman, I accept the fact that not only lawyers in this Chamber can be subject to caution but so can lawyers outside of the Chamber but I've not yet heard the kind of assurance I think we should have.

For example, no lawyer is immune from investigation of his own acts which relate to an offence or the possibility of an offence. But if that client would be talking to his lawyer and saying well now I did the following things, I spoke to so-and-so. I contacted so-and-so. I did the following thing with so-and-so, that gives a lead to the person listening as to where else to conduct investigations and that is improper in my opinion because that person is speaking to his lawyer believing — it was only an hour or so ago I talked about confidentiality being imposed on lawyers — believing that what he was saying to the lawyer was not going any further therefore he spoke openly and freely.

We still believe in the principle that a person is innocent until proven guilty and that he has a right to tell his lawyer all kinds of confessions with complete confidence that it would not be repeated. But the person listening need not bring it in as evidence. I would be amazed to hear that it was used as evidence. So the assurance that it wasn't used as evidence means nothing to me. What I'd like to know is what investigation is made after the fact, after the case?

Just to review — somebody in an impartial non-investigative procedure to review the extent to which there may have been abuse. That abuse could well be that they made a mental note or even a written note to check out so-and-so because it seems like this client told his lawyer something that we would like to know about and that the Minister knows is wrong. The statement that it was to show continuity, to prove continuity I don't buy that, I'm sorry. I don't see the need to prove continuity by having a summary made in order to show each phone call. They could clearly state the 5:45 phone call, so-and-so to so-and-so, not relevant. I wouldn't be happy with it, Mr. Chairman.

I believe there has to be somebody on the part of the Attorney-General — and I'm not saying the Ombudsman — but there has to be somebody to protect the rights of people who are being spied upon in a manner that is only legal with the court's approval. I would like to know and I ask the Minister directly, is there anybody he knows about who reviews the taping and the transcribing to look from the standpoint of protection of the rights of individuals, rather than just looking at what evidence can we derive from this? Is there anybody that he knows of who is charged with that responsibility? I suggest to him there ought to be because he the Minister — and he says personally more recently — is the one who has authorized the application for wiretap and he has to know whether he has been used in some way to permit somebody to go beyond the intent of the Act.

While I'm speaking about this I wonder when he said new procedures have been adopted, are they in

writing? Are they available to the public? Could we get a copy of that to see what the procedures are? Because if they are not in printed form then what benefit would it be to future Ministers, or what benefit would it be to other people who have to give that kind of permission?

Finally, I don't want to overlook the fact that the Minister I believe has undertaken to try to give us some estimate of the costs involved in this last case — I hope it'll come while we're in session so we'll know about it — because then, Mr. Chairman, I may be inclined to go back and talk about how much is enough for what kind of a case. I mention that in regard to Kasser, Reiser and company; I mention that in regard to bookmaking as compared with other matters — I seldom read detective stories but I happen to be reading one currently — and there the detective is able to solve all problems on the scene of the murder before the matter has proceeded beyond some 12 hours, the answers are there, he has seen it all and I can't help but believe that surely some aspiring investigative sources try to achieve that kind of relatively inexpensive investigation.

There always has to be a measure in everything we do. We have to judge the consequences of our actions and we have to judge whether or not the result is worth the effort. We do that all the time, each one of us makes that kind of decision. We discriminate in our minds as to whether it's worth doing a certain thing in order to accomplish a certain end.

That's another question I'd like to know, who reviews after a matter is ended, the costs involved in manpower, in effort and in money compared with the results achieved or results attempted to be achieved? I know the Crown cannot be infallible, the Crown has to lose cases — I don't fault the Crown because it has lost cases unless it has acted foolishly and should not have proceeded — but there always has to be a measure and I'd like to know who does that and to what extent it's done and not just lip service? But I fear very much; the people I see before me from the department I know are very busy people. I can't imagine that they would sit and do this kind of a post-review task but somebody should be doing it at all times and I wonder if it's left to the investigative people, to the inspectors, or superintendents of police or whether it's done at the Attorney-General's level which looks after prosecutions.

Finally, Mr. Chairman, we are going to get the costs of this particular case we referred to which I think guessed at \$200,000 which is a very substantial sum of money. I think the Minister said that it would be the expense of the City of Winnipeg. If it is I'm wondering who reviews it there because having been an alderman and a councillor many years ago I don't recall that we ever were informed of that kind of detail — as a matter of fact maybe we wouldn't have been anyway — but I don't remember that kind of discussion and yet it is relevant therefore I pose the question.

MR. MERCIER: Mr. Chairman, as I have indicated I am attempting to obtain that review of cost to attempt to fix them and ascertain whether the Estimates that we've seen in the press are accurate. As the Member for St. Johns indicated whatever those costs are, those investigative costs, those are

costs to the City of Winnipeg and its Police Department. The Police Department has a Winnipeg Police Commission who have some involvement as I understand it in their Budget as well as a Finance Committee of the City of Winnipeg. It might very well be if those cost estimates were accurate the next time the Chief of the City of Winnipeg Police Department asks for five constables to walk the beat in the core area of the city or additional constables to do traffic patrol in some location in the city the Winnipeg Police Commission itself may wish to have a look at and ask some questions of the Police Department as to their priorities. But that's assuming the accuracy of the costs that have been estimated by some people in the news media.

Now with respect to the tapping of solicitor-client calls, as I've indicated new procedures were developed since this case to attempt to ensure that true solicitor-client calls were not listened to. This will be part of the review that we are undertaking of the particular case to assure that these types of calls are not the subject of wiretapping because I think everyone in this House would agree they should not be listened to as part of any authorization to intercept telephone calls. In the course of this review I'm sure that my department, the crown attorneys involved, senior members and the administration of this department would have the very same concern that any police investigative methods that are used should not interfere or disclose any part of what is the solicitor-client privilege.

MR. CHAIRMAN: The Honourable Member for Wellington.

MR. CORRIN: Thank you, Mr. Chairman, I too would like to discuss this important subject. I'm pleased to hear that the Attorney-General's department is in the process and has formulated some guidelines with respect to this matter because we have repeatedly debated it or discussed it during the course of previous Estimates over the past three to four years and I think it deserves a great deal of attention.

Mr. Chairman, I would like to be apprised of whether or not there has been a case in the past three-and-a-half years during the tenure of this government, where an application for a wiretap authorization has actually been denied by a Queen's Bench judge. Has the department actually had occasion to have been refused by a judge reviewing such an application? I believe all applications are by virtue of the legislation made — and I guess quite naturally — *ex parte*, although I want to go into that in more depth and detail in a few moments because there is *ex parte* and there is *ex parte*. *Ex parte* means without notice, Mr. Chairman, — it's a term that your parents spend a lot of money in order for a young lawyer to acquire which one wonders why the Latin legalese has to be used instead of the English — it's a term which just simply means that an application can be made in a rather unorthodox fashion without notice having been given to an affected party. It's all a question of how you define affected parties and that's what I want to go into, Mr. Chairman, in a few moments but I'd be interested to know whether there has been a case where there has been a denial by the courts.

MR. MERCIER: Mr. Chairman, the report which was published in the Manitoba Gazette which was

commented on in the news media by the Member for Wellington shows that no applications were refused by a judge. Now, Mr. Chairman, at the same time I want to repeat the matters that I spoke of yesterday that any applications have to be approved, for example in the City of Winnipeg, firstly by one of three senior members of the Winnipeg City Police Force. They have to be reviewed and approved by Crown attorney involved, by senior members of my department. When I say that they were not refused, at the same time I say that many of them, and I can't indicate the exact number, but I know the terms of the orders have been revised by the judge who heard the application and conditions have in some cases been inserted by the judges in reviewing the application made by the Crown attorney involved and at the same time, Mr. Chairman, I make that point about the senior levels of authority who have to review these applications to screen them all and the fact that although none have been refused, those that have gotten through the screening process, I know many have been amended by the judges hearing the applications and various conditions imposed.

MR. CORRIN: That's my concern and now, Mr. Chairman, having been apprised of that information I will dwell on my concern about ex parte applications. Generally, I can say from the outset that ex parte applications, applications without notice to affected parties are highly unusual. They are usually subject to sharp judicial scrutiny because of their unorthodox nature and because peoples' rights can be affected without any notice being given to the person so affected. In this case, Mr. Chairman, there are certain people who are involved who confer and who have various representative capacities; we are told that the senior police officials confer with the Crown attorney responsible for the investigation and we're told quite properly that senior officials of the Crown attorney's department I guess approve, generally approve, of the applications before they're vetted onto the courts by way of motion.

My concern is, Mr. Chairman, and it's one that poses a bit of a quandary because I'm not sure there is an absolute answer. My concern is that there be somebody to represent the people who may be affected but who are not the subject of the authorization application. I'm talking about, Mr. Chairman, innocent third parties whose telephone calls may be intercepted and the Member for St. Johns was talking about this a few moments ago; he talked about lawyer's communications with clients being intercepted on a nondiscriminating basis. I'm concerned, Mr. Chairman, particularly because I know that it is a prevailing practice with respect to both the practice of the Solicitor-General, that is the Federal Solicitor-General's Department and the Provincial Attorney-General's Department to make application for what are known generically as basket clauses when they come before the Queen's Bench Justices who hear these applications. Now I know that, Mr. Chairman, because I went to MTS and I made some inquiries, MTS being the Manitoba Telephone System, because they have to be presented with the authorization prior to doing the necessary technical work to facilitate the interceptions. And I found out that very often there is a clause and it reads usually something like this; it

usually talks about general descriptions of the places at which private communications may be intercepted; then generally there will be an enumeration by way of address of various places, it will be by way of street, avenue and business premises at certain place and place and such and such, then they will say things like this: Other places within the Province of Manitoba both stationary and mobile — presumably that's to include people who have telephones in their automobiles or trucks — to which the said — and then it will give the names of people who are under investigation — may resort to, use or be present at. It usually includes the use of electromagnet, acoustical, mechanical or other devices which are capable of intercepting either telecommunications or oral communications.

The Member for St. Johns is concerned about telephone bugging devices. Well, the orders usually go well beyond that into the realm of bugging devices which can be installed or inserted in your private residence or your business premises or wherever, I suppose; or those of your friends, those of your friends and relatives. Very often, Mr. Chairman, there is another clause. It also will say, any other persons as yet unknown at places set out in the authorization, and as I said before, it talks about other places within the Province of Manitoba, both stationary and mobile.

Mr. Chairman, I want to tell you that during the course of the Wilson investigation, and now we're talking about "The Wilson Case", the one that affected us so much last year, there was a telephone booth at Hy's Steak Loft that was the subject of telephone interception for a long period of time. So I want you to know if anybody in the City of Winnipeg or in the Province of Manitoba or any tourist came into the city and used the telephone booth at Hy's Steak Loft in the year, 1979 or '80, it was likely that their conversations were all put on tape. Now, Mr. Chairman, I don't whether you find that alarming — and I'm told that eventually this was authorized. A matter of fact, I've now received a copy of the authorization to — and this is interesting — tap the business premises at Hy's Steak Loft cocktail lounge. Well, when I read that, Mr. Chairman, I said when they talk about business premises they were talking about certain business telephones. That's how I would have read it, Mr. Chairman, if I were looking at that authorization. But, Mr. Chairman, I'm assured by people who were involved in the interception — and I know for a fact because of the material that was adduced by way of evidence at the Wilson trial, that telephone calls were intercepted from the public-pay telephone, owned and maintained and operated by the Manitoba Telephone System, in a public area in the foyer part of the premises at Hy's Steak Loft. So, Mr. Chairman, as I said, I haven't been there in more years than I can remember but if anybody's had the pleasure and the privilege of visiting that fine restaurant in the past couple of years and used that public-pay phone you're on tape. Whatever you said, you were on sort of "Candid Camera" that evening or that day.

Now, Mr. Chairman, I ask you, in all fairness now, and I ask the Attorney-General, is it necessary for that sort of dragnet to be cast when trying to apprehend a suspected criminal? I suppose I can respect the necessity of using this methodology. I

know that in certain cases the police are at loggerheads trying to get sufficient information to bring an investigation to a head and closed, and I know that sometimes very valuable evidence can be gleaned from this sort of investigative technique. But, Mr. Chairman, a public-pay telephone in a popularly used restaurant in the city where over, I'd imagine, in the course of a year probably thousands of people made personal telephone calls? I'm sure thousands, Mr. Chairman. And 99.9 percent of the people that attended upon that particular restaurant were law abiding, tax paying, law respecting citizens. I think that there have to be some checks and balances; if anybody doubts it I have the authorization, I'll provide it; I have photocopies of the authorization. They were signed by — I can't read his signature, I'll have to look at the beginning — by Mr. Justice Solomon of the Court of Queen's Bench.

Mr. Chairman, what are we doing? I mean where are we going? As I said, I respect the need for enforcement of the law, I respect the need for the police to go about their business but, really, really, Mr. Chairman, who is representing the public interest? That's what I was talking about when I say there is *ex parte* and there is *ex parte*. Surely the Solicitor-General of Canada and the Attorney-General of Manitoba have a responsibility when they review these matters, to look at what is being asked for and say, is this really in the public interest? Is this the only way we can do this?

I want you to know, I have further reservations, Mr. Chairman, I'm looking at this particular authorization. Business premises in Winnipeg — I'm not going to give the name, Mr. Chairman, but I'll share them with any member that wants to look at it, it's a matter of public record; I'm not going to mention the name; there is a business premises listed here. I don't know whether the proprietor of that business — I guess by now he has received notice that he was a subject of taping. I don't know why, Mr. Chairman, his premises were so honoured but I have a feeling that he could be justifiably indignant. Maybe he has a person who had access to one of his business telephones that was involved in suspected behaviour; but, really, Mr. Chairman, I would think there would be people in the room that would know this gentleman. They would be sharply critical of the need to authorize this sort of dragnet in order to monitor the calls at that particular business and individual. Frankly it's disgusting. It's disgusting. So, Mr. Chairman, where are we going?

Does the Attorney-General sort of see himself in a position of being a responsible protector of the public interest in two senses? Does he himself as being the chief law enforcer as well as the chief preserver of privacy? Does he wear both those hats when he and his staff look at these applications and go to court? I'm told in the last year the judges have not refused any such applications. Well, I'd really like to know, Mr. Chairman, exactly what goes on in those *ex parte* applications. There is no member of the public or press there; there is nobody there to represent Joe Doaks, John Q citizen, with the exception of Attorney-General staff. What is going on?

We also know that a telephone in the caucus room in the course of this Wilson investigation, there was also a rotary line in the P.C. caucus room that was

tapped; that was for a long time. You know, yesterday, or the day — I guess it was the day before the member said he was assured that there was only one person whose calls were intercepted and that any other callers communicating on that trunk line were not the subject of monitoring.

A few questions, Mr. Chairman, arise out of that. One, how could a Free Press reporter who was sitting in at the trial remember the member for — I hope I'm right — the Member for Rhineland talking on the telephone with somebody and saying "you bring the coke and I'll bring the pot" and it was a big joke? It was a big joke, everybody laughed because everybody knew that the Member for Rhineland would probably be the last person in Manitoba to ever be involved in that sort of activity. But, Mr. Chairman, the question is if there was only that one person how in the heck did it come to pass that that conversation was made known in a trial? If that is true, why did that one slip by? Well, it's not a question of honour because he wasn't doing anything wrong. It's a question of why was that interception intercepted? Secondly, Mr. Chairman, that's a rotary line, 944-4042. I think that is the caucus number and it probably includes every line in there. If you phone that number, you can speak to anybody.

Mr. Chairman, why is the Attorney-General authorizing that? In that case, Mr. Chairman, why does the Solicitor-General of Canada feel free — and I respect the fact that the Attorney-General wasn't consulted, he says from his seat he didn't, I accept that — why in the heck is the Solicitor-General of Canada tapping the telephones in the caucus room of members here without consulting with his counterpart in the province? Seriously, where does Mr. Kaplan get off doing that? I'm not sure whether he was the Solicitor-General that was responsible. Where does his department think that they can get off trying that?

It was somewhat interesting, a few months afterwards there was a little letter circulated by the Honourable Solicitor-General from Ottawa to all the Speakers of the 10 provincial Legislatures. I kept it, it's a collector's copy, Mr. Chairman. He was asking for advice. He wanted advice from speakers and members of the various Chambers of this country as to what sort of policy the RCMP should have with respect to wiretap interceptions of members' communications. Do you know why he was asking, Mr. Chairman? Because in British Columbia they didn't turn the other cheek. They got mad. It happened there too; the same little game was played there with a rotary trunk line and a few of the members' communications were intercepted and a few of the members found out about it and the Committee of Privileges and Elections in British Columbia sat and they dealt with it, they reported it and they scathed, they excoriated and scathed on this subject, Mr. Chairman.

I want you to hear, we should share this because I think as I said I should have it framed. This is the same individual who can tap the telephones of Manitoba MLAs with no pangs of conscience after getting caught with his hand in the cookie jar in both the Yukon and British Columbia then is in a consultative mood. Suddenly he wants dialogue, communication. (Interjection)— It's a joke, it's a bit of joke. After the horse has left the barn he suddenly

wants to close the door. He says, "Dear Mr. Graham: I am writing to consult you" — and I can table this because I think we all got copies anyway because Mr. Speaker sent them to all members — "I am writing to consult you about questions of privilege for elected representatives in your jurisdiction in relation to various legal processes. My purpose is to formulate policies in this area for the RCMP. I have recently received correspondence from Mr. Tony Penikett, MLA, who is Chairman of the Special Committee on Privileges of the Yukon Legislative Assembly. Mr. Penikett has informed me that his Committee has been charged with the responsibility of investigating and reporting on whether there has been a breach of privilege as a result of the electronic surveillance by the RCMP of a member's telephone communications. Indeed, it is possible that you have received correspondence from Mr. Penikett" — I think everybody probably did; all the Speakers I'm sure were in receipt of such correspondence. "because he was kind enough to enclose a copy of his letter dated April 25, 1980, which has been sent to many Canadian parliamentary authorities." Damn right. Mr. Penikett was incensed. Mr. Penikett wanted to know what everybody else was going to do with respect to this vital important problem. "In addition I have received and considered a report of the Special Committee on Privileges of the British Columbia Legislative Assembly authorized to consider the matter of the interception of a member's communications by the RCMP during several months in 1977. I am attaching for your information a copy of the British Columbia Special Committee Report. You will note that the Committee was of the unanimous opinion that the actions of the RCMP constituted a breach of privilege and a contempt of their Legislature." That is what has to rank as one of the greatest understatements of this or any other political year, Mr. Chairman. I've read the report and I can assure you that the language was somewhat more critical and somewhat stronger than was related by the Solicitor-General of this country. He goes on and on at great length to relate various alternatives and all the things he would like to know and he wants to know whether there have been any offensive activities — I get a bit of a kick out of this — he wants to know whether we have made any rulings with respect to wire-tapping. He wants to know whether we have special legislation detailing special rights and immunities for elected representatives. He wants to know whether we've had any experience and we can say that we've had that in spades, Mr. Chairman, thanks to ex parte Solicitor-General's applications. And he's concerned because he notes that innocent third parties who were merely trying to communicate with their MLAs and discuss matters of personal importance to them are then becoming the subject of this sort of investigation. From time to time I suppose even MLAs must get privileged communications. Somebody might want to say something to an MLA that they wouldn't want to share with the world at large.

So, Mr. Chairman, one really wonders where we are going. I could say that we're probably going to — if it's parliamentary — to hell in a hand basket, Mr. Chairman, because the wire-tap issue is one that demands resolution; it's long overdue in this country.

We talk about it. We continually seem to be debating it. The McDonald Commission has now heard evidence. Just a few weeks ago it was conclusively proven that the RCMP even though they denied it to Justice McDonald and his Commission for many months were indeed tapping telephones long before the protection of privacy portion of the Criminal Code was put in place. So the disrespect for the law as it then existed was ongoing well before 1973 or 1974 whenever it was that legislation was proclaimed.

So, Mr. Chairman, I would like to know what the Attorney-General of Manitoba is going to do. I would like to know what he's going to do about these types of basket clauses. I can say that if I were in a position to do anything about it, if I were in his shoes I would challenge the jurisdiction. I would take a reference to the court to find out whether a basket clause is proper within the Terms of Reference of the Criminal Code or whether there has to be specificity, whether the Code requires at least some specificity. As I said before the Hy's Steak Loft incident — that telephone is not owned by Hy's. The warrant says business premises at Hy's. Well, the telephone was owned by the Manitoba Telephone System. I want you to know that there are people at the Telephone System who have concerns about that; they are not happy. They didn't like to have to do it. They feel they have a responsibility to the public they serve and they didn't like being put in the invidious position of having to tap literally the conversations of hundreds if not thousands of responsible respectable citizens in this province. They didn't enjoy it and they don't want it to be recurring again. Mr. Chairman, I can tell you that I feel very strongly about this. I think that there should be a challenge on behalf of the people of Manitoba through the Attorney-General's Department. If not, there should be consultation with Manitoba Telephone System to see whether they are willing to initiate a challenge. If that fails, Mr. Chairman, perhaps that's a secondary step. The primary step should be to see the Solicitor-General who's so interested about the privileged conversations of Canadians. Somebody should go down to Ottawa and talk to him about this whole situation. They should get him in a room with Justice McDonald. Perhaps once and for all he should be . . . although he's managed to delay action on the McDonald findings as they have been coming forward for years. Somebody should put it to him that it's time to take some action.

I think in this province, Mr. Chairman, we should have a definitive policy. I think we should say basket clauses are out. We should say that the Attorney-General is going to be looking at everything from two points of view. The Attorney-General is going to want to sharply assess each application from the private citizen's point of view as well as the police point of view, respecting that both are important but wanting to keep a balance. Because, Mr. Chairman, we don't need to have the dwellings and conversations of law-abiding citizens invaded by the people who are paid by their hard-won tax dollars to protect them. We really don't need that. I can assure you the business person mentioned in this warrant doesn't need that sort of aggravation. He doesn't have to have some RCMP officer putting an acoustic, mechanical device capable of intercepting his oral communications in

his office. He doesn't need that, Mr. Chairman. That's not why he chooses to do business in Manitoba. That's not why he responsibly pays his taxes each year to the Receiver General of this country. I can tell you that the people who are enjoying a few moments of leisure with again hard-earned dollars in Hy's Steak Loft don't have to go home at night wondering whether the RCMP just found out about this communication or that communication, because I don't care who is in that police force, Mr. Chairman, you can tell me that they have all taken an oath of service and honour. Mr. Chairman, there are bad apples and there's a potential for blackmail.

Mr. Chairman, there are certain types of conversations that . . . they don't talk about illegal activity but may bring ethical matters, moral matters, things that are beyond the realm of the law into question. I respect the right of people to do legal things within their own bounds of propriety without those matters being the subject of eavesdropping by the police authorities of this country. I want you to know that some of the people that go to Hy's Steak Loft are probably more capable of handling that information than the officers who served them in the RCMP office. They're just as capable of looking after their own rights as the police people that their tax dollars pay.

So I want some action, Mr. Chairman, this is the fourth year, I want some action. I want the Attorney-General to take a position that is strong and definitive and categorical. I want him to give what-for to the Solicitor-General of this country.

MR. MERCIER: Mr. Chairman, the Member for Wellington has acknowledged that this was a federal prosecution, not a provincial prosecution. It again is the subject matter of an appeal in the Court of Appeal later on this month. Further, as I understand the letter to the Speaker, the Speaker that the committee of this Legislature will probably consider that letter from the Solicitor-General when this matter involving a member of the Legislature is completed in the courts.

Now, Mr. Chairman, the Member for Wellington has referred to a certain clause that appeared in the matter to be heard in the Court of Appeal later this month. My understanding generally is that is the kind of clause that is questioned most often by judges to whom applications are made. It's interesting to note, Mr. Chairman, my understanding of this matter of wire-tap procedure originally was that such order should be approved by the Attorney-Generals in each province. Then there was a shift in thinking and it was thought better that these orders should be approved by independent members of the judiciary which is currently the situation under the legislation.

Now the Member for Wellington seems to be taking the attack that Attorney-Generals should be approving these kinds of applications. I have to point out again to him, Mr. Chairman, the serious manner in which this department considers such applications. They require the approval of senior officers of the Police Departments, senior members of the administration in the Attorney-General's Department and for the last period of year I have reviewed them myself. I can indicate to the Member for Wellington that I have not approved them all, Mr. Chairman, when they have gone before judges, although they

have not issued orders on the same basis as the drafts that appeared before them. Mr. Chairman, I have to point out the Member for Wellington too that . . .

MR. CHAIRMAN: Order please. The hour is 4:30. I'm interrupting the proceedings for Private Members' Hour and will return into Committee at 8:00 o'clock this evening.

PRIVATE MEMBERS' HOUR

MR. SPEAKER: Order please. We are now under Private Members' Hour. On Thursdays the first item of business is Public Bills followed by Private Bills and then Resolutions.

Bill No. 5, An Act to amend The Gasoline Tax Act, The Motive Fuel Tax Act, The Revenue Act, 1964, The Retail Sales Tax Act, and The Tobacco Tax Act, standing in the name of the Honourable Member for Minnedosa. (Stands)

Bill No. 14, An Act to amend The Medical Act, standing in the name of the Honourable Member for Rhineland. (Stands)

Bill No. 17, The Medical Act, standing in the name of the Honourable Member for Logan. (Stands)

Bill No. 18, The Pharmaceutical Act, standing in the name of the Honourable Member for Logan. (Stands)

Bill No. 20, The Registered Dieticians Act, standing in the name of the Honourable Member for Logan. (Stands)

Bill No. 21, The Physiotherapists Act, the Honourable Member for Logan. (Stands)

Bill No. 24, An Act to amend The Condominium Act (2), the Honourable Member for Logan. (Stands)

Bill No. 28, An Act to amend The Employment Services Act, the Honourable Member for Gladstone. (Stands)

Bill No. 30, the Honourable Member for Logan.

MR. JENKINS: Stand, Mr. Speaker, 30, 37 and 40.

MR. SPEAKER: Bill No. 43, An Act to amend The Public Utilities Board Act. (Stands)

SECOND READING — PUBLIC BILLS

MR. SPEAKER: We will proceed with Public Bills.

Bill No. 47, The Interior Designers Association of Manitoba Act.

MR. STEEN presented Bill No. 47, The Interior Designers Association of Manitoba Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Member for Crescentwood.

MR. STEEN: Mr. Speaker, in moving this Bill, and I'd like to say a few words about the Bill and the association that it represents. The interior design profession is a relatively young profession. The professional association in this Province, the Interior Designers Institute of Manitoba, was formed some 27 years ago in an Act that was passed in this very Legislature at that time. The Act did little more than

to incorporate their association and at that time interior design was a relatively small field of persons in the design profession mainly working in the residential aspect of that profession. Interior design since then, Mr. Speaker, has grown to include commercial and institutional projects on large scales as well as on relatively small scales. Residential interior design work is still continued on by many of their members. Their membership now totals approximately 150 designers throughout our province and these people average about half-a-million dollars worth of interior construction and furnishing design work per year. The growth in this profession over the past years, Mr. Speaker, is mainly due to increased public awareness of the benefits of good design and the services these designers provide our public in the form of interior design services.

Problems that have been caused by the growth over the years, Mr. Speaker, as far as this profession is concerned are similar to problems that other professions have faced here in the Province of Manitoba and elsewhere. The increased demand for interior design services over the past few years has caused some unfortunate problems. Persons who are not qualified to perform this work have started to hold themselves out as interior designers and have, Mr. Speaker, even advertised in the telephone directory as interior designers and in some cases, mislead the public to some degree that they are professionally trained and competent to do the work. A listing in the yellow pages will show you the interior designers and what their Association has had to do over the past few years is to buy a block ad and within that block ad, list the persons who they feel have either graduated from the School of Interior Design, or have shown that they are competent in order to carry out that profession. So the public has had some degree of difficulty in distinguishing just who is an interior designer and who isn't.

Another problem that has occurred within that profession, Mr. Speaker, is that often a person will be asked for professional advice regarding furnishings for a commercial venture. In recommending certain furnishings be used, they are not only charging a fee to the client for the recommendations, but are also receiving a payment from the company that manufactures the furnishings, like a commission. It is felt by the interior design professionals that a person shouldn't receive a fee for service as well as what could be termed as a "kickback", from the supplier of the merchandise. So hopefully, with the passing of this bill, such actions as that will not be continued into the future, sort of like a buyer beware situation.

The solution of these problems lies, in my opinion, Mr. Speaker, in the proposed new Interior Designers Act. This Act takes into account that an architect can carry on doing the professional services that he or she are currently doing and if within their architectural field, interior design is certainly accepted by the interior designers.

To be a qualified interior designer takes four years at the University of Manitoba here but the interior designers in this bill do have what is often referred to, Mr. Speaker, as a "grandfather clause." That is somebody who has practiced the interior design service for a number of years and who are competent in this practice, being admitted into their

Association and entitled to practice as interior designers. The rule of thumb is that if a graduate with four years of training will put in two years of articling or apprenticeship — whichever term one prefers — afterwards and then will be able to and be permitted to practice with the interior design qualifications. Now someone who hasn't attended the Faculty of Interior Design but has worked in the field on a full-time basis, if they have 10 years of service in that field, meaning two years of actual practice equal or equivalent to each year in school, giving them eight, plus the two years of apprenticeship the graduate would put in before they are called a professional, may submit an application to the Interior Design Association. If their work is of professional capabilities and competence, they will be permitted to be a full-fledged member of the Interior Design Association.

The second important aspect of this bill in my opinion, Mr. Speaker, is so that you and I, if we are wanting to obtain the services of an interior designer and we are not satisfied with the service that has been provided with us, that we can complain and register a formal complaint with the Interior Design Association. They have a committee that will investigate our complaint against that particular member and try and make settlement between the person from the public and that particular member. So that they want to police their own members' activities in the best interests of the public.

I think, Mr. Speaker, that the Interior Design Association are similar to the Architects Association and the Engineers Association. They want to protect their members in their dealings with the public and protect the public in the dealings they have with their own members. One drawback to this bill when it was introduced a year ago by another member on this side of the House was that it didn't at that time have the grandfather clause in it, so that persons who had been practicing as interior designers for some 15 or 20 years were not permitted to join the Association and be part of the profession. Now that provision is well within the bill.

Also, another drawback to the bill of a year ago was that it was an infringement upon the profession of the architects. That has been cleared up. I have a letter from the Architects Association of Manitoba that says they are no longer in disapproval of the bill because their profession has been looked after and that they can continue to practice architecture and interior design as well.

So, Mr. Speaker, with those comments I would recommend that the bill go to committee and that we hear at that time, public representation, etc.

MR. SPEAKER: The Honourable Member for Logan.

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

MOTION presented and carried.

BILL NO. 49 — AN ACT TO AMEND THE LANDLORD AND TENANT ACT (2)

MR. CORRIN presented Bill No. 49, An Act to amend The Landlord and Tenant Act (2), for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Member for Wellington.

MR. CORRIN: Mr. Speaker, this particular bill I hope, if accepted by members of the Assembly and I hope to convince members of the Assembly on this occasion, that they should be supportive, will serve to plug a loophole which is costing many Manitobans, I suppose hundreds of dollars, situation to situation.

The basic purpose of the legislation, Mr. Speaker, is to provide a mechanism to deal with the recovery of moneys that are pledged by tenants with landlords, as security deposits, in situations and circumstances where landlords either go into bankruptcy or misappropriate the security deposit funds for their own purposes.

Now, Mr. Speaker, this is apparently these days, not an unusual situation. It first came to my attention as a result of a telephone communication I had with a constituent, that all the tenants in a certain block in Winnipeg had lost their security deposits on the occasion of the landlord's bankruptcy and, Mr. Speaker, I was shocked, because you know, people who are at all familiar with landlord and tenant legislation and relations will, I think, all at least initially agree that those moneys are supposed to be more or less held in trust between the parties to the tenancy agreement, the landlord and the tenant.

Well, I looked at the legislation and read it closely and then, Mr. Speaker, I spoke to officials at the Rentalsman's Office and certain trustees in bankruptcy and these parties, Mr. Speaker, all confirmed that there was no protection for a tenant whose security deposits became the subject of an assignment in bankruptcy by a bankrupt landlord.

Now we all know that I can refer to the Winnipeg Free Press report on business, March 20th, 1981, page 27, that bankruptcy liabilities in this province are the highest in ten years, so this is a pervasive problem with the province, Mr. Speaker, affecting literally hundreds of tenants and I'm glad that the Minister responsible for the legislation is now in his place and hopefully can respond to my remarks this afternoon.

Mr. Speaker, I believe and I am sure, I would hope everyone believes that there has to be some protection for tenants put in this situation. The purpose of a security deposit, Mr. Speaker, is to assure the landlord that should a tenant default on the terms of his or tenancy by creating damages, that the landlord will not be prejudiced by having to put out expenses in order to effect the repairs to put the premises back into the original state and condition. But no one ever contemplated, Mr. Speaker, that we would be dealing with situations where landlords would be going bankrupt and the creditors of the bankrupt landlord would ultimately benefit from the insolvency.

The tenants literally have been put in a position where they have lost all their security deposits. I'm told by one Manitoba trustee that there was a case a few years ago in Thompson, Manitoba, wherein literally dozens of tenants in an apartment block, one of the larger apartments in that city, lost all their security deposits as a result of a bankruptcy and there was nothing that could be done. I believe there was a court challenge and the court held that the law, as it was drafted, did not constitute a trust in

favour of the tenant and that the landlord was not in a trust position, vis-a-vis the tenant. So it was held that the creditors could appropriate those funds for their relief.

Well, Mr. Speaker, this is a fairly severe consequence. Some people with rents as they are today have several hundred dollars tied up in a security deposit plus the interest that's supposed to accrue thereon, which I believe is now around 8 or 9 percent a year, from the time the moneys were put in deposit to the time that they draw it out, when they leave the premises. In, for instance, the Member for Fort Rouge's area, for instance I'll give an example of the Wellington Crescent area in Fort Rouge, where suites rent very often between \$500 and \$700 or \$800 a month, it wouldn't be uncommon for a security deposit to stand in the amount of between \$250 and perhaps even \$400 with interest accruing.

So when we're talking about high rises that could be anywhere between 10 and 25 or 35 stories, to use the colloquialism, we're not talking about chicken-feed. That's a lot of money; we can be talking in terms of a hundred tenants.

Now, Mr. Speaker, even more alarming, the trustee in bankruptcy and the rentalsman confirmed to me, and I do wish that the Minister of Housing would listen, Mr. Speaker, because he's going to respond to this, I hope, in the next few minutes. I wish he would listen once in a while, it's his responsibility to do so. He told me that there were cases where they had found upon a bankruptcy, they had found upon a bankruptcy, Mr. Speaker, that not only were the moneys not available to the tenants but he told me that there were cases where the money was not available to the creditors either, because there have been instances where landlords have mixed the money, have mixed the security moneys with their private in holdings, their private investments, and those moneys have either been lost in gambling sprees at Las Vegas. He said that he knew of a case where a landlord had gone down to Las Vegas and gambled away the security deposits of all the tenants in his suites and then come to the bankruptcy hearing and told the creditors that he couldn't do anything, that everybody was out of luck because he had spent the several thousand dollars and he had lost it all.

There are also cases, Mr. Speaker, I'm advised where these moneys have actually been invested; people have bought gold with it, they've invested in stocks. In my opinion, this is shocking, Mr. Speaker. There was no contemplation that these sort of moneys would ever be used in this sort of abusive fashion by landlords. Mr. Speaker, I want to put on record the fact that I do not believe that this is a common practice. I don't want Sydney Silverman or the people he represents to start writing or telephoning me and saying Mr. Corrin you have slandered us, you have libeled us in the House; that's not my intention. I'm aware that this sort of practice could only be perpetrated by but a very small minority of landlords in this province. Unfortunately, Mr. Speaker, as with almost all restrictive laws it's the requirement to protect the general public, the majority, from the depredatory approaches of but a very small minority.

MR. SPEAKER: Order, please. Perhaps then in effort to assist the honourable member I should read

part of Citation 362 to him. "It is the member's duty to ascertain the truth of any statement before he brings it to the attention of Parliament". So I would hope that the honourable member would govern himself accordingly in the statements that he is making. The Honourable Member for Wellington.

MR. CORRIN: Mr. Speaker, I can assure you that the bankruptcy trustees I spoke to and the Rentalsman are most reputable and I can assure you that I am only relating the information that was provided to me. If you wish I'll make you privy to the — you know the name of the Rentalsman — I'll make you privy to the name of the trustee in bankruptcy; I can assure you that his credibility could not be challenged. I don't think anybody would want to challenge it.

Mr. Speaker, as I was saying, it's but a small minority of landlords that necessitate this sort of approach and reform. I'm sure that 99 percent of the landlords in the province wouldn't think of taking the money and going off to Vegas, wouldn't think of investing it in the future's market, or in the stock market; but unfortunately there's always the few bad apples that ruin it for all the rest, the reputable businesspeople who carry on normal business relations.

Mr. Speaker, I am suggesting that it is time that we provide remedial legislation that will upgrade the standards of protection afforded to tenants within this province. And to explain the various components of the legislation very generally so that members have a better understanding of what is intended — and I would indicate that I drafted this in conjunction with Legislative Counsel, Mr. Tallin, so, I can assure you that they are not reflecting upon my hand and my thoughts but those of a much astute legal draftsman.

The first provision of the Act deals simply with the concept of trust. We are advised by the bankruptcy trustee and the Rentalsman that legislation has now been brought into place in other jurisdictions that has afforded protection to tenants by vesting a trust relationship as between landlord and tenant with respect to these deposits. So the Federal bankruptcy legislation cannot supersede a trust relationship, so that the creditor of a bankrupt landlord cannot lay claim, I am advised, and believe, any share in trust investments and deposits within the Province of Manitoba if this legislation goes forward.

The second provision, the amendment to 85.1, indicates, we thought it would be unfair to require anything but a single trust fund although one jurisdiction has gone to an alternative form which makes the Rentalsman of the province the trustee of all the funds and requires landlords to deposit all the funds, item by item, at the Rentalsman's office in order that a strict accounting be kept tenant by tenant throughout the province. It was our opinion that it would be sufficient initially that a single common trust fund be held by the landlord and that the interest of each of the tenants be shown in that through his own accounts. In order to protect the public and assure that there is a mechanism capable of enabling the authorities, namely the Rentalsman's officers to audit the state of these accounts, we've made provision in 85.13 for audits of those trust funds; that would allow the Rentalsman at his discretion, and this is the same provision as now in

The Law Society Act with respect to lawyers trust funds, to require a landlord to produce a statement of trust funds comprised of the security deposits. The Rentalsman can require such an audit to be produced and can scrutinize it carefully in order to assure a complaining tenant that nothing untoward has occurred.

The second page, the last amendment to the restriction on payments out of the security deposit is simply in order to provide that there will be notice given by the landlord to the tenant prior to the amounts of the security deposits held in trust being converted by the landlord for repairs or other purposes. At the end of the tenancy if a landlord wishes to utilize some of the security deposit funds for the purpose of effecting repairs, he has to give notice to both the tenant and the Rentalsman that he wishes to do so, and the sole purpose of that is to ensure the tenant that the Rentalsman will be in a position to intermediate under the other provisions of The Landlord and Tenant Act should there be a controversy. The Rentalsman's office indicates that this is always a contentious matter and that it causes them some consternation and concern when payments are made out of the fund without appropriate notice being given to the tenant. So what we are saying is that both the Rentalsman and the tenant will be aware of the fact that the landlord is making an application to take the funds and therefore there would be an opportunity for justice to be done and there will be fewer combative aspects with respect to landlord and tenant relationships.

I might indicate, Mr. Speaker, that there has been a very small printer's error that was not in the original draft submitted by us to the Queen's Printer. It falls in subsection (b), the end of the third line, after the words repairs, the word "required" was missed. The sense of the subsection is not lost but I think it's slightly better grammar to put the word required in there. If this particular amendment receives the favour of the House and proceeds to committee, I would propose that the word required be added.

To the Minister of Northern Affairs who may be chuckling about the prospects of this bill ever getting there, Mr. Speaker, I am fully aware of the dismal record I have had over the past four years of getting any legislation through this particular vehicle, the Private Members' Hour, through the government. I can say that on this occasion it will be a reflection on the staff of the Rentalsman's office, on the staff of Legislative Counsel's office, although they are not partial one way or the other, but more importantly, I think, on the trustee in bankruptcy who has given me advice in this regard, and I can assure the member that he is not a member of my party.

Mr. Speaker, I think it is time that this government take a more conciliatory and a less political approach to suggested reforms. Occasionally the opposition can, believe it or not, have an idea that is worthy of consideration. I know that this session there was one exceptional occasion when one proposition put forward by the lone Liberal member of the House was accepted. The Minister for Housing, I hope, will be according this particular reform the same respect. I hope that he will at least give it sufficient attention; if he has exception to it, if he takes umbrage to any of its provisions, if he feels

it's untenable by way of philosophy or unworkable in practice, that he will at least have the courtesy of advising members in the House as to the reasons.

The employment standards amendments, Mr. Speaker, are still on the order paper. They have never been debated by the government. I think it at least behooves the government . . .

MR. SPEAKER: Order, please. We are dealing with one particular bill and I don't think it's appropriate to refer to another one. If the honourable member would stick to the subject matter of this bill.

MR. CORRIN: You are perfectly right, Mr. Speaker; I apologize for referring to other bills that have not been debated and discussed by the government.

Mr. Speaker, I really do anticipate that there will be good faith and that this bill will be at least discussed if not sent on to committee. I think, Mr. Speaker, that in all earnestness that the government should at least, if they have no major exceptions to it, send it to committee so that the affected tenants in this province, chartered accountants who deal with the legislation, other interest groups can participate in the bill. I also hope to hear from the Member for Fort Rouge, who, I hope will continue the debate in order that we can have the position of a member who represents thousands of tenants in this vital regard.

MR. SPEAKER: The Honourable Member for Gladstone.

MR. FERGUSON: Mr. Speaker, I move, seconded by the Member for Crescentwood, debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: Bill No. 53. (Stand).

We'll proceed to Adjourned Debates on Private Bills. Bill No. 16.

The Honourable Member for Logan.

MR. JENKINS: Stand, Mr. Speaker, and Bill 33 stand.

MR. SPEAKER: We'll then proceed to Resolutions. Resolution No. 18.

RESOLUTION NO. 18 — "ENTERPRISE MANITOBA" PROGRAM

MR. SPEAKER: I indicated the other day that I was prepared to give a ruling on Resolution No. 18. On March 19th, the Honourable Member for Inkster raised a point of order with respect to an amendment proposed by the Honourable Member for Minnedosa. The point of order was whether or not it was necessary to put the amendment in the abstract form, because as the Honourable Member for Inkster suggests it is being moved by a private member of the Legislature and it seems to me that it is calling for the continuance of the implementation of a program which calls for the expenditure of public money.

One of the fundamental point that must be addressed is the determination of whether or not the acceptance or rejection of this resolution would affect the spending program of the Department of

Economic Development. The estimates of expenditure for that particular department have already been passed by the House and the motion proposed by the Honourable Member for Minnedosa reads, and I quote, "that the government continue its effective implementation of the Enterprise Manitoba Program. It is my belief that program will continue even if this amendment is not adopted."

I would also like to refer honourable members to a resolution that was similar last year, a resolution by the Honourable Member for Rossmere on May 29, 1980, and the final resolved portion of that resolution which reads: "THEREFORE BE IT RESOLVED that the government be urged to renegotiate its Enterprise Manitoba Program with the Department of Regional Economic Expansion to the effect that funds be obtained for the purpose of ensuring loans to viable locally-owned business. Such loans would be repayable at reasonable interest rates, generating revenue to create further business." When you compare that resolved portion to the present resolution which reads: "THEREFORE BE IT RESOLVED that the government be urged to renegotiate its Enterprise Manitoba Program with the Department of Regional Economic Expansion to the effect that funds be obtained for the purpose of providing loans to locally-owned business on criteria fair to all businesses. Such loans would be repayable at reasonable interest rates generating revenue to create and assist further business.

The Honourable Member for Minnedosa at that time moved an amendment which read:

NOW THEREFORE BE IT RESOLVED that the government continue its effective implementation of Enterprise Manitoba program to stimulate the investment of private sector capital in the creation of new employment opportunities throughout Manitoba.

When you compare that with the present amendment, it's my belief there is a substantial degree of similarity between the amendment proposed by the Honourable Member for Minnedosa this year as compared to the amendment last year. On May 29, 1980, no objection was made to the amendment that was proposed at that time and debate was allowed to continue. On that basis it's my opinion the point of order by the Honourable Member for Inkster is not in order at this time.

Are you now ready for the question? The Honourable Member for Rossmere.

MR. VIC SCHROEDER: Thank you, Mr. Speaker. I would like to make several comments with respect to the amendment. One of the WHEREASES is, WHEREAS 2.7 million in forgivable loans has generated 7.1 million of total investment, etc. well, that's interesting, they're referring to forgivable loans. They can't say grants, because that's what they are. They're gifts. I would suggest that the Minister hasn't recovered one of these so-called forgivable loans. And if he hasn't, then let's call a gift a gift. If he has I would like to know which ones have not been forgiven and have in fact been recalled.

The amendment states that this particular portion of the program, the gift program, has generated \$7.1 million in total investment in the province. What utter balderdash. We know full well that most of the businesses who got this \$15,000 to put into their pockets free, not forgivable, free, would have

expanded in any event. There have been newspaper articles dealing with that; it's a common sense conclusion anyone can come to when there are absolutely no financial criteria for dealing with the issue of this grant. A businessman can very well have a million dollars in the bank, want to establish a \$30,000 manufacturing plant, and be entitled to \$15,000 providing it's not in the City of Winnipeg, where 600,000 of our one million people do reside, and where a lot of our unemployment is, right downtown in Winnipeg.

So when this WHEREAS portion of this resolution suggests that these gifts have generated \$7.1 million in total investment, I would submit that that is poppycock.

I would also want to know, when we're talking about that, even using that figure of 7.1 million, how many of those people are no longer in business? Previously when I introduced the original motion, I indicated that there were a number of businessmen who were quite upset with the government over the manner in which they were required to sort of go through the hoops in order to qualify for this \$15,000, and in fact, there were suggestions that people made foolish investments, investments based on requirements by bureaucrats, which they would not have made had they not been tempted by this \$15,000 gift. And some of those people were extremely upset with the government of Manitoba. They said these people were doing something that was wrong. So here we have a case where, not only those who are not receiving the gifts are questioning them, the people who are actually receiving the gifts are saying, this government is no friend of ours.

So then they talk, again, about the next WHEREAS, interest-free forgivable loan. Isn't that nice. That really makes a grant sound like something other than what it is. It's interest free. Does that mean that the recipient doesn't get interest on the money that he has received, does it mean that he doesn't have to pay interest? Once the money has been given, it's been given. That's the end of it. And again, although they may have certain little clauses in their program, I would suggest that they have in no case, certainly no case that I'm aware of, pulled that so-called forgivable loan back.

Then the WHEREAS portion, talks about, Whereas it would not be in the Manitoba public interest to duplicate programs that are presently available. Well! You know, during the last Federal election we heard the Conservatives talking about reducing interest rates for certain classes of Canadian residents. Not for everybody, but for homeowners. They were talking about that; I think that they were even talking about something for the small business person. Now certainly when they were making those promises they knew full well that we had DREE programs available for loans to businesses, no question about that, DREE — I'm sorry, Federal Business Development Bank — they knew that. But what they didn't have available at that time, nor do you have now, is any loans that are at more reasonable rates than what we are dealing with through the banking sector now. The old line parties, the Conservatives and Liberals, we've seen both of them fortunately Federally, in the last few years, and we know that one bad apple is just as bad as the other. First the Conservatives criticized the Liberals for their interest rates, then we

saw what the Conservatives did Federally, and now the Liberals are back at it again, so there's no difference between the two of them. We've known that all along; we see the bank statements come in from the Royal Bank and Bank of Montreal and the other financial institutions which those people, their Federal counterparts, are force feeding.

What we are saying is that there is no duplication of the program that we are suggesting. The proposed program is to take the several million dollars which the Minister of Economic Development and his Federal counterpart are throwing against the wall, giving away, and using that instead to provide loans which will be paid back at reasonable rates. Not at 20 percent, although the Minister may think that that's reasonable, we don't think that's reasonable; we don't think that there's anything that justifies those kinds of rates in today's climate.

So what we're saying is that what we want to use that for is not to give it away but to say to people who want, on their own, to set up businesses, here, here's the money if you need it, not if you don't need it, if you don't need it, why should we give you money? But if you need it, we will lend you the money, then we will set rates that are such that eventually we will spend the same amount of Federal money as this program has spent. But what will we have achieved? We will have achieved a much wider range of funding to many more businesses than currently are capable of obtaining loans.

Right now you've got it down to only rural small manufacturing businesses; it doesn't apply to city manufacturing businesses. It doesn't apply to many service industries which can, in fact, create employment, useful employment. When you get your paycheque as an employee it doesn't really matter very much whether it was as a manufacturing employee or as an employee in a repair shop or any other types of job. A buck is a buck.

So when this WHEREAS suggests that the program we have presented is a duplication of another program, that is an absolute incorrect statement. Because there is no other interest subsidization program, Federal or Provincial, available for small business. There's an indication in this amendment that there are funds to be provided for the assessment of this particular program. I'm just wondering whether those funds had been utilized prior to December of 1980, or even after 1980, to talk to the people who are saying, this government is no friend of ours. People who got the money, people who got the \$15,000, are saying this government is no friend of ours. We were had. They just gave us the money and ran. There was no real support in any way.

Of course that's one of the short term advantages the Minister thinks he has with this kind of a flashy program. You give the money away and if the business does happen to go bankrupt the Opposition won't scream about the fact that the government has given money away in loans to that business. You've given it away and you never expect it back. And that, to me, is an incredible misuse of public funds. — (Interjection)— Well, as the Member for St. Vital points out, the man is a short term Minister, and how right he is.

Have their consultants gone out to ask what is going on with these businesses? Have the

consultants found out how many of these businesses in fact are no longer in business? —(Interjection)— Yes? The Minister says they have. Well, this amendment indicates that there have been substantial positive benefits to the economy of Manitoba. I suppose these substantial positive benefits have to do with our skilled trades people leaving the province, is that one of the positive benefits? They got a trip out of it. Is that what we're so happy about?

Are we happy about the fact that we're the only province in Canada losing population? This program is not working. And the Minister can mumble from his seat all he likes, this particular program is simply not working.

Is the substantial positive benefit to our economy the fact that we have housebuilding practically non-existent in this province? It's up a little bit from last year. My goodness, last year was the worst year in recorded history in Manitoba, at least in the last 20, 30 years. So certainly that couldn't have been the positive benefit of this program. Is it the fact that bankruptcies are up in this province, is that the positive benefit of this program? I don't think so.

You know, when I walk down the street in my riding, which is a riding somewhat similar to that of the Minister of Economic Development, small business people are complaining about the short term loans that they're getting nailed for at the banks because of the Federal policies of the brothers of the Conservatives and Liberals. It doesn't matter which of them, Tweedle Dee or Tweedle Dum is in power Federally, they both have the same nonsensical monetary policies which require the high interest rates, which in turn require these kinds of resolutions. So until you change that federal system or Federal Government's viewpoint —(Interjection)— I had the feeling no one was listening, so if you'd like to needle me it makes me feel as though I'm talking to someone. Until those people can be made to understand that simply raising the rate of interest rates in itself increases inflation rather than decreases it, so that we don't need these kinds of resolutions, we will continue to present these resolutions.

The Member for Fort Rouge suggests I'm a radical. I believe it was Professor Rubin Bellan who was saying that the federal policies of the — and he's a well known Liberal — the Federal policies of successive Liberal and Conservative Governments, Governors of the Bank of Canada, have been similar to the 18th Century practice, European practice of drawing a little blood from the person who was sick. If you didn't get well, you drew a little more blood, and if he died, the answer the doctors gave was, "well, we didn't draw enough blood," and that is what is happening with interest rates. The Bank of Canada and the Liberals and the Conservatives are saying, "Well, to beat inflation, we have to increase interest rates." When they do so, small business has to increase their prices because they are running on short-term notes. That increases inflation, so they say: "Ah, well we have to beat inflation," so they raise the rate of interest again because they're trying to beat inflation and this is a continuing circle that is making inflation worse. All we have to do is look at the —(Interjection)— I thought I was talking to myself; I'm sorry, there's someone listening.

We will have to continue presenting this type of resolution until such time as we either change the Federal Government to one which is neither Liberal or Conservative or at least change the viewpoint of the Federal Government and once those things have changed and we get reasonable interest rates again, then we can once again stop presenting these resolutions.

MR. SPEAKER: The Honourable Minister of Economic Development.

MR. JOHNSTON: Mr. Speaker, I've said to the member when he was speaking or to myself and I believe he heard it, "that he will never learn." When he speaks of the building industry for one thing, at any time in this House did we ever say that the construction industry did not go through some trying times in the Province of Manitoba? And if he wants to think that the increase from 9 homes last year and during the three-year period to 117 this year; pardon me, March over March is bad. He can think that's bad because he obviously does not seem to want to admit that we are having an increase in the construction industry in the Province of Manitoba this year. Building permits are up over last year and they were up slightly in 1980 over 1979 but the members on the other side prefer to just talk their head off without taking into consideration any of the true facts and figures that carry on.

When the member says that Manitoba was the only province, the only province that had an out-migration of population or people leaving the province, I would remind him, Sir, that the facts are through Statistics Canada that all provinces except two during 1980 lost people, and they lost them, Alberta and B.C. being the only two that didn't. So, Mr. Speaker, I refer to him to Statistics Canada and hope that he will take the ability or the time to go and read them.

Mr. Speaker, I'd like to make a reference of some remarks that I had. It says, "The area of regional development is probably one of our greatest concern and as the statistics of the Regional Analysis Program emerge otherwise known as RAP study; as this emerges it is becoming increasingly clear that the main effort of our new industrialization thrust and indeed of all our programs must be directed towards increasing economic activity in rural Manitoba," Mr. Evans, Page 2150, May 18th, 1972, "when the Minister of Economic Development at that particular time absolutely realized as we've realized that there has to be some work done to develop the rural area of the Province of Manitoba." And yet, Mr. Speaker, the Opposite side keeps criticizing what we are doing. Mr. Speaker, they had the Small Loan section of the Development Corporation at that time and I can assure you it made many loans.

Mr. Speaker, let me say from a quote again, "The nature of the Development Corporation if it is to be truly Development Corporation it must be a high risk lender. It must be prepared to lose a certain percentage of its money per year. If it weren't doing so then it would be indicative that it's not making the venture posture that the Development Corporation truly should take." Again, that was Mr. Evans in June 29th, 1971. So, he said, "My, Goodness," he said, "we have to have a high risk venture-type of operation to help the rural parts of Manitoba get

along in this Province." Then he says, "I'm just pulling out of," and this is January 25th, 1971, Page 2199. "Well, I'm just, you know, I'm just pulling out a few examples to show you that while there may be one or two people who are unhappy because their application was rejected, and there are many applications that have been rejected because they don't make sense. And the people have . . . and then we've demonstrated to explain to them why the Small Loans division of MDC has endeavoured to explain to them why their loan application wasn't successful and these people have accepted the application." Mr. Speaker, we have said the same thing in the program. We have said to approximately 145 applications that their loan was not such that we wanted to make a forgivable loan to.

Well, Mr. Speaker, it obviously makes it very plain that the previous government also were very interested in having something to help develop the province, the rural part of Manitoba.

Mr. Speaker, in the Enterprise Program that we have at the present time, I read over the memo that in August of 1977 to all the members of the Department of Industry and Commerce at that time. "It has been decided to conceive it a part of mental strategy for a five-year industrial development subsidy agreement with DREE along the lines of the recently announced B.C. Subsidiary Agreement, Mr. Speaker."

So the previous government was looking at the same thing as the DREE agreement that was available and in place in the Province of B.C. That's right, Mr. Speaker. Now, Mr. Speaker, let me tell you. He says that we haven't spent the \$7 million. Well, he obviously can't read. The loan says we will give 50 percent up to \$30,000 on new projects and up to 50 percent up to \$18,000 on projects which are expansion of business.

The member obviously hasn't read the book I gave him last year because he kept talking about the \$15,000.00. Well, it isn't just \$15,000, Mr. Speaker, they range very different items all the way through. So if the member would take the trouble, I will send him another set of books on the program and he can have a look at it again, Mr. Speaker. If he doesn't want to take the time to read what we have sent him about the program, I guess that it gets to be nearly impossible to get it through his head. And as the member says, if he's not going to read what the program is at the present time, we will continue to receive amendments from him or resolutions from him as he has put in. Because if he is not going to take the time to read the program, he'll just keep putting on the same old amendment every year.

Now, Mr. Speaker, we've said 145 loans have been made. We have had; and he says, Forgivable Loans — interest free Forgivable Grants. Mr. Speaker, I won't get in a fine line him. But again, Mr. Speaker, if he would take the book and he would read, he would find when it's finally decided that the Forgivable Loan is going to be made . . .

MR. SPEAKER: Order, please. The hour is 5:30. When this subject next comes up the Honourable Member will have 13 minutes. The Honourable Government House Leader.

MR. MERCIER: I move, Mr. Speaker, seconded by the Honourable Minister of Finance that the House

do now adjourn and resume in Committee of Supply at 8:00 o'clock.

MOTION presented and carried and the House adjourned and stands adjourned until 10:00 a.m. tomorrow morning. (Friday)