

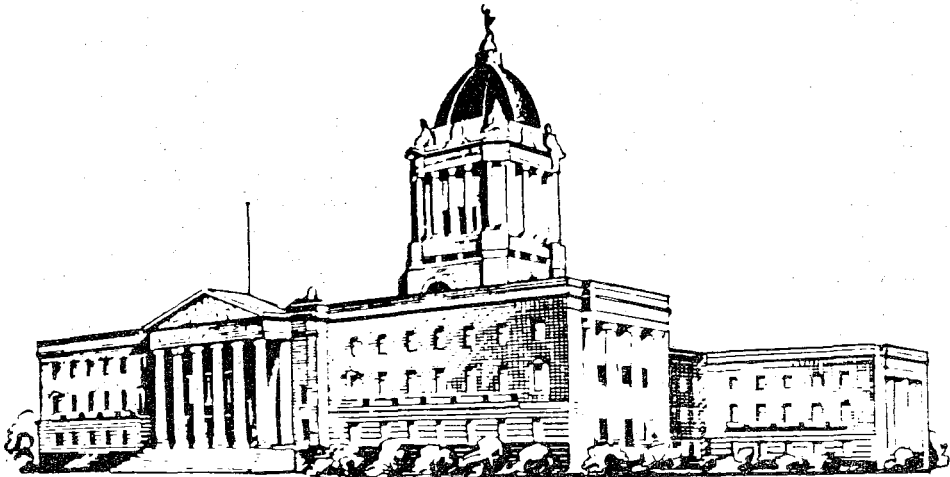


Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

Speaker

The Honourable Peter Fox



Vol. XVIII No. 61 2:30 p.m., Thursday, June 3rd, 1971. Third Session, 29th Legislature.

ELECTORAL DIVISION	NAME	ADDRESS
ARTHUR	J. Douglas Watt	Reston, Manitoba
ASSINIBOIA	Steve Patrick	10 Red Robin Place, Winnipeg 12
BIRTLE-RUSSELL	Harry E. Graham	Binscarth, Manitoba
BRANDON EAST	Hon. Leonard S. Evans	Legislative Bldg., Winnipeg 1
BRANDON WEST	Edward McGill	222B Princess Ave., Brandon, Man.
BURROWS	Hon. Ben Hanuschak	Legislative Building, Winnipeg 1
CHARLESWOOD	Arthur Moug	29 Willow Ridge Rd., Winnipeg 20
CHURCHILL	Gordon Wilbert Beard	148 Riverside Drive, Thompson, Man.
CRESCENTWOOD	Cy Gonick	115 Kingsway, Winnipeg 9
DAUPHIN	Hon. Peter Burtniak	Legislative Bldg., Winnipeg 1
ELMWOOD	Hon. Russell J. Doern	Legislative Building, Winnipeg 1
EMERSON	Gabriel Girard	25 Lomond Blvd., St. Boniface 6
FLIN FLON	Thomas Barrow	Cranberry Portage, Manitoba
FORT GARRY	L. R. (Bud) Sherman	86 Niagara St., Winnipeg 9
FORT ROUGE	Mrs. Inez Trueman	179 Oxford St., Winnipeg 9
GIMLI	John C. Gottfried	44 - 3rd Ave., Gimli, Man.
GLADSTONE	James Robert Ferguson	Gladstone, Manitoba
INKSTER	Hon. Sidney Green, Q.C.	Legislative Bldg., Winnipeg 1
KILDONAN	Hon. Peter Fox	627 Prince Rupert Ave., Winnipeg 15
LAC DU BONNET	Hon. Sam Uskiw	Legislative Bldg., Winnipeg 1
LAKESIDE	Harry J. Enns	Woodlands, Manitoba
LA VERENDRYE	Leonard A. Barkman	Box 130, Steinbach, Man.
LOGAN	William Jenkins	1287 Alexander Ave., Winnipeg 3
MINNEDOSA	Walter Weir	Room 250, Legislative Bldg., Winnipeg 1
MORRIS	Warner H. Jorgenson	Box 185, Morris, Man.
OSBORNE	Ian Turnbull	284 Wildwood Park, Winnipeg 19
PEMBINA	George Henderson	Manitou, Manitoba
POINT DOUGLAS	Donald Malinowski	361 Burrows Ave., Winnipeg 4
PORTAGE LA PRAIRIE	Gordon E. Johnston	Room 248, Legislative Bldg., Winnipeg 1
RADISSON	Harry Shafransky	4 Maplehurst Rd., St. Boniface 6
RHINELAND	Jacob M. Froese	Box 40, Winkler, Manitoba
RIEL	Donald W. Craik	2 River Lane, Winnipeg 8
RIVER HEIGHTS	Sidney Spivak, Q.C.	1516 Mathers Bay, West, Winnipeg 9
ROBLIN	J. Wally McKenzie	Inglis, Manitoba
ROCK LAKE	Henry J. Einarson	Glenboro, Manitoba
ROSSMERE	Hon. Ed. Schreyer	Legislative Bldg., Winnipeg 1
RUPERTSLAND	Jean Allard	602 - 245 Provencher Ave., St. Boniface 6
ST. BONIFACE	Laurent L. Desjardins	357 Des Meurons St., St. Boniface 6
ST. GEORGE	William Uruski	Box 580, Arborg, Manitoba
ST. JAMES	Hon. A. H. Mackling, Q.C.	Legislative Bldg., Winnipeg 1
ST. JOHNS	Hon. Saul Cherniack, Q.C.	Legislative Bldg., Winnipeg 1
ST. MATTHEWS	Wally Johannson	23 - 500 Burnell St., Winnipeg 10
ST. VITAL	D. J. Walding	31 Lochinvar Ave., Winnipeg 6
STE. ROSE	A. R. (Pete) Adam	Ste. Rose du Lac, Manitoba
SELKIRK	Hon. Howard Pawley	Legislative Bldg., Winnipeg 1
SEVEN OAKS	Hon. Saul A. Miller	Legislative Bldg., Winnipeg 1
SOURIS-KILLARNEY	Earl McKellar	Nesbitt, Manitoba
SPRINGFIELD	Hon. Rene E. Toupin	Legislative Bldg., Winnipeg 1
STURGEON CREEK	Frank Johnston	310 Overdale St., Winnipeg 12
SWAN RIVER	James H. Bilton	Swan River, Manitoba
THE PAS	Ron McBryde	Box 1295, The Pas, Manitoba
THOMPSON	Hon. Joseph P. Borowski	Legislative Bldg., Winnipeg 1
TRANSCONA	Hon. Russell Paulley	Legislative Bldg., Winnipeg 1
VIRDEN	Morris McGregor	Kenton, Manitoba
WELLINGTON	Phillip M. Petursson	681 Banning St., Winnipeg 10
WINNIPEG CENTRE	J. R. (Bud) Boyce	777 Winnipeg Ave., Winnipeg 3
WOLSELEY	Leonard H. Claydon	116 1/2 Sherbrook St., Winnipeg 1

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Thursday, June 3, 1971

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: Before we proceed I should like to introduce our guests. I should like to direct the attention of the honourable members to the gallery where we have 32 students, Grade 5 standing, of the Wayota School. These students are under the direction of Mrs. Swirsky. This school is located in the constituency of the Honourable Minister of Labour.

We also have 40 students of Grade 6 standing of the Hillridge School. These students are under the direction of Mr. Napper, Miss Hamel and Miss Tucker. This school is located in the constituency of the Honourable Member for Ste. Rose.

We have 31 students of Grade 10 standing of the Morden Collegiate. These students are under the direction of Messrs. Mesman and Tesarski. This school is located in the constituency of the Honourable Member for Pembina.

And we have 70 students of Grade 3 standing of the Strathcona School. These students are under the direction of Mrs. O. Fowler, Mrs. Dancho and Miss Barron. This school is located in the constituency of the Honourable Minister of Consumer and Corporate Affairs.

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

REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: Adjourned debate on the proposed motion of the Honourable Minister of Mines and Natural Resources. The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, in addressing myself to the report of the Special Committee as a Task Force on Northern Affairs, I wish to comment on a number of things. We find that the terms of reference, when the committee was set up it was to consider and report upon the requirements and developments of Northern Manitoba. This is last year's motion. When the committee was originally set up it read a little different. It said "to consider and report upon the requirements for the economic, cultural and industrial well-being, growth and development of Northern Manitoba." Then last year we had an interim report by the committee which was substantial; it had a large number of recommendations, and I wish to comment later on, on a few of these.

We find that in this year's report that the committee met on three different occasions early in January and then, later on, March 1st and 2nd and early in April. One thing, Mr. Speaker, I've requested this on previous occasions, is that members of the House be notified of these sittings. I certainly wasn't aware of these sittings and I would have liked to sit in on at least two of them, because I notice from the report that we had people such as Mr. Rohmer, who is the Chairman of the Mid Canada Development Corridor, making a presentation to the committee, and I would like to see a copy of that presentation. We find there were also other presentations made, one on communications by Mr. Eric Wells, and I think copies of these reports should be made available to members of the House that would like to see them and would like to inform themselves of them, especially so because they have not been and were not being notified of the meetings.

We know that there was a convention of the Mid Corridor group at the Lakehead a year ago, or a little better than a year ago, and that there have been a number of activities and tours made as a result, and I feel that that particular committee has a big job on its hands and certainly one that could tie in very well with our Northern Task Force.

We notice also from last year's committee report that there are many different items to which the committee addressed itself and on which they reported. There were matters such as rail service, mail service, transportation and communications, the maintenance of basic standards of living, and education for one. I discussed the report at that time when it came before the House and I feel that we're getting a lot of recommendations, but are we getting any action? Has any action been taken in regard to any of the recommendations that were made?

We find on page 33 in connection with education, under (e), that "extensive modifications in education for the north be developed in the areas of" and they list them: textbook content;

(MR. FROESE, cont'd.) curriculum; incorporation of material on native culture and language; the use of native teacher aides; greater involvement of parents in the educational process; encouragement of persons of native origin to become teachers; children should be sent to schools close to their own community; students should have access to classes in Cree; that the university offer courses to prepare teachers for the north; that financial reward be provided for those with special skills needed for northern teaching; and that schools be opened for the use of the community. This is only a few of the many recommendations that were made, Mr. Speaker.

On the other hand then, we see in this report in connection with education, problems noted by the people, and we find there's several of them listed here: The school is felt to be too far away from the students' homes. There is a high rate of drop-outs, absenteeism and expulsions. Students and parents complain of the attitude of supervisors. The facilities are overcrowded and overtaxed. Communication between staff and students is poor. High cost of transportation home at Christmas and for teachers' conventions which parents must pay. The curriculum is not appropriate to the student body.

These are the things that the parents noted and brought to the committee's attention. What has been done about it? Certainly we would like to know whether any action is coming out of reports of this type.

Then there are solutions suggested by the people; there's five listed under this portion. It says: "Students should be able to attend a school in a community that's closer to their homes; that teachers and staff be given training in native culture; that parents and students be involved in the development of school policy; that the curriculum be modified; that temporary living accommodation be provided for visiting parents."

Mr. Speaker, my point in raising some of these is I want to know just what these committees are working for if we are not going to follow up and take some action in regard to the various recommendations that are being made from time to time. At least I hope when we come to the estimates of the Minister of Education that we will hear reports of action to warrant setting up committees of this type and to have them functioning.

Mr. Speaker, when we discuss economic development such as this committee was supposed to report on, I see very little, or nothing actually, in the report of the committee of this year. The report says "that the committee be reconstituted to complete its work; that the Government of Manitoba proceed as quickly as possible with its dissemination of information and the material developed by Northern Manitoba through various kinds of discussions and meetings involving the different groups interested in or affected by northern development so that these people and groups can contribute to Northern Manitoba development planning." That constitutes the report of the committee for this year. I would venture that a committee of this type should certainly have responded to some of the development that is going on up north and whether improvements could have been made. I see no mention of Churchill Forest Industries, which is a large industry that has been brought in, and there is no note of it at all. Certainly I would like to express my appreciation to the government for providing a tour up north so that we could visit the plant and get a firsthand view of it and its operations. I think this is very valuable to members who haven't been up there since the industry was set up. It will give us, allow us to make a personal assessment of this industry.

Mr. Speaker, I find it very noisy; could we have some silence?

MR. SPEAKER: Order, please. The honourable gentleman.

MR. FROESE: For one thing, I would like to know what the capitalization of that corporation is at the present time. Certainly this . . .

MR. SPEAKER: The Honourable Minister of Mines and Natural Resources.

HON. SIDNEY GREEN, Q. C. (Minister of Mines, Resources and Environmental Management)(Inkster): Mr. Speaker, the fact is that we are discussing the report of the Task Force on the North. The honourable member spent the first portion of his remarks on last year's Task Force Report and we let him go on. The capitalization of Churchill Forest Industries, which he now is launching into . . .

MR. SPEAKER: Is the honourable member stating a point of order?

MR. GREEN: Yes, Mr. Speaker.

MR. SPEAKER: May I hear it?

MR. GREEN: . . . is surely not within the frame of reference of a motion to receive the report of the Task Force on Northern Development.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I purposely read out the reference earlier that this committee was to consider the economics, cultural and industrial well-being, growth and development of Northern Manitoba . . .

MR. SPEAKER: Order, please.

MR. GREEN: Mr. Speaker, on the point of order. The honourable member is . . .

MR. SPEAKER: The Honourable Minister of Mines and Natural Resources.

MR. GREEN: . . . reading from last year's Task Force Report and I realize that even if he read this year's that you could make the terms so broad as to constitute anything, but we are discussing the receipt of the report, and surely the capitalization of Churchill Forest Industry does not fall properly within the ambit of that kind of a debate.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Absolutely it falls within the jurisdiction and I'm sure this committee could have considered this when they considered the industrialization of Northern Manitoba. It should have considered that industry, because we, as people of this province, are investing close to \$100 million in it, and is that money being well spent or not, and will there be a return on that investment? Surely enough this committee should have investigated and reported on this if it is not a proper investment.

MR. SPEAKER: Order, please. I would like to suggest to the honourable members that there are a number of conversations going on which detract from my being able to hear the honourable member. The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, the reason I asked for its capitalization is that in order to make an assessment of the industry and whether it can be a viable business is to find out just in what terms we are speaking of at the present time, and will it be able to pay its way? Will it be able to bring about a return on the investment plus carrying the load of overhead and so on? What is the production required to bring about a profit, or even just an equal state so that we won't go in the hole with the business? How much will it have to produce in order to pay off the capital over a period of time? I think these are matters that are very essential and very relative to a committee of this type and its work. I certainly would have liked to see a projected statement, and surely this government by this time, after having taken the action it did, should have a projected statement in its hands as to what they could expect in the way of production and return on this industry by now.

MR. SPEAKER: The Honourable Minister of Mines and Natural Resources.

MR. GREEN: Mr. Speaker, unless you rule that the receipt of the report, that the debate on the receipt of the report permits debate on every question and any question, unless that is your ruling, then I suggest to you that what the honourable member is now referring to is out of order; that this committee did not have within its terms of reference the preparing of a balance sheet as to the future operations of Churchill Forest Industries.

MR. SPEAKER: The point is well taken. The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I am talking of northern development, and certainly this particular industry is to bring about northern development. If ever there is one, this one should, because we've allocated 40,000 square miles of timber to this particular organization, to this company, we've given them such a large part of our natural resources in this province, and the Minister doesn't feel that we should even comment on this. Man! I've requested a financial statement from the First Minister. I feel, because this industry was taken into receivership, that we as members should have a knowledge of the particular . . .

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

HON. EDWARD SCHREYER (Premier)(Rossmere): Mr. Speaker, on a point of order. Do I understand, Sir, that you have in fact ruled on the admissibility of the relevancy of reference to capitalization of Churchill Forest Industries in the context of the debate that is before us?

MR. SPEAKER: The Chair has suggested that the point raised by the Honourable Minister of Mines and Natural Resources -- Order, please. The Chair has suggested that the point should be well taken, I was just waiting to see how far the Honourable Member for Rhineland was going. The Honourable Member for Rhineland.

MR. FROESE: I hope that some time during the session that some information will be provided to honourable members on this side on this whole matter so that we will be knowledgeable of the situation. Certainly, we find that on previous occasions that when this government

(MR. FROESE, cont'd.) came into power that we would have open government, that we would have revelation of the business of the Development Corporation, and certainly the First Minister was one, when he sat on this side of the House, to delve and pry and see whether information could not be obtained from the government of the day at that time, and I feel we should have a similar right at the present time on this side now.

I have been wondering whether this particular committee gave any consideration to the mineral exploration company that the government is intending to set up or providing for at this coming session. Certainly, if the government felt that the committee could do any useful work, then something like this should have been considered and discussed in committee. Or are we going to bypass the recommendations of a committee like this completely, and just saying about our own ideas which are in line with the government's philosophy of the day? I feel that a committee of this type should warrant consideration.

We are providing capital under Capital Supply to the Development Corporation and also to another corporation that is going to bring about development in Northern Manitoba. A million dollars was set aside in one instance and, no doubt, of the other 20 or 25 million that was allocated to the Development Corporation, it will be spent in northern Manitoba. However, when we hear reports like we heard yesterday afternoon about the Western Coach Industries Limited and when we have allocated large amounts of money to the Development Corporation, you just wonder whether some of these funds should not be withdrawn, and the matter . . .

MR. SPEAKER: Order. Order, please. I wonder if the honourable gentleman would confine his remarks to the adoption or non-adoption of the report. He's wandering far afield again. The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, I'm just pointing out the absence of so many of the matters that this committee should have considered and reported on, and I feel, as a result, that we should not be accepting it because it's failing in certain respects. However, I do not want to take away from last year's report which made many recommendations, and also because this is not a final report before us. We will have further reports to consider if the committee will continue.

In my opinion, the government fell very badly yesterday when this report came out on the particular industry that I just mentioned. We were led to believe a year ago that, with this government in office, that things would be in much better control; that we would have more openness; that matters that should be written off would be written off; and I think here we find now with the revelation of yesterday that probably this is not the case . . .

MR. SPEAKER: Order, please. I asked the honourable gentleman to confine his remarks to the adoption of the report. Would he do that? The Honourable Member for Rhineland.

MR. FROESE: Yes, Mr. Chairman, I will change my subject matter, then, to another item which I feel should have been commented on too. This has to do with the Port Authority Office that was recommended a year ago, and Recommendation 45 of last year's report says, "that a permanent Port Authority Office and Tourist Reception Centre be established in the Churchill area as supported at the last session of the Legislature." Apparently this went back to a previous resolution that was passed by this House. I would like to know just what is the situation today in connection with the National Harbours Board that has been dissolved. Is the government going to take any action in setting up an authority that will handle the work of this board heretofore? Will it be under joint jurisdiction, both federal and provincial? Was the committee unaware of the dissolution of this Harbours Board? Certainly these are some matters that should have been considered, in my opinion, and that we should have been advised on and probably reported on so that we would be more knowledgeable of the situation and that action could be taken.

Mr. Speaker, the report, as I read out to you, is very short. It just asks for the committee to be reconstituted and that they continue their work. I have no objection to the reconstituting of the committee, but certainly I would like to see more action than just reconstituting committees year after year.

MR. SPEAKER: The Honourable Member for Churchill.

MR. GORDON W. BEARD (Churchill): Thank you, Mr. Speaker. I do not intend to be very long on this but, since I was a member of the Task Force, I would like to pass along some of the thoughts that I had on it this year.

I think it showed good progress in the one year that it has been in force - or the second year, I suppose we'd say - and the results of it will come after each sitting, of course. When

(MR. BEARD, cont'd.) I say there was good progress, I say that many of the philosophies have been changed, I think because of the Task Force, and because maybe of a new government, new faces and new ideas, but in any case there was an improvement in the North. I trust the government will make sure that this Task Force continues in the future, and I can see it continuing for some years to come. Perhaps there should be a change in membership to have new ideas on that, but in any case I would like to see it continue.

I think the Member for Rhineland shows genuine interest in the North. I know he has often asked me things about it and I congratulate him. I only wish there were more members in southern Manitoba that did take that true interest. -- (Interjection) -- Yes, I was just thinking about the Member for Pembina and I'm glad he did . . . because he proved again that he was a true member of the Conservative Party - of the early 1900's. He has many who will agree with him on the "Work or Starve" program; "Purge northern resources - spend it in the south," but he must have a hard time following his leader and the deputy leader because they're becoming very modern in their thinking. They're 1970 people, but I guess they're being held back by the rest of those in the Conservative Party who would rather think and do the same as their grandfather passed on to their father, and I can imagine them saying now, "My father did it this way, and I did it this way, and you children will do these things the way it is," and if the Member for Lakeside sits down, I'll be finished shortly and he can comment.

I can recall the Attorney-General, Mr. Sterling Lyon, of years gone by, when he would get up and shake his finger at the Liberal Party and say, "We have had to drag you into the 1960's, kicking and fighting and squirming and screaming," and I would say that this is what the Member for Pembina is doing now. He's kicking and screaming and trying his darnedest to stay back in the early 1900's.

MR. SPEAKER: Order, please. I wonder if I could ask the honourable gentleman to get with the subject. The Honourable Member for Churchill.

MR. BEARD: Oh, and what was it the member said? That I'm the one -- (Interjection) -- which? -- (Interjection) -- I trust that you'll have other members speaking after this so we can get those catcalls recorded, but that is all I have to say at this time.

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

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

INTRODUCTION OF BILLS

MR. IAN TURNBULL (Osborne) introduced Bill No. 61, The Dental Association Act.

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

ORAL QUESTION PERIOD

MR. ARTHUR MOUG (Charleswood): Mr. Speaker, I'd like to ask a question of the Minister of Industry and Commerce. Has the Manitoba Development Corporation made a loan to Northland Wild Rice Growers in the past 12 months?

HON. LEONARD S. EVANS (Minister of Industry and Commerce)(Brandon East): I can't honestly tell you, but I'll take the question as notice and provide the information as soon as possible.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I direct this question to the Minister of Municipal Affairs. In view of the announcement made by the National Farmers' Union today, namely whereby they suggested the farmers withhold taxes towards their municipality, is the Minister prepared to do anything to assist those municipalities who may become in difficulties in view that they don't collect taxes from the . . .

MR. SPEAKER: Order, please. That's a hypothetical question. The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, I have a question of the Minister of Municipal Affairs. I wonder would the Minister publicly announce today the guidelines of the transitional force.

MR. SPEAKER: Orders of the Day.

MR. MCKENZIE: Mr. Speaker, I have a supplementary question. I wonder would the Minister announce the supplementary rates today, or in the next few days.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs)(Selkirk): Mr. Speaker, it appears that the honourable member requires reassuring. I have been indicating that shortly

(MR. PAWLEY, cont'd.) these pieces of information that he's requesting today will be made available. I'm doing everything in my powers to get this information to the member as quickly as possible. Insofar as the guidelines re transitional assistance, I think that he will find that the bulk of that material has already been released to the House and has been indicated to the House on various occasions last year, and I cannot comprehend just why the honourable member should still be puzzled as to exactly what those terms of reference will be.

MR. MCKENZIE: A further supplementary question. Can the Minister announce to the House when the Board will hold its first meeting?

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q.C. (Leader of the Opposition)(River Heights): Mr. Speaker, my question is for the Minister of Industry and Commerce and/or the First Minister. I wonder if either one could indicate, at the time that the government bought into Western Flyer Coach, did they find or know about the salary arranged to be given to Mr. Ault and the other financial matters?

MR. SCHREYER: Mr. Speaker, I think that there is an inaccuracy in the honourable member's question when he refers to the government buying into Western Flyer Coach. The government, as such, did not buy into Western Flyer Coach; the Development Corporation did; and furthermore, I would simply point out to the Honourable Leader of the Opposition that the decision to extend a loan to Western Flyer Coach, which decision was taken in the fall of 1969, was a decision which was made without reference to the Lieutenant-Governor-in-Council and without even the information to that effect.

MR. SPIVAK: A supplementary question. I wonder if the First Minister could indicate, at the time that the decision was made to buy into the company or to purchase equity by the corporation, whether that was made with reference and with discussion and the approval of the Lieutenant-Governor-in-Council or its ministers.

MR. SCHREYER: If the Honourable Leader of the Opposition is referring to the subsequent decision with respect to obtaining an equity position, the answer would be yes. If he's referring to the re-financing agreement that was entered into in the fall of 1969, at which time there was also a change in beneficial ownership, then I repeat, the decision was taken by the former Board of Directors of the MDF and the previous executive officer of the MDF.

MR. SPIVAK: I wonder, then, if the First Minister could indicate, at the time that the government authorized the purchase of the equity into Western Flyer Coach, the second occasion, at that time did the government know or have information about Mr. Ault's salary and the financial matters connected with Western Flyer Coach?

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

MR. EVANS: Mr. Speaker, there's a very simple answer and the answer is no.

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

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, my question is for the Minister of Industry and Commerce on the same subject. Because of conflicting statements made yesterday by the Premier and the Minister of Industry and Commerce, with respect to the state of financial affairs . . .

MR. SPEAKER: Would the honourable member place his question?

MR. G. JOHNSTON: . . . Western Flyer Coach, will a moratorium be placed on loans to this company until there has been a debate in this House?

MR. EVANS: Mr. Speaker, as I indicated, I believe yesterday and perhaps earlier on in this House, perhaps last week, there is an application before the Manitoba Development Corporation, before the Board of Directors, and they are considering this and there is a study going on, and I would think, I have every confidence in them to make the right decision on behalf of the taxpayers and the people of Manitoba. And I might add further, Mr. Speaker, that I have no hesitation whatsoever to discuss this question in great depth, in great detail, during my estimates because I think it will reflect rather adversely on the policy of the previous administration and the old MDF.

MR. G. JOHNSTON: A supplementary question, Mr. Speaker. Will the Minister tell this House whether or not a loan is being considered to Western Flyer Coach at this time?

MR. SCHREYER: Mr. Speaker, I think it would be appropriate for me to answer that question and explain a very fundamental fact to my honourable friend the Member for Portage, and that is that the government is accountable to the Legislature but the government and the boards appointed by this government are to make the decisions. This Legislature cannot make

(MR. SCHREYER, cont'd.) the decisions. It's as simple as that.

MR. G. JOHNSTON: A supplementary question to the Minister of Industry and Commerce, and I don't know who's going to answer it: Does the Minister of Industry and Commerce disclaim all responsibilities for loans made by the MDC?

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the First Minister or the Minister of Industry and Commerce. Has the government furnished the Board of the Manitoba Development Corporation with guidelines with respect to the purchase of equity or buying into a company?

MR. SCHREYER: Mr. Speaker, there have been meetings held between the members of the Board of Directors and the Cabinet, at which time guidelines, broad policy guidelines were discussed in some depth.

MR. SPIVAK: I wonder if the First Minister can indicate at what time did these meetings take place; when did they take place?

MR. SCHREYER: Mr. Speaker, the mistake I made was to even bother to rise to answer that.

MR. SPIVAK: I wonder if the First Minister could indicate whether those guidelines were working prior to the purchase of equity by the Manitoba Development Corporation, or after?

MR. SCHREYER: Mr. Speaker, with respect to the purchase of equity in what?

MR. SPIVAK: Western Flyer.

MR. SCHREYER: In that case, Mr. Speaker, the answer would be that there was consultation between the board and the Minister, who in turn had discussed it with his colleagues.

MR. SPIVAK: Well, this is in contradiction to the statements that have been made before.

MR. SPEAKER: Order, please. Order, please. I should like to suggest to all members that when I ask for order there is no need for everyone else to ask for it too. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, to the First Minister - the decision to purchase equity was that of the Manitoba Development Corporation. The decision to purchase equity in the Western Flyer Coach was that of the Manitoba Development Corporation with the approval of the government.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I wish to direct my question to the Minister of Industry and Commerce. Can he inform the House if any federal incentive grants will be lost due to the closing of James Bertram plant at CFI?

MR. EVANS: Mr. Speaker, this is a matter that is under active discussion with the federal authorities. As a matter of fact, I believe the receiver was in conversation with an official of the appropriate department only a day or two ago. It is really too early to tell. It depends on the course of events.

MR. PATRICK: A supplementary question, Mr. Speaker. Have any grants been received to the present time?

MR. EVANS: I'm not sure whether I heard or understood the question but I think it was: have we received any grants? No. To my knowledge there have been no grants received to date.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): One question, Mr. Speaker, directed to the Honourable the Minister of Industry and Commerce. Can he indicate to the House when an equity position was purchased in Western Flyer Coach by the Manitoba Development Corporation?

MR. EVANS: Mr. Speaker, I believe the honourable member could look it up as well as I can; I can't remember every date. But I would repeat what the premier has stated, and this was a decision made by the Manitoba Development Corporation and us. It was last year, yes.

MR. SPEAKER: Order, please. Orders of the Day. The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Speaker, I would like to answer a question posed of me yesterday by the Honourable Member for Birtle-Russell in respect to lumber sizing and the National Building Code. I'm informed that the housing section of the National Building Code sets out tables of allowable spans, prescribing nominal dimensions of lumber, for example 2 x 4 and 2 x 6. The code specifies that this lumber is to be dressed to Canadian standard sizes for yard lumber in accordance with soft wood lumber standards. If the lumber is planed to a dimension smaller than that permitted in the above standard, it is not acceptable under the code, and if the above standard is to be varied, it would be necessary for the National Building Code committee to

(MR. PAWLEY cont'd.) re-examine its tables of allowable spans. Other code formulas call for calculations based on actual dimensions of the material, in which case the problem referred to does not arise.

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

MR. HARRY E. GRAHAM (Birtle-Russell): Another question for the Minister of Municipal Affairs. Is it not a fact, though, that the lumber industry in Canada now has announced . . .

MR. SPEAKER: Order, please. The honourable member is making a statement. Would he place his question?

MR. GRAHAM: Is it a fact that the lumber industry in Canada is now going to plane their lumber to American standard rather than Canadian standard?

MR. PAWLEY: Mr. Speaker, I am certainly not going to pretend to know too much about this subject and I will have to take that question as notice.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, my question is for the Minister of Industry and Commerce and relates to the Saunders Aircraft Corporation at Gimli. Is the Manitoba Government, through the Manitoba Development Corporation, involved financially in the operations of this company?

MR. EVANS: Mr. Speaker, this is public knowledge. A public statement was made to that effect when the financial arrangements were first approved by the Board of Directors of the MDC, and so the answer is yes.

MR. MCGILL: A supplementary question, Mr. Speaker. Does the MDC have an equity position or is this in the form of a loan?

MR. EVANS: If I recall correctly, it's essentially a loan that was made to the Saunders Aircraft. I don't believe there is any equity.

MR. MCGILL: Mr. Chairman, a further supplementary. Could the Minister say what the amount of the loan is at the present time?

MR. EVANS: Mr. Speaker, I'm not in a position to say what the amount of the loan is at the present time.

MR. SPEAKER: Orders of the Day. The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, by leave of the House, I wish to make a correction in Vote and Proceedings No. 36 on page 2, where I moved a motion yesterday, and the wording is in the paragraph (c): "Immediately upon Mr. Ault taking over, with the approval of the Manitoba Development Corporation, he began a sympathetic program of extracting for his personal use, funds." Mr. Speaker, the word I used was "a systematic program" and I would like the correction to be made.

ORDERS OF THE DAY - GOVERNMENT BILLS

MR. SPEAKER: Orders of the Day. The Honourable House Leader.

MR. GREEN: Mr. Speaker, would you call Bill No. 36, please?

MR. SPEAKER: On the proposed motion of the Honourable Minister of Finance. The Honourable Minister of Finance.

HON. SAUL CHERNIACK, Q.C. (Minister of Finance)(St. Johns) presented Bill No. 36, The City of Greater Winnipeg Act, for second reading.

MR. SPEAKER presented the motion.

MR. CHERNIACK: It's fortunate that I thought it worthwhile to have some material with me, since there seems to be a general desire that I make a few comments on this Bill.

I think, Mr. Speaker, that this is a proud day for Manitoba. I recognize that it is a proud day for me personally, and I believe for all members on the government side. It is a culmination of many, many months of long and hard work, carried on to attempt to restructure the capital city of this province to make it ready to deal with its future. I think it will be a proud day for Greater Winnipeg at a future day when it becomes so organized that it can cope, or attempt to cope, with what we know will be tremendous problems that the future holds in store, and which we know of a certainty because we know what is going on in other cities of the world and especially to the south of us.

This legislation, Mr. Speaker, it's really much more than merely a blueprint for restructuring the Greater Winnipeg community along better or more rational lines. It's first and foremost a total and absolute and unqualified commitment to real democracy at the local level. It's a categorical commitment to the belief that if you make it possible for people to determine how their own community shall be run, determine in a most direct and personal way

(MR. CHERNIACK, cont'd.) and in all aspects the daily affairs of the community, they will do it very well indeed, and with this legislation we hope to provide a framework to make it possible that this happens and an incentive to the people of Greater Winnipeg to make it happen in order to get all people in Greater Winnipeg - well, at least many more people than exist today that show that kind of interest - to be thoroughly, effectively, enthusiastically involved in the operation of their community, and we've come a long way in our study in preparation for today.

Our party was, I believe, the first party, political party, which tackled the problem of restructuring at a party level, and we discussed this matter at convention, and some years back we passed a resolution after a great deal of debate and discussion, recognizing the need for a regional government in Greater Winnipeg, and many of us at that time thought that that meant amalgamation and others thought in other forms of regional government, but all of us recognized the tremendous need and the sense of urgency that we have to feel in order to accomplish this objective. And before the election when we drew our platform and when the first leader announced the platform as leader of our party, we made a commitment that we were obligated to bring in a bill for restructuring of Greater Winnipeg, and again, to some of us, that meant amalgamation; to others of us it was not that clear. At that time the Liberal Party, I am told, did have a resolution passed at a convention supporting amalgamation; others have denied that to me. I've never taken the trouble to check back the newspaper records but clearly, when the resolution that came before the House some years back when we were in opposition, presented by our party, the Liberal Party members supported it and its leader at that time clearly came out flat-footed and strongly for amalgamation. Interestingly enough, when I looked at the list of those who voted on the part of the Liberal Party in support, the name of the Member for Assiniboia was absent because he was absent from the House.

Well, Mr. Speaker, we went through a lengthy process of evaluation before we've come to this day, and an example of the kind of discussions we had is one held two years ago, if not to the day then within weeks of the anniversary two years ago of today, when the Honourable the Minister of Youth and Education, with whom I shared committee rooms during the election, the two of us sitting and worrying about whether or not we could get enough votes to be elected, sitting in our committee rooms, carried on a series of discussions on this very issue, and it was to me both an interesting and an illuminating one because, although in the past we'd often discussed this, we had a fixed time and discussion period on this, where we had two dissimilar backgrounds in municipal affairs, where I had a background within the City of Winnipeg as a member of the City Council, within Metro representing an already unification of some services, and where the Minister of Youth and Education had a background related to suburban municipal life where he had been a school trustee, and alderman for the City of West Kildonan, and Mayor, and we started to challenge each other's preconceived ideas about what Winnipeg needed.

We all knew that something had to be done. We all knew that we could not go on as we had before, or as indeed the previous government had permitted to just continue with the enactment of the Metro Act and no further action at all except the appointment of various commissions to study it. And it was at that stage probably, when I first admitted - maybe I recognized it earlier, but during those discussions I admitted - that I had been thinking that amalgamation was a simplified answer to our problem and I admitted then that I had not gone into depth sufficiently to understand, really understand, the needs and the feelings and the desires of groups of people who found themselves in, be it historic, be it traditional, but certainly geographical areas where they felt they had a community of interest and they feared that it would be destroyed.

This kind of discussion continued within cabinet, within caucus and indeed within our party for some period of time starting from when we were first elected, and during that process we found that many of our views individually had become modified because of exposure to other views - and we had many views presented to us and we discussed a great many features with many people with many opposing attitudes - and it was then that we started to think in terms of what is being presented to you today as being a really meaningful way of dealing with the problems as we saw them, because we reached an important conclusion some time back, and that was that super efficiency and economy was not everything that we had to attempt to achieve. We had to recognize that the people for whom we were creating a new structure were much more important, and that particularly at the local level, which is theoretically closest to the people, there had to be people involvement. We knew from experience, and I speak now of people in our group who had represented at the local level, at the municipal level, either at

(MR. CHERNIACK, cont'd.) school board or council, had represented areas such as the City of Winnipeg proper, wards of it, or areas of the size of St. James-Assiniboia and of the size of Old Kildonan, and in that kind of a mix we agreed, based on our experience, that the theory of people involvement was not true for all parts of the community.

There were areas in Greater Winnipeg and certain suburban areas - and not all suburban areas - where people felt that they were close, and were close - you are not necessarily close if you think you are close, and that's why I made the distinction - where people felt that they were close and were indeed close to the government in policy-making apparatus within local government, and others where they were removed, where they were alienated, where they just didn't know how to have a voice or voice an opinion on matters that were of such importance. We agreed that there were large sections in Greater Winnipeg where there was alienation, where there was disinterest, and where there was this real feeling of helplessness, lack of involvement of so many people in Greater Winnipeg. And there was a conviction that "nobody really cares what I may think; nobody really listens."

The more we studied this problem and the more we reviewed it and discussed it, the more convinced we became that the gap between citizens and local governments in some areas was wrong, and we found there was a problem that demanded a solution and we felt the solution was not simple amalgamation. We felt that with people for their need for direct involvement, that they had to have a close contact with their elected representatives, a real chance for the citizen to have a direct and personal say in what affected his day-to-day life, and we found municipalities within Greater Winnipeg, where they had that say, where they felt they really were participants, and we found great areas where they did not. And if I were to name names - and there's no reason why not - I would say that in the Town of Tuxedo the people there felt that they had a real sense of participation in the decision-making process, and in the north end of the City of Winnipeg in Ward 3, which is the area in which I've always lived and which I have represented, there was no real feeling, no real sense of participation of the people with the government, and all this, we felt, was a matter of greater concern than the concern for economy and the efficiency at the political level; that realizing the potential of growth in Greater Winnipeg was important but, along with it, had to be the importance of the participation of the people and the sense of being part of the decision-making process, and we acknowledged we had to tackle the problem on two fronts.

We had to find a way to gather together the scattered, the fragmented resources and the energies, and to put them to use for the entire community; and I remembered, and I commend to members who are interested in a bit of history, the beginning portion of the Report and Recommendations of the Greater Winnipeg Investigating Commission of 1959, where at the beginning section they have a review - they call it the Foreward; it is a sort of a history - of the growth of Greater Winnipeg, and it's really a fascinating document, very well-written. I propose to read only one short paragraph from it. I hope that this paragraph alone will induce some people to go to the library and read all of it because it is an interesting picture of the history of the growth of Winnipeg. But this paragraph, which appears on page 17, describes Greater Winnipeg, the people of Greater Winnipeg, and goes on to say:

"This single community is divided, however, into more than a dozen different municipal corporations, each separate and independent and each responsible for administering local government services within its boundaries. These boundaries, which split the metropolitan area into numerous different municipalities, were not expressly designed to serve their present function. They originated in developments which began with the first settlement in Manitoba nearly a century and a half ago. They came to have their present location through a long sequence of rearrangements which were carried out because of circumstances prevailing at the time. Thus the boundaries of the City of Winnipeg were set down, practically as we know them today, in 1882. Revisions have been relatively minor. The present boundaries, therefore, reflect substantially the circumstances and anticipations which prevailed here three quarters of a century ago." And to a large extent that is still what we are dealing with today.

The book I refer to is one that the Mayor for Charleswood should have in his library, and I assume he has. It's the . . .

A MEMBER: He has one book but he hasn't coloured it yet.

MR. CHERNIACK: It is the Report and Recommendations of the Greater Winnipeg Investigating Commission of 1959 and I do commend it for reading to the honourable member. I point out to him that the conclusions reached in that report were really not the ones that led - in my

(MR. CHERNLACK, cont'd.) opinion - that led to the Metro Act, but rather, if one goes back to the 1953 report which was - I forget what it's called; it was a provincial government report, of which I think that Elswood Bole was the Executive-Secretary. I know he was much involved in it and the Metro structure really comes from the '53 report, and the Member for Charleswood speaking now is probably saying that he has two books in his library, and that's a good one to look at too.

Now, Mr. Speaker, in today's city one of the most vital necessities for good government is the ability to plan and to develop the city on an over-all regional basis. The present twelve municipal governments in Greater Winnipeg are, in the main, parochial and look after their own interests to the exclusion of the regional interests. And, Mr. Speaker, that is the name of the game in the present structure, and the councillors are only playing the game by the rules that developed when the municipal government structure emerged many decades ago. And I would expect that there would be a reaction to that statement. Not true. Not true. It's not so. We think in terms of the over-all, but I justify. I know that when I speak to a person - and I have - who is on a local council, be he from the City of Winnipeg or be he from one of the smaller suburban municipalities, he will say to me and has said to me: "I was elected by the electorate for (this or the other) area of Greater Winnipeg. My responsibility is to serve them in a way which I believe is in their best interests." And I don't fault them for making that statement. I don't question that that is his responsibility, and only when that responsibility comes in conflict with that of another responsibility in a neighbouring geographic and therefore legally different area, then there becomes a conflict which I say becomes unhealthy, each acting in the interests of their own electorate, each acting possibly detrimentally to the interests of Greater Winnipeg. And, as I say, I don't fault them but I believe that we should recognize that it is so, and at the same time we have to recognize all of them are men of good interest, good faith, a desire to work on behalf of their community.

I know there are different levels of elected people. I've never questioned that each of them has had a deep interest in doing what he thinks is good for the area or the people who elected him. But having that interest, and many of them who are far-sighted recognizing the need for a better reorganization, they all now seem to sense that there is something wrong. I don't think there is one of them who would say, "Leave things as they are today," and I don't believe there's one member of the Legislature who would say, "Leave things as they are today." Every one, I believe, acknowledges what has become apparent for some time, that there has to be change.

As the White Paper - I keep trying not to call it White Paper but I did - the policy paper issued by this government on urban reorganization pointed out, Greater Winnipeg is no longer a frontier town. It is no longer an agglomeration of village communities formed in the interest of convenience and basic service needs, in a primarily agrarian environment. It has become an industrial complex, in almost every sense a modern urban city in a modern technology-oriented environment. Mr. Speaker, we must adapt our institutions and, in this case, our urban governmental structure to meet the needs of today and, more important and most important, to prepare to meet the needs of tomorrow.

The present divided jurisdictions, the thirteen different governments for half a million people often working at cross purposes, not only make government expensive but effectively prevent vitally important regional planning. One of the prime reasons that major U.S. cities are in such trouble today is that metropolitan areas - that's core cities and the suburbs - have been unable to work together to plan and thus to prevent the ugly urban sprawl that exists today; to effect efficient and rational transportation systems; to marshal resources to remedy the severe housing problems; to reduce the environmental hazards of noise and air pollution, and in general to deal with the problems that affect negatively the quality of life in the urban community. Only the most parochial and the most narrow-minded people could suggest that problems of such a regional nature can cease to be of concern because they go beyond an artificial separation of jurisdiction which we know as a municipal boundary.

Greater Winnipeg is a prime example of a city that should work together as a region, for it really is one natural unity. It's one socio-economic community, if you want to use that kind of term. People move about daily throughout the entire city to work, to play, to shop, to go to school and university, to go to movies, to go to restaurants, the theatre, the arena, the public buildings that we all use. Artificial boundary lines play no role in the use of facilities but they play a part when it comes to the payment for these regional facilities as not all citizens

(MR. CHERNIACK, cont'd.) contribute fair shares to the support of the wider community from which they all draw vital benefit. And I believe, and I believe we should all agree, that the situation is intolerable.

I believe that we must recognize that there are areas in Greater Winnipeg which have wealth and more growth potential than others; that there are areas in Greater Winnipeg whose potential is exhausted, whose tax base is burdened to a limit we cannot face up to, areas which are doomed to decline and decay unless something is done and done on a regional basis. We have to recognize that there's a tremendous variation in value received for the dollar as between various parts of Greater Winnipeg. We must be sure that we learn from bad examples in the past. I don't know how many of you may have seen an interview with the present - well, the chairman of the Metropolitan Corporation of Greater Winnipeg, who had just returned from an international meeting held in Indianapolis on the question of urban problems, urban growth. He said then something which I think we all recognize but I repeat it only because he said it coming from an intensive programmed meeting of some days where people were there from Europe and from other countries of the world, and he said we are lucky - and I guess he put that in quotation marks - "We are lucky that we in Winnipeg do not have the problems that exist in so many other places in the world." And we are lucky because we have time to prepare for what will happen, and we are lucky that we are able to attempt to deal with them before they happen.

Well, we sought to find a way to gather together the urban communities' various sources of physical and economic strength. -- (Interjection) -- I heard the Member for Rhineland and I assure him it's not necessary for me to say that Manitoba is lucky that we have a New Democratic Government. It's for the people of Manitoba to say that, and they have said it in sufficient numbers to make sure that we are a government and that the bill we are dealing with is one they wanted presented. And I say we are lucky to be dealing with this problem now while achievement rather than decline is still possible. Therefore we started to look at factors.

It was necessary that there be a unification of financial resources of this community of ours, and that meant we had to work towards an equalization of tax base so that there is an equal sharing, based on ability, of the costs. And we felt it was essential that we attempt to eliminate wasteful competition for industry between one municipality and another. And one of the municipalities phoned me, oh, back in January it was, and said, "You know, we have a man who is employed full-time to get industrial development within our community because we feel we need it, and he is now leaving us and we have to decide whether to hire another one, and we think we shouldn't because we don't see the real purpose, the real value to have a person going out to look for industry in our municipality if indeed you will accomplish what you set out to do, because," they said, "there are industrial development people in various other sections of Greater Winnipeg and if there were industrial development based, not on competition as between the municipalities, but on good planning, that would be healthier. And," they said, "we think we shouldn't hire a replacement for this. Do you agree?"

And I think that that is a symptom of what has happened in years gone by. Those of you who know it has been happening in municipalities, know the competition, the unhealthy kind of competition that is taking place between various suburban areas of Greater Winnipeg and the City of Winnipeg and amongst each other, to induce a good tax base, commercial-industrial tax base, and we know that there are polluting industries that are probably placed where they shouldn't be but only there because of tax base needs. And we know that there are tax deals made, forgiveness of taxes made by way of an inducement, and we have said in this government that that's unhealthy as between provinces, and I say it's even more unhealthy as between municipalities within the province, municipalities who are called very often the creatures of the Manitoba Government, members of the same family. And we believe that what we are doing now is to accomplish a coherence in planning authority and a modern legal mechanism for implementing it, and we think that's vital.

But that's the one front; that's the unification front accomplishing that kind of material change, that kind of good planning administrative change. But the second front we had to tackle was getting involved, getting people involved in what is going to happen in their future lives, eliminating the cause of the attitude that robbed so many citizens of their right and proper function in the community, and we feel and state clearly that when anybody speaks of this effort of ours as amalgamation, they're wrong. Amalgamation won't solve this problem that I refer to; it will just aggravate it. And that's why we reject the term "amalgamation", because when

(MR. CHERNIACK, cont'd.) we came up after much study with our program, after gathering information from many sources, after receiving advice from people who were experienced in the specific field of municipal development and generally in government; we arrived at what we call the community committee concept, a concept which we really feel offers unique opportunity for the sort of complete citizen involvement, opportunity for expression of views and participation and decision that simply cannot help but result in a better community, a community worth living in.

When arriving at that concept, we went all the way back to the basic definition of democracy: "the power of decision by the people" and we tried to work towards that, and I must tell you, Mr. Speaker, that the government is pleased with the support we've received of other governments, from other jurisdictions, congratulations we have received from people who have said, "You are showing political courage and administrative courage." Why, I've even had occasion to quote, and there are occasions - few - where I'm happy to quote the Honourable Member for Lakeside, who is reported to have said that at least this government, today's government, has the guts to bring in a proposal to deal with a matter which is really - and now I'm going beyond what I recall his saying - to deal with a matter that's important and vital and ready to face up to the issue.

We've had response of urban planners from many places, not only in Manitoba; other cities, from Canada, United States; we've had support from academic circles, and now I depart completely from the comments of the Honourable Member for Lakeside looking at people in the academic circle. I have respect for their academic knowledge. In Manitoba itself we've had support, and I won't speak of the municipalities that have supported us; in numbers there are more Greater Winnipeg municipalities that oppose our proposal than support it, but in numbers of people they represent, there are more that support us than oppose us. But we have had groups, organized groups, who have come forward - and I think it's interesting. The Architects Association came out for amalgamation some time back - I think before this government was elected. They have now come with a review; it's much more modified; it's not entirely in support of amalgamation and not entirely in support of our proposal. They've asked a few questions; they've challenged a few concepts. I'm sure it will be most interesting to hear from them and others at the committee level.

The Winnipeg Chamber of Commerce came out very strongly for unification, for amalgamation. I don't believe that they are supporters, as a group, of the New Democratic Party, but I don't think this is a New Democratic Party, I mean a New Democratic Party proposal, but don't let me disassociate the pride of this party in bringing it forward, and we will continue to show that pride. But nevertheless, this is not really what should be a party policy issue although I was naive enough to think it mightn't be, and I was shown to be wrong, but the Winnipeg Chamber of Commerce seems to feel that something along this line is important.

The Manitoba Federation of Labour, it too supports the concept. There are a number of university research groups who work in the field of urban affairs that do support this, none that don't that I'm aware of.

And yesterday I received a letter from the International Union of Local Authorities from the head office in The Hague in the Netherlands, dated May 27, 1971, and it's a letter which starts out - (I'll read only the first paragraph) - "Subject: Proposal for Urban Reorganization in the Greater Winnipeg Area. We learn from an article to be published in one of our periodicals that the above-mentioned bill of your government includes proposals to provide for a more active and effective citizen participation through a system of elected wards, communities, community committees of the central council." They go on to say that they're conducting an international study on citizen participation and local government. They have a whole series of guidelines and explanatory notes about the kind of information they are seeking, all over the world, and they invite us - apparently they have no representation - they say, "We have not succeeded in obtaining the co-operation of a Canadian expert" and they're asking that members of the staff of this government be their correspondent to explain what we are attempting to do. And again, I'm not going to read the whole, all the material, but in their questions, their guidelines - I only want to read three of them.

One of them reads: "At what stages and in which ways do local governments provide concrete opportunity for the citizens to influence decision-making?"

Another one: "Do citizens actually use the opportunities provided by local government to influence decision-making or not? Do they create other new channels for participation?"

(MR. CHERNIACK cont'd)

Another question: "Could you summarize again in terms of the interests of the local administration and those of different groups of citizens, the successes and/or failures of local governments' and citizens' efforts to promote the citizens' knowledge, interest, demand articulation and involvement in local affairs and the organization of citizen groups?"

And if I were to answer this today, I'd have to say, "Not much progress has been achieved in Winnipeg today nor, indeed, in Canada." But I would like to think that in the next few years a report of this kind would say that great progress has been achieved. And when I deal with the support we have received from various areas, I must say that I am . . .

MR. GRAHAM: Mr. Speaker, is the Minister prepared to table the letter he's referred to?

MR. CHERNIACK: Am I prepared to table this? Of course I am; of course I am.

A MEMBER: Has it got the headnote and signature on?

MR. CHERNIACK: Everything I received is here and I'll be glad to table it. I'll table it now so I won't forget.

But I would like to indicate how pleased I am for the way the Greater Winnipeg Boundaries Review Commission responded to the proposals contained in our policy paper, and to recognize the Commission's obviously thorough understanding, the very real way in which the Commission caught the spirit of what we are trying to achieve, and I want to read an excerpt from the report. On Page 26 under Conclusion: "The Commission believes that the community committees, charged as they are with responsibility for communication and participation with the citizens in local government decision-making, carry the most basic potential for the success of the regional government itself. Regional unification of economic capacity and development effort will, the Commission believes, achieve its fullest potential only if the community committees work in harmony and with united effort. Geographically, socially and economically, the balanced development of the region will depend on the individual community areas and the contributions they make to the region as a whole."

I don't think one can overstress the importance that it's up to the people themselves to make this work. All a government can do is to make it possible, and in this bill which we are considering today in principle, there is the ability to make it possible, and it will be up to the people in Greater Winnipeg to respond to the responsibility placed on them. They will have to exercise the powers being given to them, and I may say that if they don't it would be sad, it would be unfortunate; if they do, it will be a great accomplishment. If they don't, it will be unfortunate. But if they don't, and all we have left is the structure, it is still a great improvement over what we have today. That, of course, means we'll be working closer towards a form of amalgamation.

Two other quotes from this report - Page 15, under The Longer View: "Throughout its review of the electoral structure for the proposed Greater Winnipeg regional government, the Commission had one primary concern, that people in all parts of the Greater Winnipeg area be enabled to participate actively and effectively in the processes of local government. This concern underlined in turn the need to enable the regional governments to respond effectively and readily to the inevitable and continuing changes in population and community character." That's why we provide for Boundary Commissions to be appointed frequently to review changing conditions, changes in population and community character.

Finally, an excerpt from Page 19: "As the Greater Winnipeg community grows and its population increases, its service needs will grow accordingly. The Commission's concern is that in the regional government's attempts to meet these pressures for increased services, the most fundamental need, that is the individual citizen's democratic right to maintain the closest possible identification and involvement with his local community and his elected representatives, must not be neglected. In this connection, the Commission regarded the community committee components of the regional government as absolutely critical."

Well, members who have had an opportunity to look over the legislation - and all have had the opportunity because, as I recall it, the draft bill was presented on April 28th; the bill itself was presented, I think over a week ago; the explanatory notes, which I believe should be very helpful, were distributed a few days ago - and all those who have looked over the legislation know that the community committees are not merely window dressing for amalgamation. as has been suggested by many others. The decisions to be made on any form of unification are left to the regional council, of which they all form part. all community committees form

(MR. CHERNIACK cont'd) part. The government is not telling them you shall unify one or another service in this bill. The government is making it possible for them to continue as they have up to now, with the same responsibilities for the delivery of service as they have today, and in their wisdom, and in due time with proper study, they can make changes, either way.

They can unify certain services; they can decentralize certain services; and that is something for them to decide. It may well be that parts that today come under Metro, or streets that come under Metro, or transit services that come under Metro, could well be delegated back to the community committees. That is for the regional council to do. In our bill we want to make things possible but not decide for the others what shall happen. We have decided certain things. Equalized tax base, yes. Removal of conflict, yes. Removal of competition, which is wrong, and bad planning, yes. Creation of the possibility for a real planning method to implement good planning and development, yes; we are doing that. But the delivery of services, no. We are leaving it to them, and it will be for the community committees, meeting in concert, representing their own areas but still being part of the regional council and thus having the dual loyalty that is so necessary, they will make the decisions.

Section after section in the bill makes certain that the real power, the effective decision-making process, is placed where at the local level it properly belongs - in the hands of the members of the community, through their representatives from the wards and the community committee levels, to the regional council, and in all the development stages, all the planned development, the community itself becomes involved - if it wishes it to. We're not going to force people to come to meetings but the means whereby they have the right to come to meetings is recognized in this legislation more than any other existing legislation I'm aware of. Indeed, I'm not aware of any legislation that imposes the obligation on elected municipal councils to meet with the people. Yes, to meet on open and certain occasions, yes; to meet in the presence of people, yes; but to impose on them the obligation to meet with the people is in this bill; I haven't seen it anywhere else.

So, Mr. Speaker, the community committees are a decentralization of the political process at the local level on a scale never before attempted in this country, and I'm not really aware of many places where it has been attempted. We decided . . .

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: . . . a question of the Minister. He talks about decentralization but who controls the purse strings?

MR. CHERNIACK: I'm glad the honourable member asked the question because I can now deal with that. I know that the honourable member, of all people present in this Chamber, has the most reading and the most studying to do because I believe that he holds all the portfolios in his caucus and therefore is responsible on all subject matters and therefore I can well appreciate that he hasn't really gone into this bill as extensively as I know he would like to.

The purse strings are controlled by the people who are elected, and the people are elected from the wards, and the people elected from the wards sit on community committees and on the regional council. The purse strings are controlled in such a way that budget requirements for the delivery of services at the local, I mean the community level will be prepared and sent to the regional council after it goes through the budget process, and the regional council approves of the budget, and the regional council is made up of all the people who sit on all the community committees; then the budget is returned to the community committee for the delivery of services for which the community committee is responsible, and they then control the purse strings for the distribution or the administration of the moneys that come within that area.

But the important factor for us is that the decision-making process is done at the regional council level of which all elected people are members, and that's the important difference between the other concept which has been presented, that you have all various regions and they elect members to make up their particular councils and then from amongst themselves they elect a representative of that council to sit on the regional council, which in turn would control purse strings. That, to me, is removing from the elected person the responsibility of dealing with those matters for which he was elected, and delegates to people an authority for which they were not elected. What I mean by that is that if the council shall elect a representative on the central council, he, that person elected, was not elected by the people to be the

(MR. CHERNIACK cont'd) representative on the central council; he was only elected to be on the local council and therefore he already has responsibility to two different bodies: (1) to the people who elected him, say, from the ward; (2) to the people, the elected people, who elected him to represent them, and that becomes a mixed bag of tricks for him to do. And therefore the purse strings, as far as I'm concerned, rest in the regional council of which all members, all elected people are a party, and that's where we get into the question that somebody is bound to raise, and that is a 50-member council.

That is unwieldy, and I admit that can be unwieldy, and I say for the government that we have agreed to sacrifice the efficiency of a one-man dictatorship or a three-man, a triumvirate in charge, or a small cozy group of ten people representing half a million people, we are willing to sacrifice the efficiency that might be created by that kind of a small group controlling the money, having the fiscal power and making all decisions, in order to achieve a large group where each person elected knows and is recognized by the people who elect him in small wards. We will go into that, no doubt, at the Law Amendment stage.

And so, with this decentralization of political process, we decided that we were prepared to attempt it, because we believe that the citizens will use the opportunity we give and indeed many of them will make it a way of life, and need I refer much to the rising demand on the part of groups of people in our society to be heard: the people with various vested stakes, be they tenants group, be they landlords group, be they welfare recipients, be they welfare workers, the demand for people to have self expression is becoming apparent and we must make room for it in an orderly fashion. There is a great deal that has to be done by them and by us to make this work and we are committed to doing that.

We have announced publicly that we would be - and I now confirm that we are - re-organizing our own structure as a government, provincial government, to be able to deal effectively with the urban entity, because we know that more than half the people of Manitoba today live in Greater Winnipeg, and all the forecasts are that, regardless of every effort this or any other government would make to try to build regional development in other areas of Manitoba to prevent, and many of us want to prevent, the complete growth and sprawl that takes place in the metropolitan areas - and we do not want to see Winnipeg grow to being bigger and bigger and bigger without limit - in spite of all the efforts, all the forecasts are that, I think it's 80 percent of the people of Canada will be living in nine or ten cities in Canada - six cities I'm told - and the forecast is that within, may I say our time (old as I am, I think I will hopefully still be around to see it), that we will see a development take place where 80 to 90 percent of the people of Manitoba may be living in Greater Winnipeg, no matter what we do to prevent it, and I assure you this government would like to prevent that from happening. We don't want to see Winnipeg grow to that extent but the trend is there, and combatting it is something we must do, but nevertheless, recognizing the potential growth, we have to as a government be prepared to deal with it, and right now we are helping to launch task forces.

I announced one not long ago, dealing with a complete review of the personnel practices, structures, classifications, salaries in the municipal areas, in order to be able to give information to the new regional council about all the differences that exist and all the similarities that exist, so they will be able to cope with what is a tremendous problem and which could in itself have greatly built-in costs if there's no knowledge involved in that separation, and those who forecast big costs and have never favoured us with a justification for their statements, ignore this very important point that, if you accept the policy that everybody will be raised to the highest level, there will be a great increase in cost. That, of course, is so but if you evaluate everybody and classify them, then there's no need for them to rise to the highest level because they will each rise to their own highest level which may well be below that highest level that would be superficially considered to be an equivalent job.

And we have established a task force within government to -- well, we have announced that there is a group who up to now have been formerly under the Minister of Municipal Affairs, who have been looking at current budgets of the municipalities. One of the assets, advantages of what they are doing is they will be able to give to the new regional council a sort of a pro forma suggested budget for next year so that the council won't be groping. They will be able to say, on the projection of what has been done this year, you will probably need this kind of money to carry out the programming for next year; and concurrently we are, within government, starting to study what this government is doing in terms of program and money that affects Greater Winnipeg, and it is trying to bring together information of all

(MR. CHERNIACK cont'd) departments' programs that affect the urban area of Greater Winnipeg so that we know whether there're conflicts; so that we know the costs; so that we can start setting priorities and objectives. And we are also, at the same time, studying how we can organize, within government, this information-gathering process so that it can become a decision-making process, because we don't want to build a Department of Urban Affairs as a line department delivering services. We want it to be a co-ordinating body; we want it to be knowledgeable and to be a sort of a one-desk method whereby there is dealing with the new government.

Now, Mr. Speaker, there are certain amendments that will be proposed by us, as well as no doubt by others at the amendment stage. One of the most obvious is that we have already committed ourselves to making amendments that will describe the ward boundaries and community committees to conform with the recommendations of the Boundaries Commission. I might say that after the document went to print there was one section which is an exact duplicate of a section from the Metropolitan Winnipeg Act, which some of us found repugnant enough so that we would want to move its deletion. I tell you that that is Section 480 which deals - that is, seriously - with emergency measures and which attacks the basic fundamental rights of people, civil rights of people, and I can tell you, now that we've looked at it and, although it was previous legislation and we didn't look at previous legislation in the same depth, we felt that this was repugnant because under emergency measures legislation itself, there is sufficient power to control without the strength that is in this -- under the code, under the emergency, various legislation, and we felt it's not necessary. There will be others and no doubt we'll be discussing them.

I want to make it clear, something that I said possibly at the very first meeting when we brought forward our policy proposal, we are open to suggestions. We want to hear more. We've heard a great deal. This book that I have here is a summary - a summary - of various proposals, briefs, enquiries, letters received from citizens and from organized groups, and we will continue to keep our minds open in many areas in this bill. The basic concept, we think, is sound and important. The specifics, we want to hear more suggestions. We will be able to deal with them at the Law Amendments stage and frankly, Mr. Speaker, may I at this stage say that I am hoping that it will get to committee stage as soon as possible so that we can start dealing with the specifics.

We, of course, have to have discussion on the principle. We will have to vote on the principle of Bill 36, but I am hoping that members of this Chamber will be anxious to debate the principles and then will be satisfied to leave the specifics for the proper stage, which is in the amendment stage in committee, and that it won't be held up for any arbitrary length of time. That is why I am rather pleased that I was able to distribute draft copies of the bill over a month ago and the explanatory notes a few days ago, which I think will be helpful. I am hoping that we can proceed, and then deal with so many suggestions that may come both from the public and from other members of the Legislature, deal with proposed changes.

When all is done and settled and sorted out, we believe that we will have a local government system and a city that will be the envy of the continent. There is an article that appeared, I think it was last April, entitled "The Cities are Finished" by Stewart Alsip, in Newsweek Magazine of April 5, 1971. Just one sentence - it's a lengthy article talking about the problems of the cities and talking really about the problems of United States cities which are much more serious than ours are today; but he says, and I just pick out the one sentence: "The cities may be finished, not because they've lost their tax base, but simply because they've become unlivable."

I believe that through the mechanism of the community committees, the people of Greater Winnipeg will have an opportunity to prevent that from happening. I believe the citizens will use that opportunity in order to see to it that Manitoba's urban centre will not merely be very much alive, but will be truly livable, a good place to live, to work and to play, for many generations to come. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Thank you, Mr. Speaker. Perhaps in keeping with the Minister's not final but near to final remarks, let me move right into second reading of this bill and indicate at least my position on the bill. It would be my hope, as the Minister has expressed, that we do indeed move expeditiously on the subject matter of discussing the principle of the bill and then being able to look at the myriad of details that have to be looked at at the committee stage.

I choose to indicate to the Honourable Minister and the government at this time why I cannot support the bill, on matters of principle and, Mr. Speaker, I will be relatively brief in giving my reasons.

Let me say, Mr. Speaker, that in the course of his remarks the Minister attributed some statements to me which I accept. I have always been prepared to accept the decisiveness, the dogged determination of this government to carry out specific things that it takes upon themselves to do, whether they are dogged determination to make a colossal mistake or whether they're dogged determination to do what they have indicated they have done, either on party platforms or otherwise, but I accept that statement made by the Minister attributed to me as being essentially correct. I take the occasion to not quite let him make the statement of reference that I made to the intellectual community when he said that he varies generally with me on that. I think that I'm very specific when I single out members of the intellectual community, to the point that I even open myself up to lawsuits as was indicated by the Honourable House Leader the other day; so that it is not a generalization that I'm making.

Mr. Speaker, I take issue, and this is one of the reasons of principle that I cannot support this Bill on a very basic premise on which the government is presenting this bill and a basic premise that was dwelt on at some length by the Minister in introducing the Bill. That is that this one city bill, Bill 36 is essentially before us because as I believe he indicated a growing dissatisfaction, demand, by a part of the people to get more involvement in their immediate government, their local government, to participate more fully in the government function. I don't deny for a moment that this demand is certainly there and it's being polished and becoming more sophisticated in its approach in the sense that there are specific action groups of one kind and another, some of which the Minister mentioned, and of course the means of communication, use of media and so forth is no longer the sole domain of big companies or big government, but it's also now the domain of any determined group of citizens who choose to use that form of communication in communicating with their governments and so forth, and so we are aware of these. But I suggest to you, Mr. Speaker, that by far the overriding concern of the citizens in Greater Winnipeg, and in this sense I feel compelled to say that there is some misrepresentation here on the part of the government, by far the greatest concern and particularly by so many of the proponents who support the one-city plan, is a simple concern of taxes, more taxes and more taxes. I have to agree with the Minister that for a government that is responsible for attempting to sort out the difficulties of urban living, provide for the future of urban life, that efficiency, super efficiency cannot be the sole guideline.

But I suggest to you that the very people that make up, I would suggest, a significant portion of the support for the one city plan, are those people who are complaining to the individual aldermen now, to the Provincial Government now and phoning the By-line daily about the matter of taxes. So that without this government, without this Minister having, I would consider, taken due cognizance of this stark and simple point, and telling us now, now that we have the bill, Mr. Speaker, in our hands and we are going to be passing legislation - of course we should be getting used to that from this government - now we are setting up study groups, task forces to talk about what the cost of unification of personnel is going to be, what the problems of - well the problems of personnel - I'm referring to the announcement that you made several weeks ago with respect to a fact finding group that was going to now look at all the different levels of service, municipal servants within the Greater Winnipeg area, certainly for one of the reasons to see how best these can be brought together, melded together, how pension plans can be melded together, how tenure of service problems, contracts, you know, I'm not particularly wishing to dwell on detail I want to stay on principle. And I say, Mr. Speaker, that the reason why I mention that is that I'm concerned that at this stage of the development this obviously indicates that those critics of the one-city plan are those people who have talked, in today's paper, Mr. Speaker, about the cost of \$17 million or \$100.00 per household, at least know as much or whereof they speak than the government and the Minister that is presenting the bill. Now I'm not prepared to accept any outside person's figures over and above any

(MR. ENNS cont'd.) figures that would be given to me in this House. I only point out, Mr. Speaker, that one of the reasons that I have difficulty in supporting this bill is the total absence and total lack of any conclusive cost figures with respect to Bill 36.

Mr. Speaker, it's not my intention to be critical of the government for some reasons that some members, members of the Opposition, may well feel critical about. I do not criticize the government, for instance, for not placing this matter before the public generally in the form of a plebiscite or for a vote, I accept the general position that governments either fact up to their responsibilities as serious and as complex as they are or they don't. I find myself also somewhat in agreement in not being overly concerned about the nature or the kind of hearings that were held in this particular instance. It was rather illuminating mind you, Mr. Speaker, to have it indicated to us that the concept of the one-city bill was I suppose established in a tete-a-tete that the Honourable Minister had with the Minister of Youth and Education on the night of the election; and I suppose that from then to now there has been some difficulty and no doubt caused a good portion of the Minister's speech, because the Minister is very shrewd in anticipating possible opposition, and the Honourable Minister of Youth and Education, of course, is on written record on many occasions with respect to different comments and remarks in general that he has made particularly as Mayor of West Kildonan, that I suppose by some unscrupulous member of the opposition - of which I know none of in this House - could well likely be hearing some references somewhat similar to the problems that sometimes must arise, although I understand it's now just about been solved, the conflict of opinion that must arise on occasion in that group when they're discussing aid to parochial schools or things of this nature. And I suppose that in this instance the Minister of Finance, the Minister of Urban Affairs, recognized that in introducing this bill that one of his tasks would be to anticipate the fact that the Honourable Minister of Youth and Education could well be on record somewhere that would prove that there had indeed, certainly up until a few short years ago existed considerable evidence of contradiction of views to that which he now has to accept in Bill 36.

However, let me proceed on the principles of the bill, No. 1. The reason that I have difficulty, as I indicated, was the fact that I take issue with the Minister's statement that it is the demand for greater participation. I don't ignore the fact that that is there. I say that the number one overriding reason -- and many different people hold it for different reasons and look at it -- you know some people honestly believe that the elimination of ten or twelve councils will automatically reduce their taxes by 50 percent. Now not too many sophisticated people believe that but some do. This has been postured to some extent, to some degree by irresponsible people who often use that - Well if we only have one council, if we only have one mayor . . . I think this bill already assures that - well we're getting rid of maybe 112 or 120 odd bodies that now compose of the municipal people in government, we're replacing them with 50, and we're probably going to be paying them twice the amount that we're doing because it's going to be a bigger job and they should be paid that, so that there is no savings and nobody is really advancing it from that point of view. But nobody can deny the fact that this is a generally held concept, you know. My father-in-law who lives in a reasonably well-established home on Tuxedo Avenue honestly believes that his taxes are going to be reduced by 50 percent with the one-city plan. I have news for him, I have news for him. Anybody that chooses to ignore that is flying in the face of what is a readily held concept.

People in this city believe that we are over-governed - and they may be right; that we have too great a conflict of interests within the various governing bodies in this area - and they may be right; and that this results in overtaxation, and they're wrong, to some extent. At least the answer, the answer to reducing that taxation my friend does not lie in this bill, does not lie in this bill or else surely the Minister would have indicated to us in considerable detail just where the tax reductions would occur and how.

Mr. Chairman, with that one further reference to a notable line that the Minister read, "to make Winnipeg the city of envy of the North American continent." That's a noble goal, one that I would aspire to. I would not suggest or fool myself nor anybody else that to make the City of Winnipeg into that in actual fact, that we would somehow escape the burdens of taxation facing every other urban area in this continent. More so if we were to set ourselves out to be at the very stellar top of the ladder.

Mr. Speaker, the second point of principle that I have in opposition to this bill is that as a rural member I reject at this time -- I may have to change my mind -- but I reject at this time to concede a fact that disturbs all of us, and the Minister mentioned it briefly;

(MR. ENNS cont'd.) namely, that within the foreseeable future 85 or 90 or 95 per cent of the population of Manitoba is going to be living in this one urban centre. And it bothers me to the point that I object to this bill on principle for this reason. I say that there is at this time and for the past few years at least a growing awareness that that end result is not desirable. We don't see -- I know everybody is saying it -- we don't see this clamour for bigness in the same way that we saw even just a few years ago, and that I would like to credit the government, this government and the soon to be succeeding government, with some, with some success to thwarting this from happening; and I would like to see this province develop into other major urban areas and I would like to see a more balanced redistribution of our population.

Now it seems to me, and my connection may be rather vague, but I want to voice it at any rate, that I have political objections to the amassing of so much political muscle in one body and I express a genuine fear that the remaining portion of rural Manitoba will find it just that more difficult and that more harder to reach the ears of its senior government in order to achieve those very policies and programs that are required to keep rural Manitoba alive and to insure growth and equal and balanced growth in this Province of Manitoba. So to me I see in this adoption of this bill to some extent, you know, a concession to the inevitable that in fact they really don't believe that they have the capacity of stopping what we all accept as being not wanted or desirable and that while they will make speeches about decentralization -- when I speak of decentralization I'm speaking as a rural person or as a rural member, I'm speaking decentralization to centres other than the Greater Winnipeg area -- that in essence they are already admitting that it really can't be done and that 90 percent of the population are going to end up in Winnipeg so let's set out the blueprint for that time and if that is the case then I would -- as I say if I accepted that then I would find myself hard pressed, you know, with some amendments, having thoughts perhaps to support the bill. I say that at this particular time I'm not prepared to make that concession.

While I would like to see the benefit given to the policies as being expressed by your government, by your First Minister, by your Minister of Industry and Commerce, I'd like to give what you have often asked for, give us time: you've only been there twenty months. The Member for Crescentwood has some specific concerns about rural living. I would like to give those policies specifically at least another four or five years to see whether or not this trend is inevitable or can be arrested. I'm not suggesting that we have to wait until a balance is achieved, but if we can see it being arrested it would relieve some of the worry that I now have politically about seeing it that those kind of policies or programs that are required to see this happening will indeed happen.

Mr. Speaker, there is a third point of principle that I find objectionable, and again it is as a rural person. I say this without full knowledge of fact or details because the Minister has been anything but illuminating on this particular subject, but I cannot help but feel that in making this bill politically palatable to the citizens of Greater Winnipeg, the citizens of rural Manitoba will be called upon in one way or another to contribute financially to this cause. Now I'm not naive enough to say that it need be in a very open or apparent manner. I will suggest to you in a few ways that it can happen. It can be the indefinite postponement of the Pembilier Dam, Mr. Speaker, in terms of capital requirement; it can be the reduction to a simply maintenance program, as already happened virtually this year in the Department of Mines and Natural Resources -- (Interjection) -- and Highways. Grant you they're urgent and they're needed, grant you. Fine. Then let's at least understand, let's be honest, let's be open, let's be honest. You've got a point the Minister without Portfolio. And really this is the point that's coming up -- and don't at least blame us. As the Minister of Finance indicated to us in his opening remarks that every elected member find it pretty difficult to do other than but to do his best in support for those people that elected him.

Now you see here on this side a goodly number of people that have been elected by rural Manitoba and as was indicated by the Minister without Portfolio that the price of the one-city plan will be less roadwork, less drainage, less conservation projects, no Pembilier Dam -- (Interjection) -- Yes, he just said that. Mr. Speaker, these then become most legitimate concerns. I wish to be absolutely correct with my honourable friend the Minister without Portfolio. What he did say, what he did say, as I listed some of the possible deferments that obviously have to take place as we proceed with other top priority programs in this province, hydro development, northern development, social development, I'm suggesting to you at this

(MR. ENNS cont'd.) particular time we see for us in rural Manitoba, that's my third point of principle, that there is no possible means other than that a considerable further shifting of provincial resources has to be made to make this politically palatable. I think the indications are there and that these shiftings of financial resources will be felt essentially in rural Manitoba. I think they are being felt in this past budget; and they will be felt increasingly more in succeeding budgets despite — and please save us from any more short term emergency relief measures, as welcome as they are. It is the hard look that rural Manitobans take when they look at the budgets, particularly of the Minister of Mines and Natural Resources, the Minister of Transportation, that they become concerned, that it's an indicator to them of the amount of influence, the amount of pressure to bear that they can in fact . . .

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Chairman, would the honourable member permit a question? Is the honourable member aware that the Leader of the Opposition said that there should have been cutbacks in the Mines Department instead of the rate of continued growth that we have?

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, there should certainly be cutbacks. There should have been a considerable cutback in view of the programs that are not being undertaken by the Department of Mines and Natural Resources.

Mr. Speaker, these then are the three reasons essentially that make it difficult for me to support the bill. Indeed I'll be voting against it on principle. I might even indicate to the Honourable Minister that if he can indicate to us between now and third reading of the bill that the cost implications that I have read into the bill are non-existent, namely substantial increased costs — simply for want of a better figure I've quoted the figures that were published, for instance, today by another eminent source in the Tribune; that's fine, you know, I accept that. I would like some alternative suggestion coming from the Minister, some indication that property taxes generally are going to remain static or at least — in fact this is the essential point, you know, that I indicate that I really object to, is that I do not wish — and I'm not wishing to charge the Minister, you know, so I want to be careful with the word "prod". The Minister is not doing that. But I'm suggesting to the Honourable Minister he made it very clear, made it clear in the opening statement of this bill, that they have not sacrificed everything for the sake of efficiency — or super-efficiency, I believe, were your actual terms. I read that to mean that it's going to cost us more money in the long term, as anything else. But, Mr. Speaker, I say to you, that by far a most significant, if not a majority of the number of people who support the one-city concept do so for one overriding reason, that they honestly believe that their taxes will be abated, at least the constant rise in pressure on taxes, that pressure will be abated, if not an outright decrease in taxes will occur. That is the, you know, the core support for the one-city concept. I don't really think the Minister of Finance really takes issue with that.

Now if the Minister of Finance or during the Law Amendments proceedings where we deal with the bill in detail, I can be shown that what I consider to be serious cost implications upwards, and not in the long-term future but in the very immediate and near-term future, within a space of three years, two years, then I would quite frankly have many of the objections that I have to the bill removed and indeed perhaps even find myself supporting it. Thank you.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Would the honourable member permit a question? Would he indicate now or at a later stage — now if he's ready; otherwise by list or through another member — where he sees this serious implications in specifics; what areas and in what way; and in doing so, not to quote unsupported figures from others but rather indicate the areas in which he sees them.

MR. ENNS: Mr. Speaker, I'll leave to others who will be prepared more specifically in that instance to quote supported evidence or supporting factual statements. Let me simply deal with the matter on principle, we're talking about principle; and indeed a principle that I can well support, and a principle that you have often espoused. Certainly one of the purposes of the bill is to bring about a greater equality in service, in opportunity and in living generally in this city, and if you can tell me that that is not going to cost more money, desirable as it is, then I say I have in my own mind sufficient reasons to express a concern about how much more money, and I simply say, Sir, that the government and this Minister is riding in on the

(MR. ENNS cont'd.) coattails - misrepresentation is too strong a word to use in this particular instance on these honourable gentlemen opposite. I've never been concerned about using strong words of one description or another when I felt the occasion called for it, but they are well aware that, again I repeat, the core support for the one-city concept stems from those people who genuinely believe that with the introduction of this bill, at least the continuing spiral of taxation of urban property will be stopped, and in fact many believe, many who are now so avidly supporting that government and congratulating it for having the courage and the guts to bring in this bill, are saying that finally with all those freeloading aldermen out of the way and useless mayors and what have you out of the way - fellows like that, where's my colleague - you know, these fellows out of the way, these fellows that have these big libraries and what have you, if we get these fellows out of the way that our taxes then will finally come down. The people of Winnipeg believe that and these people have just been astute enough to recognize that and they're riding this bill in on those coattails, Sir. To that extent, I find, you know, some difficulty in supporting or being party to that. I do not want, as the Minister of Mines and Natural Resources said, he objects, for instance, to holding hearings on a subject matter on which a decision has already been made . . . he indicated that . . .

MR. SPEAKER: Order, please. The honourable gentleman was answering a question for the Minister of Finance.

MR. ENNS: Well, this is the answer, Mr. Speaker.

MR. SPEAKER: I cannot agree with the honourable gentleman. . . . the answer to debate. Would he answer the question and conclude.

MR. ENNS: Okay, fine, Mr. Speaker. I'm in a terrible mood this afternoon.

MR. SPEAKER: The Honourable Minister without Portfolio.

HON. RUSSELL DOERN (Minister Without Portfolio) (Elmwood): The Member for Lakeside seemed to indicate that in the future he believes that the rural areas of Manitoba would be subsidizing the new Metropolitan government. I want him to clarify whether he was saying this was always the case or whether he believed it up until now, that the urban area had in effect been sending greater amounts of moneys to the rest of the province?

MR. ENNS: Mr. Speaker, it's not a question of subsidizing or a question of who is contributing more to the general revenue than who isn't. There are those who believe, as I believe, that all good things start back home at the farm, and I think I would be entirely within the limits of your ruling, Sir, if I devoted the next 40 minutes to supporting that statement. I won't.

Secondly, there are those, of course, in the city, quite rightfully, who travel once in their lifetime out into the reaches of the country and see roads that cost millions, servicing what they would like to believe very few people; who see other projects or who read that when the Canadian wheat farmer receives his \$37 million from Ottawa as an interim or final payment, he reads that to be an automatic subsidy as nine out of ten city people believe it is; when in fact the government and the city people composed of 80 percent of the government have been using the farmers' money for six months of the year, interest free, and after they've sold the wheat the government then sends back, you know, some of the farmers' money. But that's not the question. All I'm saying - I'm not prepared to get into that debate - all I'm saying is that we are disturbed that it will change the current balance whatever it is. I won't even get in the debate of whether the city is subsidizing the rural or rural subsidizing the city; I won't get into it. All I'm saying is this bill has implications that will change or shift the balance from what it is at the present.

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

MR. MOUG: Mr. Speaker, I have gone through part of this bill; I find, like everybody else, 500 pages is pretty hard to digest is right, and I think all anybody can be expected to do is much like the Member for Lakeside, criticize one or two points and carry on.

My library of colouring books, as the Minister of Mines and Natural resources refers to, I can only find in there faces somewhat like I see when I look across at the front bench of the government, very much the same. They're pulling at their fur, much like he pulls at his sideburns; look somewhat the same, eyes glued close together, unbeknowing of what he's doing himself and not trying to convince anybody else.

The White Paper, Mr. Speaker, that was distributed by the government, indicating its proposal to reorganization of the Greater Winnipeg area into one big city, they present an

(MR. MOUG cont'd.) about-face of what the Premier of the province had at the time of the election last year. The Premier came out with a public statement saying that he favoured a regional type government for Greater Winnipeg and a step in the right direction to reorganize local government and to make for a more effective community. This is quite a change from what we have today. Apparently the Minister of Mines and Natural Resources and the Minister responsible for Urban Affairs have outsmarted the Premier. This isn't what the Premier said he would have.

Another prominent member of the New Democratic Party, the Minister of Education - he was the Mayor of West Kildonan at the time when he made the statement and he was speaking on behalf of the council of the City of West Kildonan: "The West Kildonan council agrees that the Greater Winnipeg area should be a Metropolitan authority. However, it is the opinion of this council that total amalgamation into one city is not desirable. The principle of local government is essential to our democratic way of life. It serves as an important" - this was Mayor of West Kildonan, now he's the Minister of Youth and Education - (Interjection) - I haven't got the dates with me; not long ago. "It serves as an important and useful purpose and should not be destroyed. The Metropolitan municipalities should be governed by a Metropolitan council as outlined but that the following suggestions be considered: that the councils of each of the eight cities in the Metropolitan area should appoint one member of its council to sit on the Metro council." If you read that over it sounds something like the Local Government Boundaries Commission Report.

I would also like to quote from one of the top authorities on reorganization in North America, Mr. Carl Goldenberg. He made a report to the Royal Commission of Metropolitan Toronto, and on Page 177 he states: "While economy and efficiency in administration are necessary they should not be the sole test of representative government. The recent report of the Royal Commission, Greater London, points out that local government is with us, an instance of democracy at work and no amount of potential administrative efficiency can make up for the loss of active participation by the people in the work of capable, public-spirited people elected by, responsible to, in touch with those who elect them." He says, "In my opinion the requirements of both democracy and administrative efficiency will be better satisfied if the administration of such local services as distinct from area-wide services are as far as possible in the hands of local officials responsible to local elected representatives and municipalities, properly constituted to meet the needs of the metropolitan area."

I think that spells back, Mr. Speaker, to where local councils, 112 or 128 as we have, low cost, unbeknown to the Member for Osborne; there is a very small amount of money in indemnities, they're doing a good job, and they're close to the people who elect them.

The government's proposal, Sir, came out approximately two weeks after the Local Government Boundaries Commission which had been commissioned to prepare a report or recommendation to the reorganization of greater Winnipeg. It came out with its report recommending basically an improved type of regional government with nine cities in that government. It is interesting to note that to date the Local Government Boundaries Commission Act is not being repealed by the present government but is merely being ignored.

The Act calls for public hearings by the Boundaries Commission after submission of its initial report. While it is true that the Minister conducted some public meetings in connection with these proposals contained in the White Paper, these did not take the place of public hearings required by the Local Government Boundaries Commission of that time.

I think the reason for this, Sir, is quite evident since you read the government publication or their White Paper proposals, the value of the public hearings would give people a chance to incorporate several other ideas that came from other areas, such as the Asper Plan, the Metropolitan Corporation Plan, the Conservative Party proposals, the proposal of the urban mayors and I think that the value of public hearings would air these very proposals and let us pick the best from each.

It has been exemplified by the repeated requests for referendum on this issue which were heard during the public meetings which were conducted by the Minister, and also he had with him the Minister of Mines and Natural Resources. To go along with his smart remarks of the day, Sir, they came out to Charleswood and were referred to as Liberace and his brother George. I don't know why they came up with this particular concept but the people of the area thought it was fitting. At the time we had the meeting out there there was a resident of Tuxedo who asked the people if they were not in favour of the government reorganization or proposal

(MR. MOUG cont'd.) thereof to stand up, and certainly, Sir, they did, with the exception of one or two.

I think from an outside study of the bill and from what the government proposes, I think it is pretty clear that Manitoba is going to be divided into two camps; there will be the urban community of Greater Winnipeg which will have itself a Minister of Urban Affairs, and the rest of Manitoba, both urban and rural, will have a Minister of Municipal Affairs. That can only be to the detriment of the province as a whole and in the long run it is Manitoba that will suffer by these proposals.

Furthermore, it must be noted -- (Interjection) -- You say nonsense as you said when I said Charleswood's taxes will go up 40 percent; you say it's nonsense, they'll go up 40 percent. You believe me, I'll show you, a year and a half from now. It should be noted, Sir, that the size and structure of the new proposed One-City Council in time is bound to become more powerful than the Legislature that we sit in right here, and in the future will dictate what the Province of Manitoba will do. Never before has any senior government placed itself in a position where it will create a monster which will in the long run destroy it; but this seems to be the wish of the Provincial Government in this particular case. Who will suffer - the politicians? No, I say not. I think it's going to be the citizens of Manitoba who are going to be the end losers.

One of the strange peculiarities of the government's proposal to implement the one-city plan is the haste in which they are proceeding. The proposals were introduced just before the end of the year and the legislation implementing these proposals is in front of us today. I think that any changes that are going to be made in the city should be proceeded with slowly and not just try to create chaos as seems to be the intention today.

In the proposal that the government came out with just previous to the end of the year, they mentioned eight municipalities, East Kildonan, Fort Garry, Old Kildonan, St. Boniface, St. Vital, Transcona, West Kildonan, the City of Winnipeg. Those eight municipalities out of the 12, the assessment is approximately \$1-1/4 billion. That's an approximate figure, I just put those assessments together out of my head. Those eight municipalities, the proposal on Page 38 of this Blue Book, they claim that they will have a decrease in taxes after the proposal is implemented. The other four municipalities, Charleswood, North Kildonan, St. James-Assiniboia and Tuxedo, with a total assessment of approximately one-quarter of a billion dollars, will have a slight increase and one of the four will have a raw increase of more than approximately six mills - but in there, not more, is the idea of it, not too much more. Well when those municipalities, the eight on the top of one-quarter billion dollar assessment have an average mill rate of 70, the four municipalities have an average mill rate of 50, so for every one mill you bring the eight down, you've got to increase the others by five mills; so if you're going to drop them down three mills, you gotta increase the bottom four by 15 mills. I say that there's no way that that's going to be of any benefit to them; it will just bring ours up to 65 or 67 and drop their's in that neighbourhood.

The government says, and I think the Member for Lakeside mentioned it, the government says here that "in order to assist the individual taxpayer in areas where local tax rates will be subject to increase due to equalization, the Provincial Government will undertake to absorb a portion of the increase during the first two years of the transition phase, to the extent of two-thirds of the increased amount in the first year and one-half of the balance of the increase in the second year." Now I can't see why anybody in Churchill has to help pay the taxes to people that had an increase by way of a bad move on account of the government of the day, incorporating and shifting Charleswood, North Kildonan, St. James-Assiniboia and Tuxedo into what they shift them into. This is what has got me puzzled.

There's areas throughout Metro Winnipeg that are satisfied to stay the way they are, Charleswood particularly, Sir, is semi-rural, something like you would find in outer parts of North Kildonan. They have large lots and no concrete streets and they have no objections to open ditches to run off the storm drain, which we could at the present time be looking for \$8 million if we were in favour of putting a storm drain in there, but this all goes towards lowering and keeping a lower tax base.

Tuxedo - they seem to be in a fortunate position. They enjoy the extra services and they're willing to pay for along with large spacious lots and well treed landscapes. I mention these two areas in particular, Sir, because they are in the constituency I represent. I think when it's a new council of the 50 men, it's got to go straight political immediately it's selected,

(MR. MOUG cont'd.) there is no way that you could have 50 men around passing opinions as the councils of today do and as something's brought up each person passes their opinion on it. I think that the twelve committees, or whatever is spelled out in this book, are going to be the cabinet of the City of Winnipeg and I'm sure that Mr. Juba will have his argument won before Bill 36 gets third reading, although it says in the bill that the mayor will be appointed by the 50-man council, I think you will find he will be elected at large because Mr. Juba is not about to depend on 50 men in the City of Winnipeg appointing him to be mayor; and it is his idea to become Mayor of this and have a little more power than what he has at the present day. It's interesting to note that within the bounds of the City of Winnipeg -- (Interjection) -- if I had the mouth you've got, I think I'd run -- you know, that's all I need -- my abilities and your mouth, my abilities and your mouth and I could go -- I could be another Borowski.

You know it's interesting to note, Mr. Speaker, that the City of Winnipeg fifteen years ago, fifteen years ago the City of Winnipeg had a mill rate of 43 mills. The mill rate today is 73-1/2 just in fifteen years they have practically doubled their mill rate; and I would like to say to you that this is exactly what is going to happen to us. Charleswood and Tuxedo is going to come up from 47 or 44 mills, they're going to come right smack up to 67 or 68. I will guarantee it will be over 100 before 1980, over 100, you just mark my words on that. -- (Interjection) -- That's exactly right.

Mr. Speaker, I think at the present time that I'll let that bill go and I'll have some more comments to make on it in committee. Thank you.

MR. SPEAKER: Are there any further questions? The Honourable Member for Roblin.

MR. McKENZIE: Mr. Speaker, considering the Minister would like to hasten the passage of this bill I would think that I possibly should contribute a few remarks as to the feelings with regard to a rural member of a piece of legislation such as this.

Mr. Speaker, I cannot support the bill in its present form for various reasons and I'll do my best, speaking to the principle of the bill to give you the reasons. I would say, Mr. Speaker, that any rural member in this House that stands up and supports this Bill must have rocks in his head, he must have rocks in his head, Mr. Speaker; this bill giving another form of government in this province to more than half of the people, 57 percent of the people of this province will now be represented by this Bill 36, this one-city concept. So I ask you very simply, Mr. Speaker, what's going to happen to the other 43 percent of the people living out in rural Manitoba next year, and the year after that, and the year after that, and the year after that, because we know full well the projections of the experts and the so-called economists of our future, tell us that by 1985, 85 or 90 percent of the people will be living in the Greater Winnipeg area. And I ask you, Mr. Speaker, what's going to happen to the people in Roblin constituency, are they going to have to move to Winnipeg? What's going to happen to the Indian people that I have in my community today who are trying to decentralize and stay away from social problems of a one-city concept? What's going to happen to rural Manitoba?

MR. SPEAKER: Order, please! Order, please! I wonder if the honourable gentleman would address himself to the principle of the bill?

MR. McKENZIE: Well, Mr. Speaker, if I'm not, I apologize. I'm just trying to involve myself with some of the principles of the bill and if I have disregarded your remarks, Mr. Speaker, I apologize. But I ask the Minister of Agriculture who today is talking about a family farm, and now I'm talking about the people of rural Manitoba; where are the policies of this government with regard to a family farm when they bring in legislation such as this? What's the use of this plumbing expedition that the Minister of Agriculture was going to go on in the by-election in Ste. Rose? If you are going to decentralize all rural Manitoba and move them, why plumb those farm houses out there, when we are going to be moving to the city.

It just isn't realistic, Mr. Speaker, for a rural man to stand up and support this kind of legislation. I really can't, Mr. Speaker, understand this government because there is no way that this government can espouse programs for rural Manitoba that make any sense to me in face of the statistics that are before us today -- and I can't quarrel with the statistics that are before us but the projections are there, Mr. Speaker, that there will be 85 or 90 percent of the people living in this one city and I think, you know, that we should have to meet that problem, but what's going to happen to rural Manitoba? This is going to hasten the shift of more and more people from rural Manitoba to . . . -- (Interjection) -- . . . The Minister in introducing the bill said he's going to provide a better quality of life than they've ever had in

(MR. McKENZIE cont'd.) this city. He's going to provide a better quality of life. That's one of the principles of the bill.

MR. SPEAKER: Order, please. I'm sure that honourable members can participate in debate. Will they contain themselves.

MR. McKENZIE: Mr. Speaker, I just asked you at whose expense is this going to take place? This province, Mr. Speaker, is only 100 years old. -- (Interjection) -- When I'm finished if the First Minister will . . . I won't go very long, I'm not a great debater.

Manitoba is just going into the second century of its history and we have a government here that's supposed to have all the new dreams and all the new philosophies for the future of this province, and what do they bring in? Bill 36. And if you can show me, Mr. Speaker, where this province is going to go with this kind of legislation, with those programs of centralization, one big city representing 57 percent of the people, next year it will be 75 percent of the people and by the year 1985 we will have 85 percent of the people living right in this Metropolitan area. I again, Mr. Speaker, I say to the rural members of this Legislature there is no way, no way we can support this kind of legislation, because if we do, we are putting the kiss of death on rural Manitoba. I don't think that we have those principles at all that we should stand and be asked to even support legislation of this kind at this time. And I ask you, Mr. Speaker, what kind of rural programs or policies can this government be serious about for rural Manitoba, and we know we have problems galore out there, but can the First Minister give me a program that makes sense now when he says we are going to shift them quicker than they normally would by providing, as the Minister of Finance said, a better quality of life than they ever had before right here in this one city, and we're going to hasten it as fast as we can; and he said, you know, the cost factors, he doesn't know what it's going to cost, he hasn't got a clue. -- (Interjection) -- No it's not important, I've heard many of the knowledgeable people and the talented people of this city ask the Finance Minister for the cost. He's got no costs. I read in today's paper where one of the former members of the Boundaries Commission is projecting a cost - I didn't hear him stand up and contradict it. Is that a fact? -- (Interjection) -- We won't even be there. With this government in power, Mr. Speaker, we will not be there, we are going to be living in the city, certainly we are - we are going to be living in the city. I ask the Minister of Municipal Affairs, you know, let's talk about Brandon, Autopac - they are going to move the building - auto insurance to Brandon. With this type of legislation that you are going to move the office of Autopac to Brandon when everybody else tells you to move to Winnipeg. -- (Interjection) -- Well let's be serious. Let's be serious, and let's be sensible, because you can't have it both ways, Mr. Speaker; they cannot have it both ways; either we are going to be able to stand up and provide the people of rural Manitoba with an economic base and give them some encouragement for the future and vote against this bill or if we vote against this bill I say goodbye rural Manitoba. The policies of this government, Mr. Speaker, don't make any semblance of order to programs which we need to keep the people of rural Manitoba alive and functioning, but if this government is going to continue with this type of legislation - I know it's been their policy for many years - big government, made a lot of bureaucrats, hire a lot of people, big government can do things better than people, that's been the policy of the NDP for years - and I'm not quarrelling with that, that's their way. But I'm appealing to the rural members over there on that bench. How can you rural members stand up and support that kind of legislation, Mr. Speaker, and I ask them to search their souls and search their consciences before they vote on second and third reading, because if you go back home and tell your constituents that you favoured Bill 36 I think you are doing them a disservice. With those few remarks, Mr. Speaker, I say that there's no way that I can support Bill 36.

MR. SPEAKER: The Honourable Minister without Portfolio.

MR. DOERN: I just had a question, Mr. Speaker. In view of the honourable member's comments, I wonder whether he would advise the urban members of the Progressive Conservative Party to support the bill, that seems to follow?

MR. McKENZIE: I don't think, Mr. Speaker, as well as I can I speak to the urban members but I think they have a mind of their own. As the debate progresses I'm sure that I'm going to hear the voice of the urban members in Bill 36, but at the moment the ones that I'm appealing to are the rural members.

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

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

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

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Call Bill No. 32, Mr. Speaker.

MR. SPEAKER: On the proposed motion of the Honourable Minister of Consumer and Corporate Affairs. The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I just have a very few remarks. I adjourned the debate on the bill in order to peruse the Act itself which we are amending by Bill 32 and also to check into the matter why we are placing this particular amendment in the Real Estate Brokers Act, when actually this provision should probably be in the Mortgage Brokers and Mortgage Dealers Act, in my opinion, because it is these acts that the provision pertains to and that if these acts are violated that certain measures can be taken. I think some of these questions were already put by the Member for Morris and others so that we can probably get an answer to that very question. Otherwise, Mr. Speaker, I have no further comments.

MR. SPEAKER: Are you ready for the question. The Honourable Minister of Consumer and Corporate Affairs, will be closing debate.

HON. BEN HANUSCHAK (Minister of Consumer, Corporate and Internal Services) (Burrows): Mr. Speaker, I'll be closing debate. I wish to answer a couple of questions that were raised in the debate yesterday. With reference to the question asked by the Honourable Member for Rhineland, the answer to that is that real estate brokers may also be mortgage brokers and there are certain exemptions insofar as registration requirements are concerned. If one is registered under one, he may not require to do certain things to qualify to act as the other, and this is simply to tie one in with the other where one may also act as a mortgage broker and therefore any offence committed under it will be deemed as a violation of the provisions of the Real Estate Agents Act that is. So that is the answer to that.

The Honourable Member for Morris raised one or two questions on points of principle in the bill. The first question anticipated the possibility of somewhat frequent changes being made to the regulations and was directed to ascertaining what sort of notice to registrants under the Real Estate Brokers Act would have of such changes. I believe that the honourable member's concern stemmed from the fact that Bill 32 stipulates that a violation of the regulations under the Mortgage Brokers and Mortgage Dealers Act would constitute an act of fraud under the Real Estate Brokers Act.

Now before explaining the type of notice which is given I should explain to the House that there is a good reason for providing that a breach of the regulations shall constitute an act of fraud, because as honourable members well understand - and perhaps I should also make this point clear, that when we are talking of an act of fraud we are not talking of fraud as it may be defined within the criminal code, we are talking of fraud as it is defined within the bill or within the piece of legislation that this bill is designed to amend - and there is a definition of fraud within that bill, what constitutes a fraudulent act insofar as the Real Estate Brokers Act is concerned, and the two are quite different. So we're not talking of the commission of a criminal offense, we're talking of violation of certain offenses under breaches of this Act which are called fraud. But the two are not synonymous, fraud under this bill and fraud under the Criminal Code.

So what I wish to point out to honourable members, which no doubt they do understand, that regulations might well contain a good deal of administrative detail relative to the form of records to be kept and the procedures to be followed for the purpose of insuring proper protection of a client's monies. If a registrant were planning to defraud a client the mechanism used for the fraud might very well be a breach of certain provisions of the regulations rather than a direct violation of some section of the Act itself, and under such circumstances it becomes essential, Mr. Speaker, in the public interest that the breach of the regulations be described as an act of fraud, so that the Public Utilities Board could then move to forfeit the registrant's bond and with the proceeds therefrom compensate the parties injured by the unlawful act. These provisions relating to the forfeiture of the bond, they're found in Section 39 of the Real Estate Brokers Act.

Now moving on to the point of notice which the Honourable Member for Morris raised. Now I think that I can allay his concern. In the normal course of events any new regulation or amendment to existing regulations they have to be published in the Manitoba Gazette before

(MR. HANUSCHAK cont'd.) taking effect and I would think that there are very few real estate brokers offices in Manitoba which do not subscribe to the Manitoba Gazette. And in addition the normal practice of the Public Utilities Board is to notify all registrants, not only of impending changes in regulation but also policy changes and decisions of the Board that would probably prove of interest to the industry. The Public Utilities Board also maintains a very close and a good liaison with the Winnipeg Real Estate Board and I believe that I'm safe in assuring my honourable friend that the problem to which he has drawn our attention is more apparent than real.

The Honourable Member for Birtle-Russell raised the further question of whether there should not be a difference in penalty; that is a lesser penalty for a breach of the regulations than for a breach of the Act itself. Well a short answer to that question is that this point was decided many many years ago — no, no, no I shouldn't say that, not many years ago but prior to '69 and some time after '58, because the Act was amended considerably some time within that period. But the interesting thing is that the penalty section remained unchanged, the penalty section remained unchanged back in the old legislation which came into effect in 1947 and over the years offenses, breaches of the Act, breaches of such a nature that may be subject to cancellation of a registration and to other penalties, the two violations whether it's an offense against the Act itself or an offense against regulations, they've always been treated as equally culpable and deserving identical punishment.

I would hope, Mr. Speaker, that these comments provide an answer to the concerns and questions expressed yesterday and a few moments ago this afternoon.

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

MR. SPEAKER: The Honourable the House Leader.

MR. GREEN: Call Bill No. 33, Mr. Speaker.

MR. SPEAKER: On the proposed motion of the Honourable Minister of Consumer and Corporate Affairs. The Honourable Member for Brandon West.

MR. MCGILL: Mr. Speaker, may I have this matter stand: (Agreed)

MR. GREEN: Call No. 27, Mr. Speaker.

MR. SPEAKER: On the proposed motion of the Honourable Minister of Consumer and Corporate Affairs. The Honourable Minister.

MR. HANUSCHAK presented Bill No. 27, The Personal Investigations Act, for second reading.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Minister.

MR. HANUSCHAK: Mr. Speaker, honourable members will be aware that this is the second introduction of The Personal Investigations Act into this House. Bill 122 was introduced by my colleague the Honourable the Attorney-General last June; however, due to certain problems in the original legislation which would have made it difficult to administer the Act and enforce it, it was felt best not to proceed and therefore the bill was not reported to Law Amendments Committee last session. Since then, Mr. Speaker, the legislation has been thoroughly revamped and I believe the bill that is now being presented will have far-reaching effects in protecting the people of this province from damage by the use of inaccurate and misleading information, or the use of accurate information for unjustified purposes.

Some members may recall, Mr. Speaker, that last year my honourable colleague quoted from an article which appeared in a national publication, to illustrate the need to protect individuals from the personal and family disaster which may befall them should they consistently be refused credit, employment or other necessities because of an incorrect report of their past activities. My colleague also indicated that the reporting profession is almost free of government control although some steps are now being taken such as a Private Investigators and Security Guards Act in Ontario. In Ontario where I believe the government there is a Conservative Government at the present time. Now that province is also introducing at its present session of its provincial parliament legislation dealing with credit reporting.

However, I believe, Mr. Speaker, that it is important for honourable members to know that our Personal Investigations Act is much broader than the Ontario legislation in its implication, in fact much broader than any legislation of this kind of which we are aware, for it deals not only with credit reporting but with all investigations conducted in connection with a person's application for credit, insurance, employment or tenancy. This means that a person who has a disagreement with his employer and quits, or with his landlord and moves out, has

(MR. HANUSCHAK cont'd.) the protection of this Act should he have difficulty getting another job or finding other accommodation because of a poor report from the previous employer or landlord. But perhaps the most important provisions of the bill are those which allow an individual to find out what the reporting agencies are saying about him, and take steps to correct wrong information. Actions he has not heretofore been able to take regardless of the effect that the report may have on his life. The proposed Act forbids the reporting of certain kinds of information and sets time limits for the removal of derogatory information from the files of a reporting agency.

MR. SPEAKER: Order, please. I'm sure the Honourable Minister can continue tonight. The hour being 5:30, I'm leaving the Chair to return at 8:00.