

## THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Thursday, April 30, 1970

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees.

INTRODUCTION OF GUESTS

MR. SPEAKER: At this point, I should like to direct the attention of the honourable members to the gallery where we have with us 56 Grade 5 students of the Sherwood School. These students are under the direction of Mrs. Shirley Manson and Mrs. Audry Borody. This school is located in the constituency of the Honourable Member for Kildonan.

And we have 48 Grade 9 and 10 students of the Shoal Lake Collegiate. These students are under the direction of Mrs. Hepworth and Miss Carol Komadowski. This school is located in the constituency of the Honourable Member for Birtle-Russell.

And 70 Grade 7 and 8 students of the J. B. Mitchell School. These students are under the direction of Mr. Murray and Mrs. Prefontaine. This school is located in the constituency of the Honourable Member for River Heights.

On behalf of all the honourable members of the Legislative Assembly, I welcome you here today.

MR. SPEAKER: Adjourned debate on the proposed motion of the Honourable Member for The Pas. The Honourable Member for Fort Garry.

MR. JAMES H. BILTON (Swan River): In the absence of the Honourable Member, I wonder if the House would allow this matter to stand? (Agreed).

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

INTRODUCTION OF BILLS

HON. AL MACKLING, Q. C. (Attorney-General)(St. James) introduced Bill No. 69, an Act to amend The Regulations Act.

MR. STEVE PATRICK (Assiniboia) introduced Bill No. 52, an Act to amend The Election Act.

MR. JACK HARDY (St. Vital) introduced Bill No. 71, an Act to amend The St. Vital Charter.

MR. HARRY SHAFRANSKY (Radisson) introduced Bill No. 75, an Act to amend The Liquor Control Act (3).

MR. SPEAKER: The Honourable Member for The Pas.

MR. WALLY JOHANNSON (St. Matthews), in the absence of the Honourable Member for The Pas, introduced Bill No. 51, an Act to amend The Child Welfare Act.

MR. EDWARD MCGILL (Brandon West) introduced Bill No. 62, an Act to amend The Brandon Charter (2).

MR. SPEAKER: Orders of the Day. The Honourable Member for Wolseley.

ORAL QUESTION PERIOD

MR. LEONARD H. CLAYDON (Wolseley): Mr. Speaker, I have two questions. The first one is for the Minister of Transportation. I would like him to tell me if the contract for the new license plates has been let to a Manitoba contractor.

HON. JOSEPH P. BOROWSKI (Minister of Transportation)(Thompson): A Manitoba contractor?

MR. CLAYDON: Yes, to a Manitoba firm.

MR. BOROWSKI: Yes, the contract was tendered and, as a matter of fact, we only received one bid and that was from Western Tool and Die.

MR. CLAYDON: Mr. Speaker, my next question is to the First Minister. Have any non-Canadians been appointed to decision-making boards or commissions under the control of the province other than Mr. Nolvert Scott? Recently - since you have been in power.

HON. ED. SCHREYER (Premier)(Rossmere): Mr. Speaker, not to my knowledge. I'm not in a position to vouch for that but I can certainly say that it is not, to my knowledge, that there is anyone other than a Canadian on an administrative board or tribunal or agency.

MR. CLAYDON: A supplementary question, Mr. Speaker. Would the First Minister enquire into this matter and inform the House?

MR. SCHREYER: Well Mr. Speaker, it would be a pretty onerous task. If the honourable member considers it very important I can undertake to do so, if he would advise how far back he would like me to make this enquiry.

HON. RUSSELL PAULLEY (Minister of Labour)(Transcona): . . . an Order for Return.

MR. SPEAKER: The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Mr. Chairman, due to the recent flooding at Carman I would like to ask the First Minister some questions. I would like to report that I have been talking to the Mayor at Carman and he tells me the water is going down and that he has had . . .

MR. SPEAKER: Has the honourable member a question?

MR. HENDERSON: Yes I have, Sir. I am a new member and I have never experienced flooding before, and I was wondering, does compensation apply to the livestock in the area and does it apply to things like clothing that were destroyed or may be destroyed in the basement of stores, and does it take in things like electric motors that may run furnaces or oil burners and things like this? I wonder if you could elaborate on it a little bit although I know it's a very difficult question, but I'm not familiar with it and I'm sure I'll be asked many of these questions.

MR. SCHREYER: Mr. Speaker, in reply to the honourable member, I think I will have to say this, that I will take the question as notice and consult with those officials who have administered the flood compensation program in past years.

MR. HENDERSON: A supplementary question. Would you see that I could have a copy of this fairly soon? Thank you.

MR. SCHREYER: As soon as possible, Mr. Speaker.

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

MR. HARDY: Thank you, Mr. Speaker. I'd like to direct this question to the Minister of Municipal Affairs. Can the Minister of Municipal Affairs confirm, or otherwise, the fact that a former Deputy Minister of Municipal Affairs of the Province of Saskatchewan is being utilized, or his services are being utilized in a consultive capacity insofar as the Boundaries Commission are concerned?

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs)(Selkirk): Mr. Speaker, this is new to me.

MR. SPEAKER: The Honourable Member for Gladstone.

MR. J. R. FERGUSON (Gladstone): Thank you, Mr. Speaker. I would like to address my question to the First Minister. Has the Minister received a request from Gladstone to have the area declared a disaster area?

MR. SCHREYER: Yes, that is correct, Mr. Speaker. A telegram was received, confirmed by letter this morning, and I have asked that the appropriate officials advise as to whether the criteria that would normally apply fit this case.

MR. FERGUSON: A supplementary question, Mr. Speaker. Could I have a copy of the procedural that goes with it, Mr. Premier?

MR. SCHREYER: I think, Mr. Speaker, it will be possible to provide my honourable friend with some definition.

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

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you very much, Mr. Speaker. My question is for the Minister of Tourism and Recreation, and I would ask the Minister: have any catering services or concessions in provincial parks recently been cancelled?

HON. PETER BURTNIAK (Minister of Tourism & Recreation)(Dauphin): Mr. Speaker, not to my knowledge.

MR. GRAHAM: A supplementary, Mr. Speaker. I had some information that dealt with this and I would ask the Minister, if such is the case, is it the intention of the government to operate these services by the province?

MR. BURTNIAK: I'll be glad to inform the honourable member in due course.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Speaker, my question is for the Minister of Municipal Affairs. I wonder if he could confirm for me that in respect to the proposed car insurance that there will be 45 different classifications of drivers in respect to rating of drivers?

MR. PAWLEY: I do suggest that the honourable member await the bill and await the details.

MR. MCGILL: Mr. Speaker, a supplementary question. Does the Minister feel that as an elected member I should have to phone the By-line to get this information? Surely it should be available . . .

MR. PAWLEY: Mr. Speaker, I wish to point out that in reference to his reference to the By-line, there was a reference to different classifications existing now in Manitoba and presently in Saskatchewan. It did not refer to any proposed plan insofar as Manitoba is concerned, and I am sure the honourable member realizes this.

MR. MCGILL: Mr. Speaker, a supplementary question. Would the Minister confirm that there will be a surcharge for various classifications of drivers in Manitoba?

MR. PAWLEY: If the honourable member would refer to my report, he would find there the recommendations that were spoken of.

MR. SPEAKER: The Honourable Member for Crescentwood.

MR. CY GONICK (Crescentwood): I have a question for the Minister of Mines and Natural Resources. In view of the government's policy to decentralize industry in Manitoba, will the government be doing anything to attempt to have the matter of the location of the fish-processing plant reconsidered?

HON. SIDNEY GREEN, Q. C. (Minister of Mines and Natural Resources)(Inkster): Mr. Speaker, the government has and was active in making representations to the Freshwater Fish Marketing Corporation regarding the location of the plant, and having done that, we feel that the interests of the province were put to the corporation who, in the last analysis, made a decision which is contrary to our view, but they have the right to make that decision.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SIDNEY SPIVAK, Q.C. (River Heights): Mr. Speaker, my question is a supplementary question to the Honourable Minister of Mines and Natural Resources. Does he feel that those people who would have been employed had it been placed in Selkirk are just going to find that it's their poor luck that it is not going to happen.

MR. GREEN: Mr. Speaker, the honourable member's question is rather facetious because it would apply to either city. If it was in Selkirk, then people unemployed in Winnipeg would have the same problem that he is referring to, so that there is going to be a certain amount of employment at the Freshwater Fish Marketing Corporation. It was the Manitoba Government view that the situation would be best handled if it was in Selkirk, and I sympathize with my honourable friend's question but I really don't think it's appropriate. We would like it to have been in Selkirk.

MR. SPIVAK: A supplementary question, Mr. Speaker. I wonder then whether the Honourable Minister of Mines and Natural Resources can indicate where in Greater Winnipeg it will be located?

MR. GREEN: No, Mr. Speaker.

MR. SPEAKER: The Honourable Minister of Finance.

HON. SAUL CHERNIACK, Q.C. (Minister of Finance)(St. John's): Mr. Speaker, if I may be permitted to go back to a question asked by the Honourable the Member for St. Vital, who asked of the Minister of Municipal Affairs whether or not a former deputy minister from Saskatchewan was advising the Boundaries Commission and the Honourable Minister answered no, and as far as I know that is a correct answer but I want to make absolutely sure that there may not be a possibility, so I want to inform the Honourable Member for St. Vital that Dr. Meyer Brownstone, presently Professor of Political Economy, Public Administration of the University of Toronto, has been consulted by this government on several matters including urban affairs, and it may be that he has been consulted by the Boundaries Commission although I still say I am not aware whether or not he was, but he was a Deputy Minister of Municipal Affairs in Saskatchewan up to 1964, and I would be most happy -- if the Honourable Member for River Heights would like to have information about this gentleman, I have his curriculum vitae and I'm prepared to read it.

MR. SPIVAK: I know him.

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSON (Morris): Mr. Speaker, I should like to direct a question to the Minister of Mines and Resources and ask him if he has a reply to the question I asked him yesterday concerning the possibility of flooding downstream from the Boyne River in the

(MR. JORGENSEN cont'd) . . . . communities of Brunkild, Rosenort and Morris, and how badly they are going to be affected by the waters that are currently going through Carman, and if the necessary precautions are being taken to ensure that people living in these other communities are going to be protected.

MR. GREEN: Mr. Speaker, as I recall, my honourable friend asked yesterday that the people be notified in advance and I sent up an immediate message to the department and I assume that that has been looked after. Not the prevention of floods but any precautions that can be taken with respect to them.

MR. JORGENSEN: I wonder if the Minister could tell me if there is any danger; if he has any report of the possibility of danger to those communities?

MR. GREEN: Which -- I believe he mentioned Brunkild?

MR. JORGENSEN: Brunkild, Rosenort and Morris.

MR. GREEN: In Brunkild, the municipality has been warned and advised of the situation and there are operations in effect to alleviate flooding. I don't have the information immediately with me with regard to Rosenort or Morris. With regard to the Red River, that would be the Morris situation. There's a slight rise recorded at all stations. There are no problems at towns where diking has been provided. Above the Floodway inlet, rural municipalities are diking individual homes with army assistance. So that is the information I have with regard to those two communities.

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

MR. HARDY: Thank you, Mr. Speaker. I'd like to direct this question to the Minister of Finance in view of the comments he has made. Is in fact, or has Dr. Brownstone been paid any fee from provincial funds?

MR. CHERNIACK: Mr. Speaker, I thought the honourable member was going to ask me to read the qualifications, the curriculum vitae of the gentleman but he has not done so yet. I invite him to do so, and I will indicate to him yes, of course, he's been paid a fee.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. CLAYDON: Mr. Speaker, I'd like to direct a question to the Minister of Mines and Natural Resources. Will the new fish marketing facility be a new building in Winnipeg or will it be a takeover of an existing facility?

MR. GREEN: Mr. Speaker, I'm happy to try to offer my honourable friends information on this subject. I want them to know that it's strictly informal. I have no idea what the corporation will do, whether they will build a new facility or whether they will buy an existing facility. My impression is that they want to build a new facility.

MR. SPEAKER: The Honourable Member for Churchill.

MR. GORDON W. BEARD (Churchill): Mr. Chairman, in respect of the processing plant - will that be using funds designated to Manitoba as a designated area? Is that federal funds?

MR. GREEN: Mr. Speaker, one of the major arguments presented by the government in asking that the location be Selkirk is that there were huge allocations available from the Department of Regional Economic Expansion which would be given if the Selkirk location was used, and it was our impression that this overcame any possible or supposed advantage of having it in Greater Winnipeg. However, I think if they choose Greater Winnipeg, it's possible that there is still some federal participation involved, but it would not be to the extent as it would have been if it were in Selkirk.

MR. BEARD: That would then leave more money for Churchill, would it?

MR. LAURENT L. DESJARDINS (St. Boniface): No, that would be money for the North West Territories.

MR. GREEN: That's good mathematics, Mr. Chairman, but I don't know whether it will be followed through.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, my question is to the Honourable Minister of Finance. Is it not a fact that Dr. Brownstone, whose curriculum vitae I am familiar with, has in fact been given instructions to study and to recommend legislation for the amalgamation of Greater Winnipeg?

MR. CHERNIACK: Did the honourable member ask for the qualifications and curriculum vitae? I didn't hear it entirely, Mr. Speaker. I'm not sure.

MR. SPIVAK: Mr. Speaker, I will repeat my question to the Honourable Minister of

(MR. SPIVAK cont'd) . . . . Finance. Is it not a fact that Dr. Brownstone has been instructed by the government to recommend legislation for the amalgamation of Greater Winnipeg.

MR. CHERNIACK: Mr. Speaker, the honourable member did not ask the question I thought he was asking, so naturally I wouldn't presume to tell him about the qualifications and curriculum vitae of the honourable person referred to. -- (Interjection) -- Well I'm sure not every one does, and I'm sure that the honourable member could benefit from a review of it. However, the answer is: absolutely no, Mr. Speaker. I stated correctly that the Government of Manitoba has consulted with Professor, or Dr. Brownstone on urban affairs.

MR. SPEAKER: The Honourable Member for Winnipeg Centre.

MR. BUD BOYCE (Winnipeg Centre): Because of the interest, Mr. Speaker, I wonder if the Minister of Finance would be good enough to give us the gentleman's curriculum vitae.

MR. CHERNIACK: Well, Mr. Speaker, I am prepared to answer it if -- It so happens that I've had the curriculum vitae in my desk since the start of the session and I'm therefore able to respond to the request, the unexpected request of the Honourable the Member for Winnipeg Centre.

Dr. Brownstone was born in Winnipeg in 1922, took all his schooling, his early schooling in Winnipeg at public schools of the City and at a parochial school. He attended the I. L. Peretz School, which is a private institution. He attended the Machray School and the St. John's High School, all of which schools were able in some way to contribute to my own qualifications.

A MEMBER: A north-end kid.

MR. CHERNIACK: He's a north-end kid . . .

A MEMBER: Buddies.

MR. CHERNIACK: I must point out there is some difference in age between us. He obtained his Bachelor of Science and Agriculture at the University of Manitoba; his Master of Science in Agricultural Economics at the University of Minnesota; his Doctorate in Economics in Public Administration at Harvard University. From 1947 to 1964 he was employed by the Government of Saskatchewan as a Research Economist on the Economic Advisory and Planning Board as an agricultural specialist; as Director of Research, Royal Commission on Agriculture on Rural Life; as Director of local government continuing committee and as Deputy Minister of the Department of Municipal Affairs. He had additional responsibilities in that he was the coordinator of the background studies on the South Saskatchewan River Development Project. I'm under the impression that that was done for -- no I'll come to that.

He was Chairman of federal-provincial Coordinating Committee on People of Indian Ancestry. He was Director of Waskana Centre Development Authority, Director of Saskatchewan Centre for Community Studies; a member of the ARDA coordinating committee. He was the United Nations expert in Jamaica on local government and central local relations. He was coordinator on the agricultural sector for Resources for Tomorrow conference, which was organized by the Diefenbaker government.

He is currently Professor of Political Economy of the University of Toronto. He was Director of Research on the public service of the Royal Commission on Bilingualism and Biculturalism. Consultant on regional and local governments in Lower St. Lawrence, Gaspé, and Les Iles de la Madeleine Regional Development Program, known as BAEQ. Consultant to the Canada Department of Forestry of ARDA. Director of centennial program on metropolitan problems, an international conference of 40 metropolitan centres of the world, including Winnipeg. Member of the presidential Commission on Decentralization in Tanzania in 1969. He is Director and Chairman, Research Advisory Committee, Canadian Council on Urban and Regional Research, and Mr. Speaker, I am very proud and happy that we were able to convince him to come and advise this government, at some considerable discomfort to himself and his family, to be involved in our investigative processes of the problems which we face.

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

MR. HARDY: Mr. Speaker . . .

MR. CHERNIACK: Mr. Speaker, I don't know the answer.

MR. HARDY: I can appreciate the comments of the Minister of Finance inasmuch as he has an insight into the operation of the Municipal Affairs Department. Can the Minister indicate the fee that is being -- that was or is being paid to Dr. Brownstone?

MR. CHERNIACK: I don't want to take a chance on giving the wrong information. I'll take that as notice.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: A supplementary question. With a curriculum vitae as announced by the Minister, which is equal to that, certainly in stature, of Mr. Cass-Beggs, would he also determine whether the salary is equal to Mr. Cass-Beggs'?

MR. CHERNIACK: Mr. Speaker, I would certainly think that he is entitled to a substantial fee, but I am not able to indicate anything, nor do I wish to, without having the correct information. But I must say that he has not been asked to leave his home for extended periods of time.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I would like to direct a question to the Honourable Minister of Mines and Natural Resources.

In view of the KCND noon news telecast today, reporting that the State of North Dakota has referred the matter of flooding on the Pembina River east of Gretna to the International Joint Commission for action, is the Manitoba Government considering to do likewise, as the flooding is very much a concern to the village of Gretna, Halbstadt and other communities . . .

MR. SPEAKER: I believe the honourable member has stated his question.

MR. GREEN: Mr. Speaker, I'm not in a position to talk about all of the flood fighting procedures which are now, as the member should know, centralized through EMO. But the question is well put. It will be on the Order Paper and it will be looked into.

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

MR. HARDY: Thank you, Mr. Speaker. My question is directed to the Minister of Mines and Natural Resources. Can the Minister in fact confirm that the fish marketing plant is going to be located in the city of Transcona?

MR. GREEN: Mr. Speaker, I would have thought that my earlier answers would indicate that I can't confirm that.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, yesterday I directed a question to the Minister of Agriculture regarding the Canada Grain Council and its present relationship, or lack of relationship, with the National Farm Union. Yesterday he was not able to answer my question. I wonder if today he has any comments to make.

HON. SAMUEL USKIW (Minister of Agriculture)(Lac du Bonnet): Could you repeat the question, Mr. Chairman?

MR. WATT: The question was, if I can repeat it exactly the way I put it yesterday, Mr. Speaker, was: does the Minister support the Canada Grain Council in its efforts and its intended purpose?

MR. USKIW: Mr. Speaker, I think that you can appreciate that that is a very broad generality and I'm not prepared to give a yes or no answer to that kind of a question.

MR. WATT: Mr. Speaker, the same supplementary question that I posed yesterday then. Does the Minister support the position that the National Farm Union has taken in withdrawing from the Canada Grain Council?

MR. USKIW: Mr. Speaker, that is an independent organization and I'm not about to respond to my honourable friend's question.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, my question is to the Honourable Minister of Mines and Natural Resources who truly must feel that he's a Minister of Fish today. I wonder if he could indicate whether, since the announcement yesterday in connection with the Freshwater Fish Marketing Board, if there has been any communication between himself and the Manitoba director in connection with that decision.

MR. GREEN: Mr. Speaker, I don't think that it is appropriate for my honourable friend to ask that type of question and I would hope that he doesn't in the future because I will refuse to answer, but just so that at the moment there is no suggestion that there's any problem in me answering this type of question, with respect to the specific question, Mr. Corney, Mr. Harvey, and the Manitoba director were in my office at 9:00 o'clock to tell me what their decision was. I spoke to them at that time. I'm not going to relate the contents of my discussion.

MR. SPIVAK: A supplementary question, Mr. Speaker. I wonder if the Minister would at least indicate, did they give their reasons for the selection of Greater Winnipeg to you?

MR. GREEN: Contained within the press release, a copy of which was given to me, were reasons. And I may say, Mr. Speaker, that my honourable friend could provoke me into making

(MR. GREEN cont'd) . . . . . a tirade against the corporation because I, with the rest of the government, don't agree with what they have done. But they gave their reasons and, just as governments sometimes do things which some people don't agree with, they have done something which the Manitoba Government doesn't agree with and we respect their right to do so.

MR. SPIVAK: Well I wonder, Mr. Speaker, by way of a supplementary question, would the honourable minister indicate whether they did give him, either verbally or in writing, statistical information in connection with future transportation costs, which are obviously one of the main considerations for the plant locating in Winnipeg.

MR. GREEN: Mr. Speaker, I want my honourable friend to know, as he should know, that different people get different assessments from figures. Can I assure my honourable friend that the Manitoba Government, in my opinion, went as far or farther than they should go to deal with a particular decision which is in the hands of the Freshwater Fish Marketing Corporation, and all of the factors which my honourable friend is referring to were gone into. And the Freshwater Fish Marketing Corporation, which is a Crown Corporation and has a right to make its own decisions through its own Board of Directors, decided to locate in Metropolitan Winnipeg.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Yes, Mr. Speaker. My question is really another question, although it relates directly to the information that was given but not by way of a supplementary. During the conversation with the representatives of the Fish Marketing Board including the Manitoba Director, was there any information given in connection with what quantity of fish is now on hand by the Board and would be available for sale and consumption by the people of Manitoba in view of the mercury pollution that now exists?

MR. GREEN: Mr. Speaker, in the conversation that I had with the members yesterday, that was not discussed. They came to advise me of their decision. They gave me a press release indicating what they were doing. I can tell the honourable member that I expressed my disappointment. I did not fight with the people who were in my office; I did not challenge their assertions. I told them that we didn't agree with them.

MR. SPIVAK: A supplementary question, Mr. Speaker. I wonder if the Honourable Minister could indicate whether he or his department is aware of the quantity of fish stored now by the Fish Marketing Board and available for consumption in Western Canada, and whether it will be sufficient to meet our need in view of the mercury pollution that now exists.

MR. GREEN: Mr. Speaker, I am not personally aware.

MR. SPIVAK: Mr. Speaker, my question was to the Minister as to whether he or his department was aware.

MR. SPEAKER: The Honourable Member for Arthur.

MR. WATT: Mr. Speaker, I want to direct a further question to the Minister of Agriculture. In the light of the statement of the Honourable Otto Lang the day before yesterday, that there would be no change in their policy in regard to the wheat reduction program known as Operation Lift, is it now the intention of the Government of Manitoba to come forward with the stated intent that they were prepared to set up an operation of a direct cash advance to farmers in the province of Manitoba?

MR. USKIW: Of course, Mr. Speaker, the one matter has no relationship to the other. I think I may say that the province's proposal to the Government of Canada with respect to additional cash advances were of course proposed contingent on one important area, and that is that we receive cooperation from the Government of Canada in collecting the advances when grain is sold. I know that my honourable friend opposite doesn't understand the explanation which has been given to him about a half a dozen times, but I want to repeat again, there was a request for some cooperation to enable the province to enter into this kind of a program. We have not received that cooperation.

MR. WATT: A supplementary question, Mr. Speaker. In the light of the fact that the Honourable Minister now agrees that the Operation Lift will have no direct benefit to the farmers of the province of Manitoba, is the Government of Manitoba prepared to come forward in any measures to supplement what we call an ineffective program here in the province?

MR. USKIW: Mr. Speaker, I don't accept the statement that my honourable friend makes with his question, because there is no such, or very seldom is there a program that is such that there is no benefit to any particular area. I think there is some benefit, although it's very marginal. For example, to the farmer that intended to summerfallow in any case this year,

(MR. USKIW cont'd) . . . .he's going to get some real advantage, and that of course is part of the unfairness of the program because it discriminates against the person that made his adjustment last year. So to that particular group of people that will entertain to summerfallow a substantial part of their acreages here, they will receive sums of money and it may amount to a few million dollars for the province of Manitoba. To that extent that is a benefit to that small group of people, while at the same time I recognize it discriminates against the vast majority that are not able to respond to that kind of a program. There are other benefits that I may cite and one is the incentive to get people to produce more forage crops and that does support the people that are switching into the livestock industry, so in that connection there is an advantage - but again to that sector of our agricultural community. So that I don't accept the remark that my honourable friend makes that it is totally a disaster, that there are no benefits. There are some benefits but we feel the program isn't going far enough to deal with the problem.

MR. WATT: A supplementary question, Mr. Speaker. Are we to accept then the statement of the Minister today that he and his department and the Government of Manitoba are still in a state of flux?

MR. USKIW: Well, I don't know what my honourable friend means.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, I just want the Minister to correct me on what he said. Did I hear you say that you did get not any cooperation from the federal Minister of Agriculture?

MR. USKIW: Yes. In the area of getting the cooperation of the Government of Canada to assist the recoveries of any advances made on grain in storage, that's correct.

MR. SPEAKER: The Honourable Member for Crescentwood.

MR. GONICK: I would like to ask a question of the First Minister. Would the First Minister care to confirm or to deny an editorial that appeared in the -- a statement and editorial that appeared in the Winnipeg Tribune yesterday to the effect that the government was not intending to change . . .

MR. SPEAKER: Order please. I do not believe that it's proper to ask upon a member of the front bench to confirm or deny a statement made by a newspaper.

MR. GONICK: I'll try to rephrase it then. The First Minister is alleged to have stated that there will be no changes in mining royalties forthcoming. I wonder if he would remark on that statement.

MR. SCHREYER: Well, Mr. Speaker, as I recall, the Honourable Member from Crescentwood asked me last Friday after I made the announcement about the discovery of a new ore deposit just south of Flin Flon, the honourable member asked me whether there would be any change in the royalty rate with respect to this mine, and I recall my answer was that we would stand by things stood by with respect to the royalty formula, in other words that the formula that would be applicable to this particular mining operation would be the same formula that applies to other mines. Now of course, if there is to be any change in policy with respect to mining royalties, as all other matters of policy they will be announced in due course in the normal way.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Well, Mr. Speaker, my question is really a supplementary question but to the Minister of Crescentwood. I wonder if he'd indicate to us exactly what mining royalty changes he would recommend.

MR. CHERNIACK: Oh boy, don't start that.

MR. MCKENZIE: Mr. Speaker, I'd like to direct a question to the House Leader. When did the NDP Party have its last caucus meeting?

MR. SCHREYER: Mr. Speaker, I didn't hear that question but judging by the expression on my honourable friend's face perhaps it's just as well I didn't hear it.

MR. MCKENZIE: A supplementary question of the House Leader. How many of the members were present?

#### ORDERS OF THE DAY - GOVERNMENT BILLS

MR. SPEAKER: Orders of the Day. Second reading, government bill. Bill No. 15. The Honourable House Leader.

MR. GREEN: I wonder if you'd call, Mr. Speaker, Bill No. 38.

MR. SPEAKER: Adjourned debates on second reading.



MR. GREEN: Mr. Speaker, I note that the honourable member is not here. Perhaps they want to have this matter stand. (Agreed).

MR. SPEAKER: Bill No. 38.

MR. GREEN: Bill No. 31, Mr. Speaker.

MR. SPEAKER: On the proposed motion of the Honourable Minister of Agriculture. The Honourable Member for Arthur.

MR. WATT: . . . if I could have the indulgence of the House to have this matter stand? (Agreed).

MR. SPEAKER: Second readings.

MR. GREEN: Bill No. 42, Mr. Speaker.

MR. SPEAKER: The Honourable Minister of Government Services.

MR. PAULLEY presented Bill No. 42, an Act to amend The Land Acquisition Act, for second reading.

MR. SPEAKER presented the motion.

MR. PAULLEY: Mr. Speaker, the purpose of the amendments to this bill is intended to provide for greater efficiency and ease of processing agreements in the Land Acquisition Branch of the Department of Government Services. While I realize that it's not permissible to refer directly to sections, I would like to indicate by breakdown the main purposes of the amendments.

At the present time, the Act contains a list of numbers of commissions and corporations within the department, or within government, that have the right of the services of the Land Acquisition Branch, and this is spelled out in the present Act by way of department, commission or corporation. And while the existing legislation refers to a number of corporations, the amendment is to eliminate from the Act a direct reference to the branches because they do have changes from time to time and the possibility of new boards and commissions being established, and it is deemed that it's unnecessary that in this particular piece of legislation, the Lands Acquisition Act, it's not deemed necessary to continue including them. In this way it would obviate the necessity from time to time of having amendments to the Act.

Another proposed amendment is to delete the reference to a person known as the Minister of Public Works. I'm sure honourable members are aware of the fact that consideration has been given to change the Executive Council Act, I believe it is, in naming of the various ministries and departments. I believe this was proposed by the former administration, and indeed at the present time, Mr. Speaker, I am referred to as the Minister of Government Services when in effect there's no such a department in reality, and at the present time the legislation refers to the Minister of Public Works. That is the purpose of another amendment.

And then, Mr. Speaker, it is the intention and the announced intention of the government to enact a new Expropriation Act at this session, and if this Act that has been given consideration for a number of years is enacted, there will be no authority in the new Expropriation Act for the authority to acquire land such as there is in the present Act and the land will be acquired through The Land Acquisition Act. And it's therefore considered proper that the authority for the acquisition of land should be placed within The Land Acquisition Act as against that of the present Expropriation Act.

Another feature of the amendments being proposed in this Act, Mr. Speaker, deals with the matter of the transfer of possession and control in administration of surplus lands to the ministry or the Department of Mines and Natural Resources. The change here will be that the Minister in charge of the Act, designated of course by the Lieutenant-Governor-in-Council, will have the optional authority to transfer lands rather than the mandatory necessity of transferring lands to the Minister of Mines and Natural Resources. And at the present time, in The Lands Acquisition Act, the transfer of residential, commercial or industrial properties to the control and management of the Department of Mines and Natural Resources is prohibited. By way of the proposed amendment in the Act, if it's deemed advisable by the Minister in charge of the Act to transfer residential property, commercial property or industrial property to the Department of Mines and Natural Resources, then it would be permissible to do so. And I'm sure, Mr. Speaker, that honourable members will be aware of some situation where it would be advisable for the department in charge of land acquisition to be able to transfer residential properties in some remote area where the greater control is exercised by the Department of Mines and Natural Resources.

Another important amendment, I suggest, Mr. Speaker, contained within the proposed

(MR. PAULLEY cont'd) . . . . amendments, deals with property values that can be acquired. At the present time, the existing legislation provides for payments on purchase agreements of up to \$500.00 where the agreement is for a specified sum of purchase, and then beyond that for 80 percent, or four-fifths of the purchase price in excess of \$500.00. Under the proposed amendment, it will be permissible for the Land Acquisition Branch to make a payment in full where the purchase agreement is for a lump sum amount, regardless of the amount. In other words, Sir, if it's agreed between the seller and the Land Acquisition Branch that the purchase price will be, say, \$5,000, that can be paid in a lump sum without the restriction of the \$500.00. And where the purchase agreement is based on a unit or a per acre price, a full payment up to the amount of \$2,500 will be permissible to be paid. And then, in addition to that, beyond the \$2,500, 80 percent of the remainder of the total purchase price can be paid.

The proposed revision will permit the Land Acquisition Branch to place in the owner's hand, in most instances, the property on the payment of the full purchase price immediately. This will permit for one payment in most cases, and will eliminate the necessity of making further payments when the final survey is registered and upon which the balance of payment would be calculated. Quite often the registration of the legal survey plan is not in the same fiscal year as the property is acquired, and this adds of course to the cost of administration and necessitates transferring over from one year to the other, sums to which purchase was made. Hence, being in a position to make payment in full will reduce administrative costs. And this proposed amendment particularly applies in the purchase of lands for the departments of Transportation, Water Control and Conservation, and the Manitoba Supply Board, where initial purchases are made on the basis of an engineering plan and where the legal survey plan is not prepared in most cases until construction is complete.

Moreover, there is a provision in the amendments before us to provide for an adjustment in the agreement in the event that the final survey plan indicates an increase in the estimated acreage which exceeds the original estimated acreage by five percent. This provision would protect the owner from accepting a lump sum and where, by reason of the revision of plans, the area may be increased. In this instance, Mr. Speaker, by way of illustration, say for instance an agreement is entered into for the Crown to take land, say five acres, and then if necessary the Crown takes five and a half by arrangement, there is provision for the greater amount to be paid to the seller of the property. Transversely, however, if the Crown takes five acres and only uses four and a half, the benefit is to the seller of the property.

Another important amendment, I suggest, Mr. Speaker, contained within this bill, is a provision which will permit the Land Acquisition Branch to dispose of buildings and improvements on properties acquired for various authorities with a minimum of delay. This primarily is to prevent reduction in value by vandalism, and also of course to clear the property quickly for construction purposes. We have found, Mr. Speaker, that in some instances, say, for instance, along the right-of-way for a highway there may be a building that has been acquired through land acquisition from an owner, any delay in the department being able to dispose of the property, the sale having been consummated, tends to increase vandalism that takes place because of a general attitude in some people's minds that the property belongs to the Crown so they can go in and just smash windows and take electrical wires and the likes of that. This would give the authority to dispose of the property quickly in order that this would be prevented, and I think that it is a good step forward. As I say, this provision therefore will expedite the disposal of buildings and improvements; with reduced vandalism, hopefully more monies will be returned to the Crown of the sale of properties that are usable at the time of acquisition but have to be moved off of the various properties.

Also, another feature of the proposed amendments, Mr. Speaker, is the feature that the authority acquiring the land will be able to dispose of the same without seeking the approval of the Lieutenant-Governor-in-Council, which is of course the present provision. There are occasions when there is a delay simply because of the necessity of going through the formality of having approval by Order-in-Council.

These proposals and amendments, Mr. Speaker, suggest that, may be summed up, is to provide for a greater proficiency and efficiency within the Land Acquisition Branch and I recommend them to the House. It seems to me logical that the suggested improvements in The Land Acquisition Act are well worthy of the consideration of the House and I would recommend them to this House for their adoption.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Swan River.

MR. BILTON: Mr. Speaker, I move, seconded by the Honourable Member for Sturgeon Creek, that debate be adjourned.

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

MR. GREEN: Would you please call Bill No. 40?

MR. SPEAKER: Bill No. 40. The Honourable the First Minister.

MR. SCHREYER presented Bill No. 40, The Executive Government Organization Act, for second reading.

MR. SPEAKER presented the motion.

MR. SCHREYER: Mr. Speaker, perhaps it would be in order if I were to give some brief explanation of this legislation, proposed legislation, although I suspect that not too much is required by honourable members opposite inasmuch as they had something to do with the drafting of it initially and there have been no substantive changes made in the draft. I think it can be said in a few words, Mr. Speaker, that the main effect of this legislation is to formalize a number of practices already in use and to provide, generally speaking, to provide for greater flexibility in the executive branch of government.

Quite a number of the sections in this bill are really in many ways a repetition, or a restating of sections, provisions in the present Act, that is to say the Executive Council Act. The important new provisions are to be found in sections 7 and 8, whereby there is authorization given for the establishment of committees of cabinet to carry out certain functions and purposes. The Management Committee and Planning and Priority Committee of Cabinet, as they exist at the present time, would under this Act exist under the authority of this Act. At the present time, the Planning and Priorities is functioning really as a successor to the Manitoba Development Authority and under the power of that Act, the Manitoba Development Authority Act, passed quite a number of years ago.

The great flexibility proposed here in section 8 would empower the Lieutenant-Governor-in-Council to determine with greater ease the organization of the executive arm of government rather than have departmental Acts for each and every department. It would empower the Lieutenant-Governor-in-Council to rearrange the executive arm as is found most expeditious and most efficient in the judgment of members of the Executive Council.

I believe that section 9, as well, is to be singled out for specific notice and attention, because it authorizes the expenditure from the Consolidated Fund of monies authorized for the administration of the executive arm of Government. At the present time, a similar provision is inserted in almost every bill that deals with government administration and so the purpose of this would be to make it unnecessary to have this type of provision inserted in numerous bills.

There is provision here as well for the authorizing of the transfer of appropriations voted for one department to another department, to follow any transfer of functions which might be deemed fit or found necessary, and so if the Executive Council wishes to transfer certain functions from one department to another, as they would be empowered to do under this Act, there is also provision here, then, to empower the Lieutenant-Governor-in-Council to transfer with it the corresponding required funds.

There is also provision in the bill for the delegation of powers, the kind of delegation of powers that is frequently found in statutes. Delegation of powers to Ministers may be found in a good many Acts passed by this Assembly. At the present time, similar provisions can be found in four departmental Acts, provision for the delegation of power, for example the Highways Department Act, the Public Works Act, the Department of Agriculture Act, where there is extensive provision of this kind, and the Water Control and Conservation Branch Act.

It is anticipated that this provision for the delegation of power by way of departmental Acts should be unnecessary with the coming into force of this Executive Government Organization Act. If a certain kind of power or authority is delegated to a minister, of a type that is not included in this particular legislation, then naturally and obviously it would be necessary still; even though this Act were to become law, it would still be necessary to, in a case like, in a particular bill, in specific legislation, to authorize the delegation of certain powers as are not provided for in this bill that is before us.

MR. SCHREYER: I believe, Mr. Speaker, that other specific clauses in this Bill are more of a routine nature, dealing with the appointment of a seal for departments, etc. I understand that at the present time some departmental Acts do authorize the appointment of a seal for a department; other departmental Acts are silent on this question. I don't know how

(MR. SCHREYER cont'd) . . . . . important it is; nevertheless in Section 13 of this Bill, I believe, it's provided for in a uniform way for all departments.

Section 19 of the legislation repeals the Executive Council Act which is presently in force, the Provincial Secretary's Act, the Department of Public Utilities Act, and the Manitoba Development Authority Act which is still on the books although it has been inoperative for the last two or three years. Perhaps, technically speaking, that is not correct but in a practical sense I believe it is correct to say that the old MDA Act has been inoperative and would be one of those Acts repealed with the coming into force of this legislation.

I believe, Mr. Speaker, that that covers the main points of the proposed legislation and I await comments of honourable members.

MR. SPEAKER: Are you ready for the question?

MR. WALTER WEIR (Leader of the Opposition)(Minnedosa): Well Mr. Speaker, I haven't yet had an opportunity to go over the bill in detail, but I have the First Minister's indication that it is substantially the same bill that was being worked on, and may I say that I agree with it wholeheartedly. I think that the government of the day -- the changes that take place in an economy like ours are such that the Executive Council should have reasonable flexibility so that they can put into effect any efficiencies that may be dictated by current trend of the times. So with just those few words and with the indication that I agree with the principle that is contained in the bill, Mr. Speaker, and indicating that I haven't yet checked the clauses, I'm prepared to allow it to go to committee and if there's any questions in detail I'm prepared to deal with it at that time and not hold up for further discussion here.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Rhineland.

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

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

MR. SPEAKER: At this time, if I may, I have had a request made to me from the Crippled Children's Association. Apparently there are a number of children touring the building. They wish to visit the Chamber. It's difficult, in fact impossible, for some of them to take seats in the gallery. Would it be permissible to allow the setting up of 15 chairs around the walkway on the outside of the Chamber to allow these visitors to observe proceedings for about ten minutes or so?

MR. SCHREYER: Mr. Speaker, I should think that there would be no objection. I don't have any.

MR. SPEAKER: They would be here with their attendants.

MR. WEIR: Mr. Speaker, not only would there be no objection; I would be very pleased to have that happen.

MR. PATRICK: Mr. Speaker, I think it would be most desirable and we would agree in our group.

MR. SPEAKER: Very well then. I wish to thank honourable members.

Bill No. 54. The Honourable Attorney-General.

MR. MACKLING presented Bill No. 54, an Act to amend The Liquor Control Act (2) for second reading.

MR. SPEAKER presented the motion.

MR. MACKLING: Mr. Speaker, in addressing some remarks in this House on another matter some time ago, I indicated that there would be introduced at this session some amendments to the Liquor Control Act. I think I made these remarks at the time of the discussion of Bill No. 22, which was an Act to amend the Liquor Control Act (1). At that time I indicated that I would be introducing legislation which was of a routine housekeeping nature which would be a government measure. I also indicated that it was anticipated that there would be another bill introduced which would affect principles in the Act, principles of substance, and that this Act when introduced would be indicated to be one on which there would be a free vote.

That bill has been introduced - the first reading was given just today. The Honourable Member from Radisson, Mr. Shafransky, introduced an Act to amend The Liquor Control Act (3), and that is the bill that I indicated that when introduced would deal with matters of some very substantial substance in respect to principles of the Act, and particulars of that will be disclosed when the bill is introduced.

Bill No. 54, however, contains a very extensive number of what I have considered to be very minor amendments to various provisions of the existing Liquor Control Act. It's an

(MR. MACKLING cont'd) . . . . . extensive catalogue of amendments which will facilitate the better administration by the Liquor Control Commission and the Licensing Board of the provisions of the Act.

Some of the amendments are interpretive to correct anomalies that existed, some of them that are very technical in nature, but I think this is the kind of bill which members would appreciate getting detailed explanations on each relevant subsection and section, but I understand in second reading I am to deal with the principles only and really there are no fundamental amendments as I interpret the changes that are envisaged in the present bill before you. Now that's my understanding; that's my assessment. If honourable members have any particular question about some of what appear to be amendments, I will refer to my notes and give them in a general way the answers that they require but -- (Interjection) -- excuse me; I'll answer your question after -- but I would leave it at that and then await questions.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. FRANK JOHNSTON (Sturgeon Creek): Mr. Speaker, I would like to move, seconded by the Honourable Member from Birtle-Russell, that debate be adjourned.

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

MR. SPEAKER: On the motion that Mr. Speaker do now leave the Chair, are you ready for the question?

MR. CHERNIACK: May I put it?

MR. SPEAKER: I believe -- I am of the impression that there is a motion before the House.

MR. CHERNIACK: Oh no, Mr. Speaker. My interpretation of what happened yesterday was that a motion to adjourn would have cancelled all motions that were then before the House. So I have the Honour, Mr. Speaker, to move, seconded by the Honourable the Minister of Consumer and Corporate Affairs, that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

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

#### COMMITTEE OF SUPPLY

MR. CHAIRMAN: We are on Finance. The Member for Churchill.

MR. BEARD: Yes Mr. Chairman, I think we were talking about this the other night and I don't think there was too much interest in listening and it was quite late at night, so I won't go over what I have said but I might draw the committee's attention to the fact that I was discussing Hydro billing in respect to the isolated communities. They did find it very difficult to have the billings sent out from either Dauphin or Thompson and pay a portion of that bill, and then of course, with the poor postal service up there, having another bill come in a few weeks' time saying they still owed that money plus more. And the community itself -- and this was particularly in respect to Brochet -- suggested that the bills, couldn't there be some way in which the bill could be less sophisticated in form and made out in the community itself and the collection made available at the community rather than having to centralize it, because certainly computer service is difficult enough to deal with in our areas and when you extend it that far north then it may be efficient in one form but it certainly doesn't help these people know whether they are coming or going. Of course, I'd have to again point out that the Hydro rates are higher in isolated areas. I can in one way sympathize with the Provincial Government in respect to the higher cost of servicing diesel type power units, but on the other hand, if we're all Manitobans, if Hydro are going to continue to operate within the province on a monopoly, if it's a cooperative deal with all of Manitoba, then perhaps we should be thinking about one rate for the whole of the Province of Manitoba.

We often say the rich get richer etc., and I point out like in one area, Thompson for instance, rates were lowered with Hydro because of the greater consumption. On the other hand, with MTS, with the growth of the number of phones in the area, then their prices of the phone to the individual phone owner, or customer went up. So it's rather a strange and complicated system that we've worked out for our Crown corporations and I do believe that it should be looked into again, because the real consumption of power in these northern isolated communities is not that high, and if we're going to get the north off and running, then I think probably the government should be a leader in bringing down the price, because certainly this government has never been backward and I don't think the Commissioner of Northern Affairs

(MR. BEARD cont'd) . . . has ever been backward in pointing out the fact of what is a profit and what isn't a profit. And when we talk about costs and profits, I think that we should be looking at our own Crown corporations and saying to them, "Let's take another look at your operation, and perhaps Manitoba could start functioning as a total community of Manitobans, not only culturally but also financially, and while it was in a humorous vein that I supported the Member for Assiniboia in saying that Headingley shouldn't have to pay this 15 cents, I often say, why should Churchill pay \$1.50? But that -- I'm getting into Socialism right now and I really shouldn't range too far.

But I do think that perhaps we should get a little closer to the nuts and bolts of the higher cost of living in the north, and I think government itself could possibly lend a hand to the Crown corporations to bring this about, and I will be, hopefully, one of these days referring to the Northern Transportation Company and what it has done for the Northwest Territories in respect to federally-owned Crown corporations which seems to have had a terrific impact on the Northwest Territories. --(Interjection)--I don't even know whether we'll get on the paper the way it looks, but I think that if Hydro is producing power in the north and is considering producing power in the north to keep the cost of power in southern Manitoba at a low level, then I believe that they in turn have -- they should be in fact looking at northern Manitoba and saying, well, if we're going to use your resources, then in fact we've got to turn around and say the resource itself must not only help southern Manitoba but it must in fact help northern Manitoba. And you're going to find within, what is it - two years? the direct line will be connected with Winnipeg giving them the assurance and all of Manitoba the assurance that they will have power at competitive rates with the rest of Canada for years to come, and still we are assessing these higher rates in small communities and I don't really think it's fair.

And so if we're going to slice the loaf or the cake some way or other, I think that we must bring these values into line and say to the Manitoba Hydro, then you must consider bringing the rates in small communities down to the same level and make it a cooperative deal for the whole of Manitoba so that the people in all of Manitoba can benefit. And if you can get higher rates from the Federal Government in their responsibilities in respect to reservation areas, well this is fine, but I don't think it's the people that are caught in the middle again, in the north, that should have to suffer for this, because if it's the negotiation between the Manitoba Hydro and Indian Affairs, then I think this is something that has to be looked after at the government level but the people are the direct responsibility of Manitobans and I think that Manitobans on the whole must see that everybody gets their fair share, not only of the resources and the benefits from the resources, but also make sure that something is done about the cost of living in the north, and I suppose Hydro is one of the larger factors in that area although I again say that I certainly did a great deal toward encouraging, I suppose, Hydro and insisting that Hydro develop a power system for the isolated communities, but now that it's in there, I think that we should take another look at the whole program of power.

I might, in just passing by on South Indian, note that in the Northern Task Force reports we had a letter from the Department of Education -- I'm sorry, he slipped out on me - but it gives, it says that Manitoba Hydro is responsible for the school, the new school at South Indian, and if this policy still remains, well then I would point out very strongly to the Minister that they need an additional school in South Indian. They have asked for it; in fact I believe Cranberry School, or the Frontier School Division has acknowledged the fact that they need more school area, and if Hydro is to pay the bill then maybe we should suggest to Hydro that they get along with it, because I clearly recall the First Minister's statement last year when he sympathized with the community and felt that there should be something done towards assisting them in respect to the mental anguish they had during the time that they didn't know whether they were going to be swimming or walking around in their community --(Interjection) -- Yes. They can do that a great deal of the year incidentally.

Now then, back again to your other Crown corporation within the communications system. I think that Manitoba Telephone System must gather within its own, the different types of communication systems that have sprung up in the north. We compliment ourselves in the rest of Manitoba, if I'm not wrong now, that there is only one system. They've bought out all the others and in fact declared them redundant. I believe the Member for Arthur, I think it was, had one that was taken over a couple of years ago for \$1.00 and I remember he was protesting to the Manitoba Telephone System it should be worth more than a dollar. But in the north,

(MR. BEARD con't) . . . many of the isolated communities don't rely on the Manitoba Telephone System. Indian Affairs have their own radio setup, the Hudson Bay Company have theirs, some of the free traders have their own, the nursing stations have theirs, and I think the strongest point was brought to the Northern Task Force at Ste. Therese, when the Father got up and told us that for goodness' sakes, if you're living in Ste. Therese make sure that none of your dear ones pass away in any community outside of Ste. Therese, because if they have to send a message of condolence out from Ste. Therese, which is a large community, you have to send it collect to wherever you would have to send it, because there's no means of collecting in that community. --(Interjection)--Who needs that kind of help at that time of your life? And also it gives them a reason to send a great deal of collect telegrams to the Member for Churchill and I would like to see something done about this maybe.

But there is the strong points in respect to some of the communities. We'll hear in committee where you can reach outside areas almost at all times of the day or night, and this is really - I am sorry to say and I'll say it again in committee - is not right. It is impractical in many cases where you have to go from one community to another and then to a third before you can reach the Manitoba Telephone System to send a message out, and this is only through the auspices of whether it may be the nursing station or the Hudson Bay Company. And the Hudson Bay Company are doing it as a service and that's about it. You have a schedule in many of the places for two hours a day; one hour perhaps in the noon time or two hours, whatever it may be, a couple more around 5:00 o'clock, and that could be it for the whole day. How do you carry on modern day business this way? How can you get your messages through? I know I've sat and waited around for hours at a time to be able to get a message through, and I might point out at this time that even at The Pas, where you have a sophisticated system set up for Manitoba Telephone System, I phone the long distance operator and I say I want to send a radiotelegram, and they will say well, we'll connect you up with the radio operator - and naturally she'll be busy. So you wait, and they'll say well, could you phone back again, or we'll have her phone you. This may take hours to get the connection through and I can't for the life of me see why the long distance operator just can't take your message - it's billed to your number - and pass it along to the telephone operator. If the system is so far apart that the left hand can't help the right, then there is a definite problem. I don't think the equipment is up to the standard that could be supplied for northern Manitoba.

Now you have one alternative. If you don't like the radio system then go to a land lying system, and of course your telephone company will tell you that this would be astronomical in cost and they would only be able to use one line at a time anyway. But they have the alternative. If they can't, honestly can't, in this day and age find a system that will look after the isolated communities and con the Department of Transport or Indian Affairs into helping pay for it, then they're going to have to accept the responsibility themselves. They certainly must be making money in Winnipeg. They're making money in Thompson and Brandon and many of the other areas, and we're all interdependent; and I would hope that the communication system can be set up so that these people can communicate with outside areas on a more dependable basis than certainly is offered to them at this time. With those remarks, thank you very much, Mr. Chairman.

#### CORRECTION IN HANSARD

MR. CHERNIACK: Mr. Chairman, firstly I want to take the opportunity to note an omission, probably on my part, which appears in Hansard on Page 1359 of April 28, 1970, when I was giving the government's position on the Benson White Paper. And just for the record I'd like to refer to the last sentence on the first paragraph of Page 1359 where I am quoted as stating, "Small firms often tend to do so only if the cost is minimal relative to established profits." It appears that a line was missed and the sentence should read: "Small firms seem generally more likely to take a new idea into operation. Large firms often tend to do so only if the cost is minimal relative to established profits."

Having made that correction, Mr. Chairman, I'd like to deal with the various points raised by various honourable members, but I want to touch for a moment first on comments made by the Honourable Member for Churchill since they are fresh in my mind and his mind and those minds who listened as I did to what he had to say.

I think firstly I should point out that the comments that he made both earlier and today about Hydro and the Telephone System will certainly be noted, and from my association with

(MR. CHERNIACK cont'd) . . . both boards I am satisfied that they will review the points he made and give serious consideration to them. The Honourable Member for Churchill will confirm, I am sure, as will other members of the Legislature, the statement that any letters or inquiries which I have received in connection with either of the two utilities were promptly forwarded to the two utilities and replies were forthcoming in all cases, and extensively. I seem to carry on a running correspondence with the Honourable Member for Churchill, the Honourable Member for The Pas, and the Honourable Member for Swan River who is certainly both anxious to serve his community and to write me in connection with these services and who has taken the occasion, as have other members, of making complimentary remarks about the utilities and the services they offer and, what is more important, their anxiety to serve the greatest number of people most adequately.

I think it is true that they do that but certainly they don't cover the whole province, and certainly they don't satisfy all the people. And certainly that is the reason for the formation of the Northern Task Force and for the efforts made by that Task Force to listen to the problems especially of the isolated communities. And the importance especially of the communication system in the north is recognized both by the report by the government and indeed by all members of the Legislature and I would hope will gradually become more and more apparent as being important to all the citizens of Manitoba many of whom really don't appreciate, as I didn't appreciate some time ago, the difficulties under which the people in the north and in the isolated communities particularly do live. I think the government is anxious to do what it can do and I believe both utilities are at the same time anxious to do what can be done to extend both the quantity and the quality of service.

On the question of the telephone service, I distributed to the northern members, copies of the telephone services reports of January last, on Northern Manitoba, and I want to read a short excerpt from a paragraph entitled "Development and Services." At the present time there are 81 communities with an approximate total population of 68,300 in the area north of the 53rd parallel. The percentage of the population receiving some form of MTS service is 97 percent. An additional two percent is scheduled to receive service by April 1970, leaving a balance of one percent of the total population located in very small communities without any form of MTS service. The policy of the system is to provide some form of communication in all communities having in excess of 50 persons. This program is almost completed with the remaining 7 locations to be completed by April 1970. And in leafing through the book whilst the Honourable Member for Churchill was speaking, I noted the name St. Therese Point, and I note also that it is shown that there will be an agency established by April 1970, today is the last day for that forecast, and if the honourable member doesn't know possibly he and I will find out in due course whether their projection was accurate and whether indeed as of today there is an agency there. But I think that there is confirmation that efforts are being made by the Telephone System and by Hydro to continue to expand their services.

I noted also what was said by the honourable member about the billing services of Hydro in isolated communities. I don't pretend to have the answer for him but again I'm sure that it will be looked into and his suggestions will be assessed by the two agencies and in this particular case by Hydro.

Let me now, Mr. Chairman, move back to the questions that were asked and the points that were raised by honourable members in the order in which they were asked. First, dealing with the Honourable Member for St. Vital, who indicated I think two specific questions and then made the general statement that he would wait until the estimates come to the question of debt when he would take advantage of the opportunity to discuss public debt with me. May I say to him that if he's looking forward to hearing what I have to say about the public debt, I join him because I too am interested in hearing what I will be able to say that will be of any value to honourable members on the question of public debt which is a very complicated, very intricate matter with which I will try to cope to the extent that I am able to. But specifically he referred firstly to the question of external auditors and that of Hydro, Telephone and Manitoba Development system - I mean the Manitoba Development Fund - and stated that the auditor should be one who is completely divorced from the operations. So I went to inform the honourable member, who apparently doesn't know, that the provincial auditor is the auditor appointed by this House and responsible to this House and one who cannot be discharged without the approval of either two-thirds or three-quarters of the members of this House and is independent and does not take orders from government.



(MR. CHERNIACK cont'd). The Provincial Auditor reviews all of the accounting of the Government of Manitoba which is now being asked, or expected to spend some 450 millions of dollars in current and which manages a very substantial capital program. The Provincial Auditor who reports to this House is the external auditor that reviews all the internal accounting that's carried on in government. The Manitoba Hydro, the Manitoba Telephone System, the Manitoba Development Fund and indeed all other agencies, have their own internal staff which does its internal accounting and the Provincial Auditor as an external auditor does the audit of all of these accounts, as an external auditor independent in action and independent in reporting and does that reporting to the people of the Province of Manitoba through the medium of the report that he makes to this House. So I want to make it absolutely clear, that this is the situation. As a matter of fact, the former governments had introduced legislation to remove from the Treasury Act those sections dealing with the Controlling and the Audit Branch. The legislation of course died on the Order Paper by the calling of the election but it was introduced by this government at the last session and was passed. As a result of which the accounting process which was formerly under the control of the Provincial Auditor is now in the Finance Department, so that again the Provincial Auditor audits in an external and independent way the internal operations of government.

May I firstly repeat the --some honourable member has suggested that the item pass -- if that's the wish of the committee, I'm prepared to sit --(Interjection)--No, well then I'll carry on until someone else is prepared to suggest that I stop talking. I wanted to repeat what I've had occasion to say before and that is that the people of Manitoba were very well served by the external private auditors who had been formerly been engaged to do various auditing work on behalf of the people of Manitoba. They did the work well and they did the work with diligence and with dedication as one would expect of them as professional people. But the government made the decision that since we now did have an independent external officer in the employ of the people of Manitoba that it would be well that he apply his skills and his reporting ability and the uniformity of reporting in respect to all audits for which government was responsible. I might indicate that the Hydro Act, the Telephone Act, the Development Fund Act each refer to what was then known as the Comptroller-General as being an auditor who may be appointed. To be specific, the Hydro Act says that "the audit shall be by an auditor who may be the Comptroller-General appointed by Lieutenant-Governor." The same type of wording appears in the Telephone System and indeed in the Manitoba Development Fund Act. The Workmens Compensation Act says that "the account shall be audited by the Comptroller-General or by an auditor appointed by the Lieutenant-Governor." The Universities Establishment Act reads - "shall be audited by the Comptroller-General of the Province of Manitoba or by such other auditor as may be appointed by the Lieutenant-Governor-in-Council." So in all those cases, the Acts specifically name the Comptroller-General as a potential auditor of the accounts.

I think for the record, and the Honourable Member for St. Vital may be interested to have a list of all the other Crown Corporations which are being audited under the direction of the Provincial Auditor and I believe in each of these cases the decision had been made by the prior government, but there may be one or two, although I don't think so, in this list that this government gave the responsibility to the Provincial Auditor. But I'll read the list, I'll read it quickly, but just to give an idea of what has been and continues to be the responsibility of provincial auditors: The Cooperative Promotion Board; the Manitoba Crop Insurance Corporation; the Manitoba Agricultural Credit Corporation; the Milk Control Board of Manitoba; The Manitoba Hog Marketing Commission; the Manitoba Vegetable Marketing Commission; the Liquor Control Commission; Public Schools Finance Board; Teachers Retirement Allowances fund; University of Manitoba; the Universities Grants' Commission; Manitoba Hospital Services Fund; Manitoba Medical Services Insurance Corporation; Board of Administration under the Embalmers and Funeral Directors Act; the Manitoba Housing and Renewal Corporation; the Manitoba Water Supply Board; the Manitoba Export Corporation; the Manitoba Centennial Corporation; the Horse Racing Commission; the Civil Service Superannuation Fund; the Manitoba School Capital Financing Authority. That is the kind of responsibility that has been given to the Provincial Auditor in the past and continues to be the his responsibility.

The Honourable Member, Mr. Speaker, also referred to the question of the increase in the budgetary item under Refunds Item 7 (a) where there's an increase from \$325,000 to \$1 million. This question was also asked by the Honourable Member for Assiniboia, I believe, but in any event, it was noted -- oh I think the Honourable Member for Fort Garry did refer to it. In any

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(MR. CHERNIACK cont'd) . . . event, I will try to clarify that for you. The practice has been in connection with revenue tax, gasoline tax, other types of revenue, for the departments to estimate the revenue for the year and make allowance in that estimate of refunds that would become chargeable to revenue for various reasons. As a result, at the end of a year there would be an item set up in the books for accruals in the open ledger for such refunds; and then when the refunds were to be made they'd be charged to that accrual account. Members will obviously realize that a complete set of books had to be kept then in order to carry forward that accrual from one fiscal year to the next and then the refunds that had to be made had to be carefully watched to see that they were charged to the accrual account or to current income. This was of course costly and appeared to be unnecessary and the department therefore felt that it would be much more advisable to change that system of accruals, leave them out, and keep the records on a cash basis so that refunds could be charged as an expenditure and thus eliminate the need for some substantial bookkeeping costs. The annual allotments in the past had been for \$325,000 for refunds by Motor Vehicle Branch, Mines and Natural Resources, Gasoline, Tobacco Tax, Motor Transport Board and others, based on previous experience in various proportions which I don't think members would care to hear elaborated on, although I'm quite prepared to do so. All I need, if you ask I will try to answer but . . .

MR. HARDY: I wonder, Mr. Minister if you would elaborate insofar as the Revenue Tax Act is concerned and the refunds in that area, please.

continued on next page . . . . .

INTRODUCTION OF GUESTS

MR. CHAIRMAN: Before the Minister answers I'd like to draw the members' attention to the Gallery where we have 25 Grade 12 students from the Roblin Collegiate. This is in the constituency of the Member for Roblin. On behalf of the members I'd like to welcome you, and a safe journey home. The Minister of Finance.

MR. CHERNIACK: Mr. Chairman, the honourable member must mean what types of refunds are made under the Revenue Tax Act. Is that the question he asked for - or the amount...

MR. HARDY: No, Mr. Chairman. The amount of refunds that are anticipated under the terms of the Revenue Tax Act.

MR. CHERNIACK: Yes. I'm just coming to that so - I had indicated that in the past the accrual had been for some \$325,000 as shown in the estimates. The additional allotment which is now required as a result of omitting these accruals and recording on a cash basis by charging refunds to this appropriation was \$675,000, making a total of a million. The estimated refund reserve requirements as of March 31, 1969, were Motive Fuel Tax, \$75,000; Revenue Tax, \$400,000. Insurance Corporation Tax \$85,000, with certain reserve contingencies make up the total. And again I have further explanation but I don't intend to offer it unless it's requested because I don't want to be accused of taking up too much time, but I do have further information if it's required on this item.

So I would move on, Mr. Chairman, to the Honourable Member for Swan River, who when he speaks formally is always not only delightful but courteous and I thank him for wishing me well as he did in my job. He asked the question specifically about Provincial Accounting, the Item under Resolution No. 36, and I would like to clarify for him that the provincial accounting item is for the actual accounting of the affairs of government and not the Provincial Auditor's budget which you will find appears under legislation and not under the Finance Department. There is an increase shown in the provincial accounting and the question was asked as to the nature of that. The explanation I can give is that this is the year in which there is a substantial changeover into the computer system, as a result of which for this current year, there is, or for a portion of the current year, there is a double expenditure being made, one to maintain the books on the old system and the other to convert and prove out the computer system. We can't take a chance on dropping one until the other is proved out and working well, so that there is, oh some 25-26,000 dollars in there that is going to be a one-time cost but is necessary in order to make sure that everything runs smoothly.

There is also an item of some \$97,000 under the "Other Expenditures" which is the estimated additional expenditure relative to the computer conversion, and of course I have some details on that; but in the main I would indicate that that is the additional cost for the move over to the computerized voucher accounting system which it is expected and which the former government received a report on would provide greatly improved service and information to all branches of government in connection with accounting.

MR. BILTON: . . . not necessarily a saving in cost?

MR. CHERNIACK: Well I tell the Honourable Member for Swan River, whom I welcome back, I tried to say something nice about him in his absence only because -- (Interjection) -- Oh I see; being behind me I hope you heard what I had to say that was nice and didn't hear anything I said otherwise. I've asked that question and I understand my predecessor asked that question because apparently all the studies that have been made promise savings and neither my predecessor nor I have been able to find any substantial savings involved in the conversion to the computer. We do find, as I said, substantial increased service, improved service, and information availability so that many questions can be answered more quickly, but I personally have not yet seen any savings in costs. I am looking forward to seeing them, but it has not yet been indicated to me that they are there.

MR. HARDY: Mr. Chairman, I wonder if the Minister would indicate as to whether or not the computer time charge is still \$100 per hour?

MR. CHERNIACK: I don't know the answer as to what the charge is. I may get it before I'm through with my estimates, in which case of course I will inform the honourable member. I do know that some of the departments do complain about the charges of the computer section and others are happy to pay it. But it's being challenged because since each department has to buy the time from the computer service, it watches pretty carefully what is being charged as to whether or not it's a worthwhile charge. I'll try and get the answer for you, although I must say that it is not within my department. The computer is operated under the Management

(MR. CHERNIACK cont'd.). . . . Committee itself.

Now the Honourable Member for Rhineland asked a few questions dealing with the federal-provincial relations, and said he looked forward to a report that there are additional revenues to be obtained from the federal government. Firstly, I might tell him that I expect to deal a little more extensively on the question of federal-provincial relations when I give the budget speech this evening. I might tell him in passing though that one of the problems that I have found in the few meetings I have attended on Dominion - Provincial relations, particularly in the fiscal sense, that the two most western provinces of this country seem amongst those who were least anxious to have the federal government participate in shared programming which of course is beneficial more to the provinces that are not as wealthy as the two most western provinces that have such great resources of water and forestry and oil and minerals, even to the extent that they can afford to elect the governments that they do and still manage to do well.

The point raised about treasury branches is of course very important. I might point out to the Honourable Member for Rhineland that when he speaks as he did, I feel he is becoming more and more attuned to the most left wing elements in our party and I'm wondering whether I won't be able to arrange for some sort of sub-committee consisting of the Honourable Members for Rhineland and Crescentwood to get together and see if they can work out some program that would be beneficial to province's financial affairs. Particularly when he speaks of treasury branches, I might tell him that the Honourable Member for Crescentwood has raised that point to me. We have made some enquiries because it's an interesting proposal, one that I certainly don't reject. I might say, however, that the benefits are not that clear.

I'm informed that in Alberta which does have treasury branches -- and I'm sure that the Honourable Member for Rhineland doesn't suggest treasury branches just because they have them in Alberta, because I am also sure that he doesn't believe that everything in Alberta is perfect, but certainly we are prepared to learn from any province, or from any industry -- but I'm told that in Alberta the branches were opened up during the depression when chartered banks were closing down in many communities and leaving them without banking service as a result of which the government of the day felt it necessary to open treasury branches to provide some banking facilities. At the present time the treasury branch operations produce a profit of some 1 to 2 million dollars a year in Alberta. And I'm not one to say what's a million but compared to the total operations it's a comparatively small amount. What intrigues me is that the Alberta treasury branches do not invest funds in Alberta government bonds to any substantial way; they go out in the market just as any other private industry does. At present I'm told that they are really duplicating the services provided by the chartered banks and I suppose occasionally there is some shuffle of customers between regular banks and the treasury branch system in Alberta. Nevertheless I certainly don't rule that out, although I would hope that the credit union movement would do that kind of job which provides a service to the communities of Manitoba of a banking nature that would be useful to them. And I might say that we have every intention of making it more possible than it has been up to now for credit unions to provide deposit services for those agencies or branches of government that would find it convenient and desirable to make use of them.

Now the Honourable Member for Rhineland, of course, wanted to go further and set up a provincial bank and if it's feasible that's fine. I'm not quite prepared to consider the naming of the bank as being the Bank of Western Canada. I feel that possibly we ought to think more than once about it. The Bank of British Columbia I don't think is a provincially owned bank by any means but certainly the possibility of banking facilities for the west is one that is most attractive.

As to the provincial debt questions, I'll deal with that just a little later on. I wouldn't mind running out on that but I don't intend to and I will deal with it -- no, this afternoon. I'll still have an occasion to do it.

Now the honourable member went even further into the field of economic nationalism by saying he'd like to see insurance companies invest much more in Manitoba, used the word "induce" them to invest in Manitoba. Just how one induces them short of compulsion I'm not quite sure but I have had the passing thought I must admit, when I learned that the Manitoba insurance companies, as far as we can tell, did not invest in Manitoba bonds any more or in any substantial amount greater than to other investors in Canada, I really had that passing thought. I'd like to see more Manitoba money invested in Manitoba bonds but I really have not come to the stage that apparently the Honourable Member for Rhineland has of in some way forcing the investors of Manitoba to invest in Manitoba bonds. The insurance companies possibly would

(MR. CHERNIACK cont'd.). . . . like to be prepared to consider the voluntary investment rather than an inducement by form of dictation.

I should inform the Honourable Member for St. Vital that the computer usage charge has been \$100 per hour up to 4:25 this afternoon, which is a pretty up to date report that the charge is still \$100 an hour.

The Honourable Member for Lakeside of course confused me first by appearing physically different than I've been accustomed to seeing him, and then as I closed my eyes, and I don't want to say that I was forced to do so when I looked at him because it wasn't that, but when I closed my eyes I seemed to be hearing the former member for Lakeside who had a great deal of interest in the overall provincial debt picture. I suppose he's taking his job so seriously and he's learning from those who went before him, who no doubt knew more than he did if for no other reason than many years of experience, that he asked the right questions, and of course one of the right questions about the situation of the overall provincial debt when he wanted to know how things were going, he of course knew that we were committed to some pretty substantial programs both in Hydro development and in development in The Pas with a forestry complex of some \$90,000,000 and knowing that I suppose he would be as interested as I am, and as concerned as I am, with the overall provincial debt with which I propose to deal today. But I want to move on to some of the less challenging questions before I deal with the one which I will probably find most difficult to deal with.

The Honourable Member for Fort Garry asked about insurance premiums. He's asking under 1 (d) Insurance Premiums and I did confirm to him that the Insurance Branch was item 6 which was the operation of the superintendent of insurance, but item 1 (d) does refer indeed to insurance premiums. I might inform the honourable member and the honourable member for Assiniboia who wanted to know the names of agents - now was he referring to agents -- (Interjection) -- well let me just finish my question. Was he referring to agents that sold insurance to the government? Is that the question he was asking? He nods yes.

MR. BUD SHERMAN (Fort Garry): Mr. Chairman, I might just say to the Minister of Finance that my question about insurance premiums was really asked in a spirit of levity and good fellowship, although it may have been unfounded at the time. But I would be perfectly happy if the Minister dealt with the more serious questions that have been posed to him in examining his estimates. He doesn't need to waste any time on those two particular items for me.

MR. CHERNIACK: I appreciate the goodwill of the honourable member. I certainly did not take his question as being one that was casual and not important and although he says it was in a spirit of levity I do want to answer the questions so that I leave nothing unanswered, because indeed, Mr. Chairman, I did have occasion to look into the question of the auto insurance premiums that were being paid and I think I should make some report on that, hoping as I do that I will find my comments on it very soon.

I found that the practice for the auto insurance premiums had been to place the auto insurance through a firm which acted as the broker for the government and which canvassed insurance companies for the best rates. The report I received was that bids had been requested earlier - and when I say earlier I mean in previous years - and it was found that the Canadian Indemnity Company was prepared to insure vehicles of government. I'm looking for the note, I know that either the Portage or the Wawanesa was asked to quote and didn't, but the Canadian Indemnity did quote and it was to the satisfaction of the Superintendent of Insurance that the rate was a favourable one and that -- oh yes, it was the Wawanesa Mutual which had been approached last year but declined the business and it was the Canadian Indemnity that took it and reported that it was actually operating at a very very minimal margin between its cost and its charge. I found then that the arrangements which had been made for brokerage was that the policy was placed through the brokerage firm Armstrong and Taylor Limited which shared the business with 14 other agents. I've neglected to obtain the names of the 14 other agents although I know I did have the names, but I wasn't really concerned with the names, I was more concerned with what they did to earn that commission. I found that some \$12,000 was the commission payable, of which Armstrong and Taylor Limited got \$4,000 and the other 14 or 13 divided \$8,000 in certain proportions. I could not satisfy myself in any way that there was anything done to earn that \$8,000, as a result of which I suggested that Armstrong and Taylor Limited be consulted to see whether or not they were prepared to act as brokers for the commission, that they receive alone \$4,000 and they agreed to do so, as a result of which a new policy was placed where Armstrong and Taylor alone was the agent which placed that commission and the fee was

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(MR. CHERNIACK cont'd.) . . . . \$4,000 in its entirety, as far as commission was concerned, and the premium was set at a very satisfactory amount.

I was asked about the Fidelity, Burglary item, No. (e), and I can inform the honourable members that the amount of \$12,000 is one-third of a three-year crime insurance premium. Tenders were received and the lowest bid accepted was from the Canadian Indemnity Company, and provides comprehensive crime and theft insurance coverage for the Provincial Government and for most of its agencies, which excludes Hydro and Telephone.

Now the honourable member asked a question which I'm glad he asked because I think he raised this question earlier publicly, as to what confidence we received in the money markets and how we managed when we approached the money markets, and I can report to him that the impression I have, which is more than an impression, but an assurance from. . . .

MR. SHERMAN: That was serious.

MR. CHERNIACK: That was serious and I'm dealing with it in a serious way. I've received the assurance not only from the members of the Department of Finance - I mean the administration which has been dealing with these bonds for many years - but also from the brokers, and honourable members should know that we have not in any way changed the procedures or indeed the fiscal agents themselves that have acted for the province over the past number of years, that the confidence of the lenders to the government has in no way abated or diminished, and I would not say that it has improved any because I'm sure that my predecessor was able to instill confidence in them, as indeed the Province of Manitoba deserves.

This government has been responsible for some issues, the first of which was for \$17 million for the Manitoba Telephone System guaranteed by the province, dated September 15, 1969, and was sold in Canada at a coupon rate of 8 percent yielding to the investor 8.31 percent, and was a bond which is due on September 15, 1974, and is convertible at the holder's option to be exercised before March 16, 1974, into 8 percent bonds maturing September 15, 1989. As I say, it was a \$17 million issue. We were informed, I believe within a day, that they were sold.

Now the next issue was to me a much more exciting one because I was more closely involved in it.

MR. SHERMAN: Mr. Chairman, excuse me. Could I just ask the Minister to expand on that one point for my edification. When he talks about the issue being sold, does he mean that the issue -- I presume he means that the issue was bought up by brokers and brokerage houses, but could he indicate whether he knows whether those houses are then having any degree of success in their function of selling?

MR. CHERNIACK: Mr. Chairman, when I said sold I meant sold. I meant that, as I recall it, within a day or so we were informed by our fiscal agents that their reports which they received from all the brokerage firms was that the issue was sold to investors. Now we don't know and we have no control over knowing whether they lied or not. We have no reason to think that they did lie. We have no way of knowing whether they were bought by speculator investors or not, except that we do know that the market was hit on that one exactly right because there was no fluctuation, as I recall it, of any consequence in the sale price of the bonds for some period after that and any subsequent fluctuation was of course a reflection of the general market, but there was no immediate fluctuation which would indicate that there was no speculation nor was anybody stuck.

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

MR. HARDY: Mr. Minister, I wonder if I may -- I believe you suggested that the bonds sold bore an eight percent coupon. Can you indicate the discount, if any?

MR. CHERNIACK: Yes, I certainly will. I did say the yield to the investor was 8.31 percent. I didn't say, and I should have said, that the cost to the government was 8.56 percent because the sale to the syndicate was at \$97.75. The price to the investor was \$98.75, the difference of \$1.00 being the agreed upon commission.

Now I was starting to refer to the second issue. The second issue was the issue for \$50 million, which to me was then a lot of money, it still is, but it's not as frightening as it was on that occasion in November when I visited with representatives of Hydro and with the Deputy Minister of Finance, Mr. Stuart Anderson, who is really the man who operates this and I don't take credit for any good sale. I suppose I shouldn't take the blame for any bad sale but I will take the blame for any bad sale because I'm safe so far but I give him full credit for any successful sale. We started in San Francisco where I was called upon to speak and present the situation in Manitoba. I was then in Chicago for the same purpose meeting with both members

(MR. CHERNIACK cont'd.). . . . of the syndicate and substantial investors that were known to the syndicate as being interested, and then in New York. I went through a most interesting and most difficult afternoon where we actually started bargaining with the syndicate on the sale price of that issue. What is interesting about this, if honourable members are interested -- I'll try it out and see if I lose your interest -- is that if you bargain out a price which is too good for the province that means that the sale price is as high as you can bargain out with the syndicate, you then have the danger that the syndicate having purchased it will be stuck with it and will then have difficulty disposing of it at that price and the syndicate is not permitted to reduce the price for some period of time after it's proven its inability to sell. On the other hand of course if you sell at a lower price than the market will pay then there's a rush on the market and you find that the bond value goes up two, three, four days, a week or ten days later than that and then you're embarrassed by the fact that the price may have been just a little too good at a cost to Manitoba. On a \$50 million issue we were bargaining in pennies with the syndicate trying to -- with their help and I don't say it was an adversary type of bargaining -- but with their help and their guidance to try and fix a price, and again I think that my Deputy Minister hit it just right when the price was struck at a sale price of \$98.85 which on an eight and seven-eighths percent bond yielded the investor 8.9 percent and cost us 8.98 percent. And that at that time was pretty high interest. Today it would be very attractive interest although the market does seem to have come down a little.

Now that issue is one that the press caught up and the Honourable Member for Fort Garry made some statements on it with a suggestion that it was -- I think there were two suggestions. One was that all sorts of union money was being poured in from pension funds to bolster the issue and the other was that the members of the syndicate were stuck with a bond that was not selling well. And my answer is now to the first point was that I wish it were true that we did succeed in selling bonds to union pension funds. It was suggested that because they are favourable to our party that they would have done so. I would have liked them to do so but we received no confirmation from any of the members of the syndicate that this was indeed the case. If it was the case it was without my knowledge; it could have been I suppose under some other name of a trust company or something but I would have welcomed it had I known that, but not knowing it I can't thank anybody for having done something that I'm not aware of.

The second almost accusation or insinuation was wrong again according to the information we had from the syndicate. I think it was within four days that we were informed that the members of the syndicate reported sale of all bonds. And again I can't guarantee that they weren't some of them holding back but I am sure that the ones who are our fiscal agents direct -- by that I mean Wood Gundy Securities Limited in Canada and I again mean Wood Gundy and Drexel Harriman Ripley Incorporated of New York -- I am certain that when they give us information for which they vouch that it is accurate. There was no indication of any difficulty with the sale of the bonds, and indeed the market did not reflect that the price was anything other than right and that the sale was successful.

The next occasion were really two occasions that came awfully close together. One was a sale in Luxemburg of 12 million European units of account which bears interest, the coupon is 9 percent; it was sold at 97.50 to the syndicate but the price to the investor was par 100 cents on the dollar, as a result of which the yield to the investor was 9 percent as is the coupon rate but the cost because of the higher cost of sale in Europe, their charges are higher than they are on this continent, the price to government was 9.21 percent. My information is that the sale was a good sale, the one carried out in Luxemburg for which negotiations commenced in Brussels. And almost concurrent, that is on April 1st -- the Luxemburg sale was dated March 16th -- the next sale on April 1st was in Canada of some \$20 million at a sale price of 98.50. The price to the investor was 99.50 -- and I was wrong, I think I said the other day in answer to a question that I thought it was 99.75 -- it was 99.50 priced to the investor which would be at a cost of nine and three-eighths percent to us and nine and one-eighth yield to the investor. I think we miscalculated by a few million dollars on that one because that was sold quickly and the information we received later was that we could possibly have sold up to 25 million with the same acceptability in the market. Now that is the accounting I give you of the bonds which I was involved in in the sale. I found it an exciting experience. I think I learnt a little bit. As a matter of fact if you're prepared to have a half hour lecture on units of account try it and we'll see whether I can succeed, but I don't invite you to do it because I don't think that members of the committee would be that interested in elaboration on it.

(MR. CHERNIACK cont'd.)

The Honourable Member for Fort Garry also asked me what I accomplished in my participation in the trip to Japan. I might say that the Premier and I and the Attorney-General went in support of a mission of the Chamber of Commerce which was a trade mission, and I am sure that the presence of the Premier may open doors to the members of the tour of the Chambers of Commerce which would otherwise not have been opened to them as readily. We learned that this was the first official visit of a Premier to the country of Japan and we were received very graciously, which of course makes it very pleasant, but we were also received with a great deal of honour to Canadian provinces and with the opportunity to meet very important and influential people in Japan. So that I am certain that the door was opened wider for the members of the mission of the Chamber of Commerce and I for my own part had an opportunity to meet with several people who are of some importance in fiscal affairs.

The country of Japan has not yet permitted the borrowing or the lending of money to foreign countries by Japanese investors and what we had were some very interesting and illuminating exploratory talks on the possibilities of investment by Japanese concerns in bonds and debentures of Manitoba and I walked away with a verbal promise from one of the very important controllers of money in Japan that when they were ready to go Manitoba would be the first to get it. I value that promise and I intend to remind the people involved of it, but I can only say that there was an indication that in another year or two the whole problem of fiscal policy in Japan may be such that because of the imbalance, the dollar imbalance that's taking place in Japan, they will be in a position to invest. I hope they'll invest in Manitoba dollars and possibly to some little extent I might be able privately to point a finger at that investment and say I had something to do with it.

What is more interesting is that we opened discussions with the foreign credit control agency of Japan where if you think that we are thinking in terms of government control in Manitoba, you haven't seen anything until you've been to Japan to see the extent to which government is involved in all enterprise, in all industry, a country which is showing such remarkable growth. Well there I had some, again, interesting and possibly productive discussions with the suppliers of large equipment, potential suppliers to Manitoba. We discussed there the fact that I was on my way to the United States to borrow some 50 millions of dollars, much of which was going to be used, or part of which was going to be used to pay Japanese suppliers of electrical equipment for the Hydro Development Program in Manitoba and I indicated that I rather resented having to go to borrow money in the United States market in order to pay cash on the barrel head to Japanese suppliers who should be able to give us that same kind of credit. They took me very seriously, we had several discussions and they did indicate that when there would be opportunities for large, and I mean large, purchases by Manitoba of government required equipment in Japan that we could then start discussing the financing of the purchases in Japan. Well it's hard to measure what that's worth. I seem to recall one of the - I don't know what the Honourable Member for Churchill said but if he referred possibly to the use of the Port of Churchill, I can assure him that they were most interested to learn about the experiment that's taking place with the Manhattan up in the north; and they were most interested to learn, as they didn't know many of them, of the Port of Churchill and of the use to which it can be put even for a short season. They were definitely interested to the extent that they got out maps and they started finding out things about the geography of Manitoba that they didn't know. And I might say in passing -- I don't want to be accused of taking time, but I want to say in passing that when we met with the Premier of Japan and other people, they were astounded to learn that Manitoba was 1.7 times the size of the country of Japan. They were astounded to learn that we have a population that was something like one percent of the population of Japan and they started to visualize a province with untold promise and future which they had never considered before. That was interesting in passing, but we did talk about the Port of Churchill. I want to move on so again I'm conscious of the time it takes.

The Honourable Member for Fort Garry asked about refunds. I tried to explain that.

The Honourable Member for Assiniboia started to talk about revenue items, sales tax items and I might indicate to him that that's a more proper item to deal with under the budget. I would also indicate to him that there is a motion by the Honourable Member for Riel on Sales Tax dealing with children's clothing. I am prepared to speak on Sales Tax matters either under the resolution or under the budget, or now if you insist, although in my opinion it was not a proper item to - I don't put it that way - I think it's more likely a matter to be discussed on



(MR. CHERNIACK cont'd.) . . . . . other occasions although naturally it can be discussed under estimates. But I propose not to deal with it now unless there is request that I do.

Insurance Branch. The question by the Honourable Member for Assiniboia was why the increase. I note the increase is 7 million dollars under Item - I'm sorry, I think in millions when I talk about borrowing, but when it comes to spending I think in terms of thousands really, and the increase is \$7,000.00. I might say that there is an increase of some \$10,000 that I can pinpoint. One is that the Insurance Branch which formerly occupied government-owned premises and now occupies rental premises had to put in \$7,000 in the budget for rent and also because of Centennial year there are certain conventions taking place in Manitoba this year for which the Insurance Branch was allocated \$3,000 as part of its share of the cost of the convention. So that the increase is \$10,000, which means that there are other reductions under Other Expenditures.

Mr. Chairman, the Honourable the Attorney-General is interrupting me, he might as well tell you as well as me what he wants.

MR. MACKLING: Mr. Chairman, with leave, I would like to make a brief announcement to the House in respect to the extension of the persons to drive with studded tires in the North Canada. (Leave granted). Mr. Chairman, I'm advised by my colleague, Mr. Borowski and I have confirmed that -- apparently there is still serious snow conditions in the north. Apparently a good deal of snow has fallen recently and the road conditions are bad and he has been requested and advised to extend the time during which studded tires may be operated on highways. He has indicated to me that it is his intention to as Minister permit the continuance of studded tires in the north where climatic conditions indicate for a further period of a week and I have accordingly asked my department to notify the police who would be involved not to prosecute those who have studded tires because of the climatic conditions -- and it's climactic too.

MR. CHAIRMAN: The Minister of Finance.

MR. CHERNIACK: Assuming there are no questions to the Honourable the Attorney-General, I'll go on. The Honourable Member for Assiniboia raised the question of Headingley and its telephone rates. I have a fairly fat book here, not all of which deals with Headingley, but a fair amount does and I'm informed that the honourable member has had occasion to discuss the situation in Headingley with the Telephone System in the past. Now if he wanted to raise it for the edification of all members of the committee, I'm prepared to give a rather lengthy report on the question of long distance rates in Headingley, but if the committee is prepared to leave that alone, I can send it along to the Honourable Member for Assiniboia or speak to him privately. Now if honourable members would indicate, other than the Honourable Member for Assiniboia, would indicate a desire to hear the report on Headingley, I'm prepared to make it, but unless I hear someone other than he ask for it, I propose to leave that question for him.

MR. FROESE: . . . matter of policy involved here and I think we should know.

MR. WEIR: Mr. Chairman, might I first of all ask whether there has been any change. I think we've discussed it in estimates in prior years - whether there's any change from that position - and see whether there's any means of capitalizing it besides reading a very very lengthy report which could be time consuming.

MR. CHERNIACK: I promise to do my best, Mr. Chairman. I'm informed that the Telephone System is commencing again or has commenced a complete review of all of Greater Winnipeg area telephone service which of course includes Headingley, but it also includes other areas in Metropolitan Winnipeg which are in the same relative distance and create the same problem. The investigation includes Headingley, Stoney Mountain, Lockport, Oakbank, Dugald, St. Adolphe, Sanford, etc. It's a major problem. It is being reviewed. The Honourable Member for Assiniboia and other members of the Committee probably know about the hearings that were held by the Utility Board in 1968 where it was reviewed extensively and the Utility Board refused to vary the long distance rates. Is that as good a capsule as the Honourable Leader of the Official Opposition would have wanted?

MR. WEIR: Mr. Speaker, might I just ask at this point, and it satisfies me in terms of this, has there been any investigation or is there further investigations going on about the same condition that exists in certain places of the province where the distance and the availability of telephone service in regard to service is carried on?

MR. CHERNIACK: Well, Mr. Chairman, I learnt, and it was very interesting for me to

(MR. CHERNIACK cont'd.) . . . . . learn of the problems that occur in many areas of Manitoba, especially the problem that occurs near a boundary, where people feel they can be served better by an exchange in another district whose location is closer they think than the central office of the region in which they are part. I've learnt this through honourable members writing to me and asking about it and my passing it on to the Telephone System, and learned from the reports I received how carefully they analyze these things and how they are constantly doing it. Frankly, they have satisfied me in almost every case that they have given it good study, that they are reviewing it; every time they write it's a fresh review. I have the impression that they're trying awfully hard and when I send on this information to the individual member, when I do get a reply it's usually one that seems to be one that may not be happy with a decision but at least understands the decision and doesn't quarrel with it too much, but I am satisfied really that there is a constant review taking place for which of course we can expect that there would be improvement rather than retrograde efforts on their part.

I think I've touched on the Northern situation; I do repeat that the Honourable Member for Churchill's remarks will be noted and will be considered. Now I'm prepared to give the report on the provincial debt to the extent of my ability, although the question from the Honourable Member for Rhineland was "provincial debt - what is the situation?" - that's either worth a one minute reply or a ten hour reply. The honourable member whose appearance changes from day to day, but who is still representing Lakeside, was much more specific in his question . . .

MR. HARRY ENNS (Lakeside): Mr. Chairman, my appearance may change, my colour does not.

MR. CHERNIACK: Mr. Chairman, I'm not one to look at the colour of a person, whether he blushes or is pale is of little concern to me, it's the way he talks that often distresses me and often pleases me. Well, he wanted to know again the situation of overall provincial debt. I think he wanted to know what kind of changes have taken place. So I'll try and deal with his question in a precise manner if I can do so.

The overall provincial debt. I've therefore made enquiries. I'm now informed that I now have before me totals of growth direct and indirect or guaranteed debt for the fiscal years, and I have sample years. They may be indicative of something which was not in my mind until I got it, but the years selected by my informant were 1959, 1964, 1969 and 1970 and that sort of covers the last ten year period. The direct funded debt in 1959, March 31, was \$257,026,820; the indirect debt, which is a guaranteed debt, \$73,101,826. I haven't bothered to total that. In 1964 the direct funded debt was \$363,447,605; the indirect debt, \$332,417,490. March 31, 1969 the direct funded debt was \$421,104,924; the indirect debt - \$697,654,211, that's eleven months ago; and last month, March 31, 1970 the direct funded debt was \$472,324,555; the indirect debt guaranteed \$737,808,365. So there's the bench mark if that's what you call it. That's what he calls it anyway. And is the standing as of March 31, 1970. I should point out that all this money as of March 31, 1970 is based on capital authority which was originally arranged and asked for by the former governments, and of course as is known, we are still in the market for hydro on the authorization which is outstanding from what was requested by the prior government. I have a fairly lengthy and detailed sheet showing increases and decreases from March 31, 1969 to March 31, 1970. I don't know if the honourable member or others want me to read something that will probably take some time.

MR. ENNS: Mr. Chairman, I wonder if a request would be in order at this time. I certainly don't expect the Minister to take the time in the Committee to read it but it may prove beneficial to have that sheet available to us if he can do this.

MR. CHERNIACK: Well, Mr. Chairman, I'd rather summarize it for the record and then it'll be in Hansard and we'll have it. The direct funded debt: savings bonds redeemed were some \$10 million - I'll deal in millions if you don't mind. Debentures matured and redeemed were \$20 million. Municipal works debentures half a million dollars and Treasury Bills redeemed or cancelled were a net of \$45 million, which was a total of \$77 million approximately by way of decrease. Whereas the increase was accounted for by some \$114 million in borrowings, new market issues, of which some \$51 million was borrowed by the previous government and \$62 million by the present government and Canada Pension Plan Debentures of \$14 million borrowed in that year, making a total increase of \$128 million which created a net increase in debt of some \$51 million. Of this amount of increase some \$90-odd million was direct for hydro purposes. The indirect debt was, new market issue of telephones of \$17 million; pension plan debentures of some \$33 million for indirect debt. That totalled \$50 million which was off

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(MR. CHERNIACK cont'd.) . . . . . offset by matured debentures of Hydro \$9 million, University of Manitoba 1.1 million, hospitals and miscellaneous a third of a million, making a net increase in indirect debt of some \$40 million.

Mr. Chairman, I really don't know how much further honourable members would like me to go on the debt issue but I'll go as far as they lead me.

MR. CHAIRMAN: The Member for St. Vital.

MR. HARDY: Thank you, Mr. Chairman. No, I don't want to delay this any longer and I'm sure the Minister is of the same opinion. In the figures that were quoted by the Minister could he indicate, perhaps I missed this, but could he indicate the amount of redemption of Manitoba Savings Bonds in the fiscal year ending 31st of March?

MR. CHERNIACK: I've already done that.

MR. HARDY: I apologize, Mr. Chairman . . .

MR. CHERNIACK: No, no. I'll do it again. Savings bonds redeemed in the period March 31, 1969 to March 31, 1970 was \$10 million - \$10,218,000.

MR. HARDY: This was prior to maturity - this is prior to maturity?

MR. CHERNIACK: I believe none of them have matured actually but I'm not sure of that. I'll try and find that. -- (Interjection) -- The indication is that the answer is "yes".

MR. CHAIRMAN: Resolution 35. The Member for Rhineland.

MR. FROESE: Mr. Chairman, I was having a discussion here, a few remarks with the Honourable Member for Lakeside. I didn't get the last question and answer. Was it in connection with parity bonds, the amount that was redeemed. I think this was the question put.

MR. CHERNIACK: Manitoba Savings Bonds.

MR. FROESE: This was the amount that was redeemed, the ten million? And how much is still outstanding from the various . . .

MR. CHERNIACK: I'm sure the people that are looking down at me are rather disturbed by the fact that I haven't found it yet, but I haven't. And I'm not going to guess at a figure like that so I'll undertake to supply that information to the House.

MR. WEIR: . . . the Minister wasn't suggesting there was anybody in the House looking down on him surely.

MR. CHERNIACK: That's possible, too, I'm sure, Mr. Chairman.

MR. CHAIRMAN: The Member for Rhineland.

MR. FROESE: Mr. Chairman, on past occasions I have spoken and requested that we as members receive an interim financial statement as to receipts and so on so that we are having a more up-to-date picture of the actual receipts the government does and is receiving. When we get Public Accounts they are generally about a year old and I think we should be in a position where we would be getting much more current information. I'm indeed happy about the statement that was made by the Minister of Finance on the questions that were put to him as to the public debt, I think we have a very good picture now as to what the situation is because this is what I requested of him; but what about current revenue as far as the amounts that we expend in government. I know that the statements of the Province of British Columbia, certainly they provide interim statements. Even though this might be in capsule form I still think it would be appreciated by the members of this House.

Earlier in the debate I questioned whether we could expect any more from the Federal Government be it in equalization payments or what the situation may be. I note from the B. C. report which gives a list of the . . .

MR. CHERNIACK: Mr. Chairman, I'm just wondering. I could deal very quickly with the questions before me and possibly the honourable member will permit me to interrupt him just to give these answers and then I'll sit down. Firstly, I have now found the amount of savings bonds issued and outstanding as of February 28, 1970 to be \$11,606,800. Secondly, I've already responded to the Honourable Member for Rhineland who just a few days ago I think asked about quarterly statements. I said that I still feel new enough in this position not to be able to judge all the ramifications and problems involved in that, but I said and I meant, that I will look into it and consider it.

Now the booklet which the honourable member is looking at from British Columbia is a pretty expensive proposition. Does he want us to spend that kind of money for that kind of information?

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: I feel that we are not asking too much when we are asking for the things

(MR. FROESE cont'd.) . . . . . that I feel that I am asking for. I don't think we should try and skimp when it comes to getting information from the government as to the finances and when I was just mentioning the equalization grants that the other provinces are getting; we know that Quebec is getting so much more. The 1969-70 annual equalization payments for Quebec are \$343, 000, 000. We also heard the Minister state that the two western provinces were much more fortunate in that they had the natural resources and we know that both those two provinces are not getting anything under the equalization grants. In fact they are two of the chief contributors out of the three who have to make payments from the revenues of the natural resources to the consolidated fund of our country and from which we derive revenue in return.

Mr. Chairman, I feel that a lot of this has to do with the development of our natural resources and the policies that we apply in that direction. I'm sure that if the two provinces in the west wouldn't have had the necessary policies that go with development, if they hadn't had them, they wouldn't have achieved the development that they now have. We also note that the policies that they implemented when they struck oil and had this large oil development in Alberta, they required that the product be processed to the highest degree possible and that the by-products be used and put to use in that province. This gave them many new industries. I often feel that as far as the nickel development up north, how much of the product that we are producing there is shipped out in raw form or could be processed to a much greater degree and provide employment in this province; not only employment but also would provide revenue in return to this province. I feel that we should be looking in this direction when we are discussing revenues and the finances of this province.

We find that the Federal Government is making large grants under the equalization process to the Maritime provinces. Nova Scotia \$90, 000, 000; Newfoundland \$85, 000, 000; New Brunswick \$83, 000, 000. These are the poorer provinces and they are getting large grants. -- (Interjection) -- They are poorer. I've been in the Maritimes and I've attended conferences where they discussed the matter of the low income groups and where it was stated, I forget the exact percentage but there was a very large percentage of the people that made less than \$2, 500 a year.

Now certainly I don't want to begrudge those people any of the moneys that they get in trying to improve the situation there and giving them a chance of enjoying life and also to get better services toward the cost of living, but when it comes to Manitoba under this payment of equalization grants, it is listed as \$42, 000, 000 that the province will receive. Is there going to be any improvement on the \$42, 000, 000? I would like to ask the Minister whether this is final, the \$42, 000, 000 that Manitoba is to receive. Will there be any improvement at all?

MR. CHERNIACK: . . . dealing with equalization under revenues, Mr. Chairman.  
-- (Interjection) --

MR. FROESE: Then Saskatchewan is receiving much less than we are but up until recently they were considered a have-not province and now they have the development of potash and are getting other industries, and as a result . . . Has the Minister . . .

MR. GREEN: I believe the honourable member appears to have some more to say and therefore I would move that the Committee rise.

MR. CHAIRMAN: Committee rise. Call in the Speaker. Mr. Speaker, the Committee has considered certain resolutions, requests me to report progress and asks leave to sit again.

#### IN SESSION

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

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

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