

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2:30 o'clock, Tuesday, May 20, 1975

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I should like to direct the attention of the honourable members to the gallery, where we have seven students, Grades 4, 5 and 6 standing, of the Duke of Marlborough School from Churchill, Manitoba, under the direction of Mr. Giesbrecht. This school is located in the constituency of the Honourable Member for Churchill.

We also have 40 students, Grade 7 standing, of the Laidlaw School under the direction of Mr. Jordan and Mrs. Hunter. This school is located in the constituency of the Honourable Member for Charleswood.

And 25 students, Grade 6 standing, of the Crestview School under the direction of Mr. Berrel. This school is located in the constituency of the Honourable Member for Assiniboia.

Twenty-four students, Grade 5 standing, of the Strathcona School under the direction of Miss Romache. This school is located in the constituency of the Honourable Member for Burrows, the Minister of Colleges, Universities and Education.

And 55 students, Grades 4 and 5 standing, of the George Fitton School, under the direction of Mr. Thickens and Mrs. French. This school is located in the constituency of the Honourable Member for Brandon East, the Minister of Industry and Commerce.

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

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees. The Honourable Member for St. Vital.

REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. D. JAMES WALDING (St. Vital): Mr. Speaker, I beg to present the First Report of the Standing Committee on Private Bills.

MR. CLERK: Your Committee met for organization on Tuesday, May 20, 1975, and appointed Mr. Walding as Chairman. It was agreed that, for the remainder of this session, the quorum of the Committee should consist of seven (7) members.

Your Committee recommends that the time for receiving Petitions for Private Bills be extended to the 3rd day of June, 1975, and that the time for receiving Private Bills by the House be extended to the 10th day of June, 1975.

Your Committee has considered certain Bills:

No. 10 - An Act to amend An Act to Incorporate Co-operative Credit Society of Manitoba Limited.

No. 25 - An Act to amend An Act to Incorporate The Investors Group.

No. 32 - An Act for the Relief of Susan Thiessen.

No. 35 - An Act to amend An Act to Incorporate The Commercial Club of Winnipeg.

No. 38 - An Act Respecting Guaranty Trust Company of Canada.

And has agreed to report the same without amendment.

Your Committee has also considered Bills:

No. 23 - An Act to Incorporate the St. Andrew's River Heights Foundation.

No. 24 - The University of Manitoba Students' Union Act.

And has agreed to report same with certain amendments.

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

MR. WALDING: Mr. Speaker, I move, seconded by the Honourable Member for Gimli, that the report of the Committee be received.

MOTION presented and carried.

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

MR. WALDING: Mr. Speaker, I move, seconded by the Honourable Member for Gimli, that the time for receiving Petitions for Private Bills be extended to the 3rd day of June, 1975, and that the time for receiving Private Bills by the House be extended to the 10th day of June, 1975.

MOTION presented and carried.

MR. SPEAKER: Ministerial Statements or Tabling of Reports. The Honourable Minister of Health.

TABLING OF REPORTS

HON. LAURENT L. DESJARDINS (Minister of Health and Social Development) (St. Boniface): Mr. Speaker, I'd like to table a Return to an Order of the House No. 21, of May 6th, 1975, under the name of the Honourable Member from Fort Rouge.

MR. SPEAKER: Any other reports or ministerial statements? Notices of Motion; Introduction of Bills. The Honourable Minister of Urban Affairs.

INTRODUCTION OF BILLS

HON. SAUL A. MILLER (Minister for Urban Affairs) (Seven Oaks) introduced Bill No. 50, an Act to amend The City of Winnipeg Act.

HON. J. R. (BUD) BOYCE (Minister for Corrections and Rehabilitation) (Winnipeg Centre) introduced Bill No. 45, an Act to amend The Convention Centre Corporation Act.

HON. HOWARD PAWLEY (Attorney-General) (Selkirk) introduced Bill No. 54, an Act to amend The Municipal Board Act.

MR. A. R. (Pete) ADAM (Ste. Rose) introduced Bill No. 49, an Act to validate By-Law No. 3321 of the Town of Dauphin.

ORAL QUESTIONS

MR. SPEAKER: Questions. The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q.C. (Leader of the Official Opposition) (River Heights): Mr. Speaker, my question is to the First Minister. I wonder if he can indicate to the House whether there has been any additional communications between his officials and the Federal Government with respect to a meeting of Finance Ministers or Premiers to deal with the consensus that the government is attempting to achieve with respect to expenditure, wage, price restraint.

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Well, Mr. Speaker, there has been communication. I don't know that I could say there has been further communication, further to last Thursday. About the best I could do to summarize the circumstance is to say to the Honourable the Leader of the Opposition that we are in a sense on notice that, depending on a decision to be taken by the Federal Cabinet either today or tomorrow, that there may well be a meeting some time in the next two weeks. But it is still rather uncertain to this point in time.

MR. SPIVAK: Mr. Speaker, another question to the First Minister. I wonder if he can indicate whether there's been any communication from the Federal Government of a change in attitude with respect to the domestic oil price in Canada, with a change in attitude as announced and discussed indicating that the Federal Government would not necessarily want a domestic oil price that would be lower than the oil price in the world at the given time.

MR. SCHREYER: Mr. Speaker, I think that the Honourable the Leader of the Opposition has as good an impression as I have as to what the federal intentions really are with respect to domestic or Canadian oil pricing. My impression is that the Government of Canada, for reasons best known to itself for the moment, are indeed looking for some - I underline the word some - increase in the price of Canadian petroleum product. I did never have the impression, sir, that they were looking for a price that would be at the international price, but certainly higher than it is at the present time. The federal budget that was supposed to have been brought forward some time between now and mid-June was contingent upon that oil price adjustment taking place. Now the whole matter is resting in abeyance pending certain other decisions. It is rather difficult, if not impossible, to be definitive as to what the federal intentions are in this regard at this point in time.

MR. SPIVAK: Then I can take it from the First Minister that there really has been no further communication from the Federal Government of its intention or of allowing the domestic oil price to rise to whatever level the world price may be.

MR. SCHREYER: Mr. Speaker, Manitoba has stated its position of resistance to any increase in Canadian Oil prices. We have not been advised formally, or even informally, of any change in federal attitude, or anything that would indicate that the Federal Government has accepted some of the arguments or rationale for maintenance of the status quo in oil prices in Canada.

MR. SPEAKER: The Honourable Member for Morris.

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MR. WARNER H. JORGENSEN (Morris): Mr. Speaker, I find myself unable to submit to a burning curiosity on my part, and I would like to ask the Minister of Corrective Services just what connection his introduction of a bill to amend the Convention Centre Corporation Act has with the institution of Corrections. Is there a joint venture some place, or what is happening?

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I direct a question to the Minister of Mines, Resources and Environment. I wonder if he could indicate whether his department is doing any monitoring yet of the effects of the slug of bad water that was reported in the Red River system back two or three weeks ago.

MR. SPEAKER: The Honourable Minister of Mines.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources & Environmental Management) (Inkster): Yes, Mr. Speaker, there were some studies, monitoring submitted earlier, but I thank the honourable member for giving me verbal notice of his concern in this connection. He indicates some personal observations with regard to fish kill and I'll have the department give me the most up-to-date information.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Speaker, I have a question for the First Minister. Can the Minister provide the House with any further information in regard to his stated intention to introduce some measures in rent control or to upgrade the rent review procedures at this session of the Legislature?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, for about two weeks now we have been given to understand that there would be, or might well be, a meeting of First Ministers and/or Ministers of Finance across Canada to deal with this and related matters. So that I feel any indication or statement of a definitive nature at this time would be premature by at least two weeks.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BOB BANMAN (La Verendrye): Thank you, Mr. Speaker, I direct my question to the Minister of Agriculture, and would ask him when farmers, hog farmers, can expect their final payment of \$5.00 bonus for their hogs?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Mr. Speaker, I'm sure the member would know that a substantial amount of the payments have already been issued and they are currently being processed.

MR. BANMAN: A supplementary question, Mr. Speaker. I wonder if the Minister could inform the House as to how much money was allocated for this specific purpose?

MR. USKIW: Well, Mr. Speaker, the honourable member knows that there was a happening in dollar allocation in the previous year's budget.

MR. BANMAN: I wonder if the Minister would inform us then if this amount allocated will be adequate to meet all the claims being submitted?

MR. SPEAKER: Order please. It's asking for an opinion. The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I have a question for the First Minister. Can the Minister indicate whether the government has undertaken any special form of assistance to aid in the resettlement of the Chilean refugees who are now arriving in the Province of Manitoba?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, to the extent that we would have been involved, I believe that this would come under the purview of the Minister of Health and Social Development. I am not aware of any communication whatsoever from Canadian authorities asking this or any other province to assist in respect to the placement or settlement of Chilean refugees.

MR. AXWORTHY: Well, Mr. Speaker, perhaps then I would address a supplementary question to the Minister of Health and Social Development, to ask whether in fact the government has undertaken any special programs in dealing with some one to two hundred-odd Chilean refugees now arriving in the province, with more to come.

MR. SPEAKER: The Honourable Minister of Health.

MR. DESJARDINS: Mr. Speaker, no, we haven't received any communication or any request on this. There's no information at all on this. We would have to wait until there was a demand placed on us before looking into it.

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MR. AXWORTHY: A further supplementary, Mr. Speaker. Can the Minister indicate then whether the Government of Manitoba has issued any invitation, or communicated with the Government of Canada, to invite or the reception of the Vietnamese refugees who are now arriving in Canada, to settle in Manitoba?

MR. DESJARDINS: Just my original statement that we were ready at any time to discuss this with the Federal Minister and we haven't heard any more on that either.

MR. SPEAKER: The Honourable Minister for Corrections. The Honourable Minister for Corrections wish to make a statement?

MR. BOYCE: Mr. Speaker, I am in quite a quandary. I don't want to leave my friend the Member for Morris on a tenterhook. It might have been better perhaps if this were introduced by one of the private members because it is just a technical bill, but I can't get into the subject matter . . . Perhaps it might be better if by leave of the House I withdraw the bill and have it introduced by a private member.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I direct a question to the Attorney-General and it's in relation to the use of the perimeter highway ditches and side slopes by motorcycles for a drag strip and raceway, and I direct the question to him because it seems to be a problem that's outside the jurisdiction of the Department of Highways and is rather a problem with police jurisdiction within the boundaries of the City of Winnipeg. I wonder if he could take under consideration having his department investigate whether the jurisdiction problem can in fact be sorted out.

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, I would have to take that question as notice.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I direct a question to the Minister of Agriculture, and it pertains to the meat inquiry that is going on by his department. Could the Minister indicate when we can expect that report?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, I believe the inquiry is still under way so it's somewhat premature to hazard a guess on that question.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY McKENZIE (Roblin): Mr. Speaker, I have a question to the Honourable Minister of Tourism, Recreation and Cultural Affairs. Some several days ago I raised a question regarding the public sale of tickets to attend the Olympic Games. I wonder if the Minister could advise me today, Mr. Speaker, the percentage of tickets that's allocated to the Province of Manitoba compared to the other provinces of Canada.

MR. SPEAKER: The Honourable Minister.

HON. RENE TOUPIN (Minister of Tourism, Recreation and Cultural Affairs)(Springfield): Mr. Speaker, I answered the question in the absence of the honourable member, I believe he was not in the House at that time. I indicated that Eaton's had the sole jurisdiction of the sale of those tickets. I have no way of knowing what portion is allotted to Manitoba as compared to other provinces in Canada. The honourable member is as capable as I am to phone Eaton's and find out.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. In light of the sudden increase in the price of beef in stores and supermarkets in the City of Winnipeg, can the Minister indicate whether that substantial increase is going back directly to beef producers or is being absorbed by the meat packing plants?

MR. SPEAKER: The Honourable Minister for Consumer Affairs.

HON. IAN TURNBULL (Minister of Consumer, Corporate and Internal Services) (Osborne): Mr. Speaker, there is an inquiry, a joint response by my department and the Department of Agriculture, which is looking at price spreads and other matters related to the price of beef in the retail markets, and I would assume that they would have a look at this particular recent increase in the price of beef and report accordingly. To date, I have not had a report from my Research and Planning Branch as to the effects or the eventual resting place of the increase in the price of beef.

MR. AXWORTHY: A supplementary, Mr. Speaker, to the same Minister. In view of that sudden increase, when might we - or perhaps I'll rephrase it - can we expect a report

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(MR. AXWORTHY cont'd) . . . . from that special inquiry within a very short while so that this particular price rise might be understood and comprehended by the public.

MR. TURNBULL: Mr. Speaker, I cannot speak definitively about the board and when it will make its final report but I would certainly hope that its report would be before us very shortly.

MR. SPEAKER: The Honourable Member for Roblin.

MR. McKENZIE: With respect a question, Mr. Speaker, to the Honourable Minister of Consumer Affairs, I wonder if the Minister can advise the House, have all the gas stations in Manitoba increased their prices three cents today?

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

MR. TURNBULL: Mr. Speaker, whether or not all gas stations have increased their prices or not I couldn't give an affirmative answer, but if they haven't I think they may well be breaking the law insofar as that increase should go up because of the tax increase.

MR. McKENZIE: A supplementary question, Mr. Speaker. Is it compulsory to raise the price three cents today?

MR. TURNBULL: Mr. Speaker, the honourable member should know in a free market the sellers of any commodity can charge whatever price they wish.

MR. McKENZIE: Mr. Speaker, I wonder if the Minister can advise the House how the gas stations are going to collect and pay this three cents to pick up the subsidy for Autopac into the public treasury.

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

MR. SCHREYER: Mr. Speaker, I don't know what the honourable member is really inquiring about. He's aware of the budgetary measure that was announced and which is being implemented. It is a standard fiscal measure, the implementation is a standard fiscal procedure. The allocation is two cents and one cent. My honourable friend's aware of the particulars.

MR. McKENZIE: Mr. Speaker, I have a question then to the First Minister. I wonder how the First Minister can justify the tax as far . . .

MR. SPEAKER: Order please. The question is argumentative. The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I have a question for the Minister of Public Works. In view that the City of Winnipeg Executive Policy Committee turned down the C.N. Development, can the Minister indicate to the House what is the present situation and arrangement between Great West Life and the Province of Manitoba.

MR. SPEAKER: The Honourable Minister for Public Works.

HON. RUSSELL DOERN (Minister of Public Works) (Elmwood): Mr. Speaker, I believe the situation is unchanged, and I read the reports like the honourable member. I do not believe that there has been a flat turndown in regard to the development south of the CN station.

MR. PATRICK: A supplementary. I wonder if the Minister can indicate what is the present situation. Wasn't there a May 15th deadline for acceptance by the CN?

MR. DOERN: Well, Mr. Speaker, I have had discussions over the past several years with representatives from the Great West Life Company. They did have an initial deadline. I suppose that they're reassessing their policy and may in fact extend their deadline. I don't believe that it's a dead issue.

MR. PATRICK: A supplementary, Mr. Speaker. Does the Minister intend to make any kind of presentation or representation to the government of the City of Winnipeg?

MR. DOERN: No, Mr. Speaker. That would be the responsibility of my senior colleague, the Minister of Urban Affairs.

MR. PATRICK: A supplementary, Mr. Speaker, a question to the Minister of Urban Affairs. Does the Minister of Urban Affairs plan to do it?

MR. SPEAKER: The Honourable Minister for Urban Affairs.

MR. MILLER: Mr. Speaker, the matter is before the City of Winnipeg Council. They are the authority having to deal with land use in the City of Winnipeg, and while they are the authority with regard to land use, this matter rests with them.

INTRODUCTION OF BILL - CORRECTION

MR. SPEAKER: The Honourable Minister for Corrections.

MR. BOYCE: Mr. Speaker, just if I may, so I don't add any more to the confusion. Do I have leave to withdraw that bill? The Member for Radisson would introduce it as a Private Member if I have leave.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, in view of the fact that we're having such co-operation, cannot it be suggested that leave was given that the Act to amend The Convention Centre Corporation Act was introduced by the Member for Radisson rather than by the Minister of Corrections.

MR. SPEAKER: Is that agreed? (Agreed) The correction will be made.

ORAL QUESTIONS Cont'd

MR. PATRICK: Mr. Speaker, I have a supplementary question, another question to the Minister of Urban Affairs. Is the Minister satisfied that the present CNR development plans are . . . ?

MR. SPEAKER: Order please. Order please. The Minister's satisfaction or not is not necessary to this particular procedure during the question period. Orders of the Day.

MR. GREEN: Mr. Speaker . . .

MR. SPEAKER: Before the House Leader proceeds, I believe I was going to ask in respect to the Order for Return. Have the two gentlemen come to an amicable arrangement in respect to this Order for Return? The Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, can I have this matter stand?

MR. SPEAKER: Very well. The Honourable House Leader.

MR. GREEN: Mr. Speaker, the Honourable the Minister of Municipal Affairs wishes leave of the House, if it's available, to introduce the Planning Act, which is not on the Order Paper. It will come up on the Order Paper tomorrow. It's been given first reading . . . Oh, it's on the Order Paper so he doesn't need leave. We want to introduce No. 44.

GOVERNMENT BILLS - BILL NO. 44 - THE PLANNING ACT

MR. SPEAKER: Bill No. 44. The Honourable Attorney-General.

MR. HOWARD PAWLEY (Selkirk) presented Bill No. 44, The Planning Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, Bill 44 before us is a replacement of the existing Planning Act which has been in force in the Province of Manitoba since 1916. The present Planning Act is basically a planning service Act rather than a Planning Act, and thus does not reflect the planning practices and principles that are envisioned by modern planning procedures. The terminology, for instance, in the existing Planning Act is archaic in nature. For instance, reference is made throughout the existing Act to planning schemes, which in itself is the use of an outdated, outmoded term in the planning practice.

The present Planning Act also encourages municipalities to go it alone and to plan in isolation from the needs of other municipalities. In addition, the existing Planning Act is wasteful of planning manpower, and, needless to say, that planning together a number of municipalities can ensure greater optimum benefit from the use of planning personnel than continuing to plan on individual municipal bases.

Also, of course, the present procedures that are spelled out in the Planning Act as it now exists are cumbersome and lengthy, creating great detail, delay and consumption of time in obtaining necessary approvals in a method that is not necessary. The present Planning Act also does not clarify, indeed it is silent, on the roles which the Provincial Government plays in land use planning. The most serious shortcoming is the failure of the existing Planning Act to provide a mechanism for co-ordinated provincial and municipal land use policies. For example, at the present time there are at least a dozen provincial statutes that have a direct bearing in Manitoba on provincial land use policy. There are, in addition, 14 government departments involved in land use; 15 advisory boards or regulatory commissions; 6 Crown corporations - all actively involved in land use planning and directly related land use activities such as in land acquisition.

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(MR. PAWLEY cont'd)

The effect on municipalities in the province to all this is obvious. First, the effect on municipalities. The Act does not distinguish between long-range development plans and existing short-term zoning plans. This has allowed leeway for municipalities to adopt zoning plans almost exclusively. There is, therefore, little real planning in the sense of adopting policies and objectives as guidelines for future development. There is also a failure to adopt long-range development plans and the resulting havoc - for instance in the Winnipeg Region and the Brandon Region, resulting in many instances in the Municipal Board refusing to approve new plans of subdivision without the municipality having first adopted a development plan.

There are effects insofar as the province as a whole is concerned. The attempt by the Municipal Planning Branch to co-ordinate provincial line departments and their response to proposed subdivisions has revealed serious policy vacuums in some areas and lack of co-ordination where provincial land use policies do exist. The lack of clear policy direction on provincial planning matters has left separate departments to vie with one another for planning staff complement and for fiscal resources. The involvement of the province in the municipal planning service has been increasingly one of administrative procedure rather than one of planning policy.

The objectives of the new Planning Act before us are: 1. The establishment of a provincial mechanism which would co-ordinate existing provincial land use policies in the province.

2. Encourage the development of provincial policies where none exist at the present time.

3. To review and to approve district and municipal policies of development plans for the purpose of identifying possible conflicts with provincial policies.

Municipal objectives:

1. The encouragement of municipalities to plan together in planning districts or regions, and adopt development plans as a statement of long-range policies and objectives respecting land use for the district or region.

2. To provide the means to implement district and municipal development plans by way of fiscal support and regulatory measures of land use and subdivision control.

The structure of the Act before us, briefly - it groups 97 sections into eight major divisions or parts, and the divisions involve administration, district planning, land use control, enforcement, provincial planning, development plans, subdivision control, and general and transitional section, plus of course an introductory section dealing with definitions.

The main provisions:

1. Insofar as administration is concerned. This part identifies the Director of Planning as the Executive Director responsible to the Minister for certain duties imposed by the Act; and (b) provides for financial and technical assistance to government agencies, planning districts and municipalities, by the Minister.

2. The second part deals with provincial planning. This part establishes the mechanism necessary to achieve the primary goal of comprehensive and co-ordinated planning at the provincial district or area-wide and local level, by providing for a provincial land use committee. The provincial land use committee would be a sub-committee of Cabinet to co-ordinate federal, provincial and local government land use policies; to initiate and recommend to Cabinet the development of provincial land use policies; the reviewing and approving of district and municipal development plans when they are submitted. Secondly is the establishment of an inter-departmental planning board, which will consist of a board of senior civil servants, such as Deputy Ministers and Directors appointed by Cabinet from those government departments or agencies related to land use in one way or another, to assist the committee and to provide the necessary technical and administrative expertise.

3. Is the designation of a special planning area. An area to be designated as a special planning area where the area has a special provincial and regional significance with provisions for the preparation of the necessary development controlled measures; consultation is involved with municipalities, acquisition of land and implementation of policies. And this, for instance, would relate to areas that one might wish to insure continued to be protected from the point of view of wildlife for historic park purposes.

The third part of the Act deals with district planning. A new policy directive is set in motion in this part of the Act. The establishment of a planning district with a board composed

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(MR. PAWLEY cont'd) . . . . of councillors from member municipalities. The intent here is to open up important opportunities to municipal government acting jointly and with provincial support and involvement to improve their policies and decision-making and to plan ahead for their future development.

The framework for the new planning district, as well as the duties and responsibilities of the board, are all set out in the legislation. Provision is also made for the board to become an improving authority for the subdivision of land within its area of jurisdiction when the Minister is satisfied that the necessary technical support staff and expertise is available to the board.

I should mention at this point that this is one of the existing problems relating to the present provisions of the Planning Act where municipalities plan on their own. It's impossible for them ever to obtain on their own the necessary expertise in order to properly carry on in dealing with subdivisions, etc., and dependence has to be exerted upon the province itself for that sort of assistance.

**Development Plans:** The fourth section of the Act deals with the preparation of development plans, including such essential items as content, notices, consultation with municipal councils, the director and approval by the provincial Land Use Committee to insure a co-ordination of policies and to avoid conflicts with additional areas. It should also be noted that the development plan is identified quite clearly as a policy document and not as a regulatory measure such as a zoning by-law. The present Act is quite deficient in that respect.

Well one of the objectives of the new Act is to induce municipalities to join hands and to establish planning priorities. It is also recognized that certain municipalities may prefer to continue to plan on their own. The provisions of the bill therefore relative to the preparation, content, notice, approval of a development plan, would apply to a council wishing to establish land-use policies for its own municipality planning on its own.

Provision is also made for the Minister to require a municipality to prepare and to adopt a development plan within a specific time period.

The fifth section deals with land-use control. The basic form of land-use control under the new Act is achieved through the adoption of a zoning by-law by district planning board or council. And under this section, part of the Act, there are a number of items. First the establishment of the main requirements for development permits, including the provision for the withholding of a permit by a board or council where a proposed development would be in conflict with existing or proposed policies. The establishment of the requirements of a zoning by-law while providing for the adoption of general development standards to suit the needs of individual communities, including special provisions to deal with lands subject to flooding or otherwise unsuitable for buildings. Also provides for the application by individuals for amendments to a zoning by-law which are made subject to development agreements between the board or council and the applicant. Provision is also made for a zoning by-law to be valid for a specific period of time.

This section also deals with essential requirements of public notices, hearings, etc., and necessary appeals to the Municipal Board where objections are registered to changes in zoning. The part provides for non-conforming uses in buildings, a new provision which is not found in the present Act.

The bill establishes the council and municipalities a variation board for the purpose of granting variation orders to a zoning by-law. This is a policy change as the present Act provides for a planning commission composed of council members and citizen members to perform that function.

Provision is also made for the granting of minor variations to yard requirements of the zoning by-law by the Development Officer with an appeal from that decision to the Variation Board.

The bill also makes provision for conditional uses to be approved by council, subject to a hearing to consider objections from interested persons.

The sixth part of the bill deals with subdivision control. This part introduces a major policy change in the approval of subdivision of land. It is proposed to establish the Minister as the approving authority for the subdivision of land with power to delegate the function initially to the Director of Planning subsequently to a district planning board, when he is satisfied that the board has the necessary technical staff and expertise to administer subdivision



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(MR. PAWLEY cont'd) . . . . regulations. At the present time the Municipal Board is both the approving agency and the appeal body for plans of subdivision. It is intended that the Municipal Board will retain the appeal body function from decisions of an approving authority respecting subdivisions of land, planning unit developments and replotting schemes, but the Municipal Board will no longer be the approving agency as it is at the present time for approval of subdivisions.

This part also establishes the general prohibition on the subdivision of land. It provides for detailed subdivision regulations to be adopted in order to process efficiently the applications for subdivision. It provides for the delegation by the Minister of the power to approve subdivisions of land in accordance with the requirements of this Act. It indicates the requirements for the approval of a subdivision, including conformity with the regulations, a development plan, zoning by-law and established provincial land-use policy and the approval of the local council.

Also there is provision for variation to the regulations and appeals to the Municipal Board from the decision of an approving authority. The bill also contains provisions for the required dedication of lands for roads, public reserves, shoreline reserves, and other reserves.

Provision is also included for moneys to be given in lieu of land dedication. The bill also deals with the complex problems of cancellation of plans and re-subdivision of land called replotting. Provision is made for a replotting scheme to be initiated by a municipality, submitted to the Municipal Board for approval subject to the compensation requirements of the Act.

The seventh part of the bill deals with enforcement. The bill provides that any by-laws, resolutions or orders of a council, district board, approving authority, provincial land-use committee, or the Minister under this Act may be enforced by the Court of Queen's Bench upon an action brought by a municipality, a district, the director, the Minister, or an elector, and it will not be necessary for the Crown to be a party to such action. The bill also establishes penalties for violations under this Act. Also there is provision for such other matters as disposal of fines indemnities, entry upon premises.

The eighth section which is general, transitional, deals with provisions that the Crown is bound by this Act and indicates that property shall not be deemed to be injuriously affected by the adoption of a development plan, the passing of a zoning by-law or any other action taken under the authority of this Act by the Minister or the director.

In summary we think that the legislation proposed in this bill offers an opportunity to municipalities in the province to work together in resolving the many conflicts which now exist in the area of land-use planning. The existing planning legislation is so out-dated that it was felt there was no point in trying to amend the legislation and that what was needed was a new Planning Act with the necessary tools to enable the municipalities and the province to carry out effective land-use planning. The concepts embodied in the proposed legislation were discussed at six meetings of the Manitoba Association of Urban Municipalities held during the months of January and February. The reception to these meetings was most encouraging. Many of the real planning problems exist in our small urban communities whose councils have experienced a great deal of frustration trying to carry out their planning responsibilities under the existing legislation.

At the two day midwinter meeting of the Union of Manitoba Municipalities held in Brandon on March 11th, the proposed legislation was explained and discussed in great detail with the delegates, and their response again at that meeting was most favourable.

At meetings with the additional zone municipalities which comprise the ring of municipalities surrounding the City of Winnipeg, the proposed legislation again received good support from municipal representatives who are experiencing a great deal of pressure for development and are only too aware of the weaknesses of the present legislation.

We have therefore taken every opportunity during the past few months to discuss the question of planning legislation as widely as possible, and I can say without hesitation that the concepts of district planning, of the provincial involvement in land-use planning process of subdivision controls, have received strong support wherever they have been discussed.

Of course now that the legislation has been put in printed form and is available for public distribution there undoubtedly will be many councils and organizations which will want to make comments on the legislation. We welcome these comments, and we also welcome any opportunity to explain the legislation and the reason for some of the proposals outlined in the

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(MR. PAWLEY cont'd) . . . . legislation. Copies of this bill are being sent on this date to every municipal council in the province.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSON: Mr. Speaker, before you put the question, I wonder if I could ask the Minister a question. I'm sure that he appreciates that there is a considerable amount of interest on the part of the municipalities in this particular piece of legislation and there have not been printed sufficient copies of that bill for members to forward on to their respective municipalities, and I wonder if he could endeavour to expedite printing of additional copies so that each municipality in this province will have an opportunity to examine that bill before it is submitted to committee for examination.

MR. SPEAKER: The Honourable Attorney-General shall be closing debate. Agreed? The Honourable Attorney-General.

MR. PAWLEY: Oh, well . . .

MR. JORGENSON: I asked permission to ask a question if you will recall.

MR. PAWLEY: Mr. Speaker, in answer to the question from the Honourable Member from Morris, copies of the bill are being forwarded today to all the municipal councils in the province, so that I think we are able to look after that need.

MR. SPEAKER: The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON (Gladstone): Thank you, Mr. Speaker. I beg to move, seconded by the Honourable Member for Minnedosa that debate be adjourned.

MOTION presented and carried.

GOVERNMENT BILLS - SECOND READING

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Would you proceed now with the adjourned debates on second reading in the order on which they appear on the Order Paper.

BILL NO. 16 - THE METALLIC MINERALS ROYALTY ACT

MR. SPEAKER: Thank you. Bill No. 16. The Honourable Member for Gladstone.

MR. FERGUSON: Thank you, Mr. Speaker. I adjourned this for the Honourable Leader, the Member for River Heights.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q.C. (Leader of the Official Opposition) (River Heights):

Mr. Speaker, I enter the debate on Bill No. 16, and for approximately a week, and the last time a speaker on this side spoke, in an attempt on the part of the Opposition to understand the mechanics of the Act itself. This is one of those complex issues, Mr. Speaker, in which an understanding of the technical detail is not necessarily within the expertise of the Opposition, and access to that expertise is not as easily available as it is in other matters in which there are interest groups who are concerned or affected by legislation.

Mr. Speaker, we approach this bill on the basis of applying a test of reasonableness to what has been proposed to the objectives and to the purposes and to the overall way in which the government deals with us with respect to the legislation.

The Minister has admitted, even in his opening remarks, that Bill 16 is complex, and the reading of the sections confirm this fact. Now I am going to try and deal very simply with questions of principles which now face each member of the Legislature. We're asked to approve Bill 16 in principle in second reading. This is a tax reform bill, or is it a royalty reform bill? But before we're asked to give approval in principle to a tax reform bill, I believe it is reasonable to insist that we must answer two simple questions. What are the objectives of the bill, and does the bill in fact achieve its objectives?

I submit that the members of the Legislature at this time cannot possibly answer these two simple questions because we are really faced with conflicting statements from different experts as to what Bill 16 will in fact accomplish. And these conflicting statements raise serious doubts concerning the real objectives behind Bill 16. Now the Minister of Mines and Natural Resources in his opening remarks explained at length the government's objectives for Bill 16, and, Mr. Speaker, the initial reaction from all quarters, from the members on this side, the Member for Lakeside jumped after the Minister completed his remarks and made a contribution to this debate. The reaction of the industry, which was almost immediate after

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(MR. SPIVAK cont'd) . . . . the bill was introduced, from the press, from other commentators was reasonably favourable to the stated objectives of the government. Now that initial reaction was not surprising because the whole tone of the Minister's speech was fair and reasonable. He emphasized that the government was not desperate for the legislation. On Page 1223 of Hansard he stated, "It will not be considered an inretrievable problem for the government if this bill is not passed. We will continue to tax the mining industry at the rate of 23 percent." In short, the Minister confirmed that the object of Bill 16 is not to institute higher taxes. Bill 16 is intended to create, and I quote his words: "a much sounder basis for taxation of the mineral industry in the Province of Manitoba, and which would be much sounder from the point of view of the existing industry than the kind of taxation policy which we have pursued up until now."

Now, if Bill 16 failed in this objective, the Minister confirmed that the interest of the people of Manitoba would still be protected merely by a continuation of royalty taxes under the current Manitoba Mining Royalty and Tax Act at the rate of 23 percent. If Bill 16, in fact, achieves such an objective - that is, to provide a new tax system which even the mining industry would see to be a sounder tax system - then there would be little need for the members of this Legislature to withhold their support.

By the Minister's statement, we all had no reason to expect opposition to Bill 16 from any group, even from the mining industry. Their initial reaction was one of support. There is, according to the stated objectives of Bill 16, no apparent motive for opposition. But the fact is, Mr. Speaker, that each member of this Legislature has now learned that the entire mining industry - not just a few firms, but indeed the entire industry - speaking with one voice through the Mining Association of Manitoba, has clearly and forcefully registered its opposition to Bill 16 in its current form. Now I feel it's important to quote the exact words used by the Mining Association of Manitoba in the first two pages of its detailed release dated April 30th. And I'm quoting from their statement:

"The mining industry does not object to paying reasonable mining taxes. The industry once again wishes to state clearly that it is prepared to accept the policy objectives for Bill 16 as stated by the Minister. In order to make our position clear, the Mining Association of Manitoba is willing to state that, faced with a choice, we would definitely wish to continue being taxed under the present tax rate, with its current rate of 23 percent, rather than begin facing taxation under Bill 16 in its current form. Bill 16, in its present form, would not create any sounder basis for taxation of the mineral industry in Manitoba. Our serious concerns do not represent an industry-government conflict over stated policy objectives. Our serious concerns, and indeed our opposition to Bill 16 in its current form, are based on this legislation's mechanics which fail to accomplish the stated government objectives."

Now, confronted with the Minister's opening statement and this detailed criticism presented by the mining industry, it's not surprising that the members of the Legislature are now totally confused about Bill 16, its objectives and ultimate real impact. Now, how can we be expected to give Bill 16 approval in principle even if we agree with the government's policy objectives, stated to date, unless we are reasonably certain that this bill will, in fact, accomplish these objectives? How can we approve Bill 16 in principle, regardless as to what the government staff experts tell the Minister, when we are faced with such a clear charge by the industry experts that Bill 16 will in fact fail to accomplish stated governmental objectives, particularly when the Minister and the Premier earlier suggested to us that these same industry experts would welcome Bill 16 as a sounder basis for taxation?

I submit that this is not the time for the Minister to close off further debate on second reading of Bill 16. If anything, we need much more information. We need written answers to many technical questions raised by the industry's 19-page analysis. We need a proper forum where members of this Legislature can better probe and examine the mechanics of Bill 16, with assistance from all available experts, not just those people in the civil service who drafted the bill.

Now this is not a normal money bill, and I think the Minister would agree with this. This is not a request by government to raise more money. This is a complex set of mechanics which is now under dispute, which members of this Legislature are totally untrained to evaluate without expert assistance, which fairness and common sense clearly indicate require detailed examination by some form of committee where all available experts can provide their assistance.

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(MR. SPIVAK cont'd)

The Minister has stated that he is willing to let the members of the Legislature be briefed on Bill 16 by government experts. I don't know whether such briefing would be open to the press or whether members would be able to have access to their own experts during such a briefing session, but even if this briefing session were not hidden behind closed doors and even if we were allowed to be assisted by our own experts, I submit that such a one-sided briefing session is not in the public interest. What does the government have to fear, what does the government have to hide, that makes it refuse to submit Bill 16 to proper and complete review by normal committee of this Legislature?

Now there is ample precedence in Canada for detailed review of complex tax reform bills by normal legislative committees. The Federal House certainly permitted all expert views to be heard when the earlier Federal Income Tax reforms were being evaluated. But what is the rush to proceed with Bill 16? By the Minister's own words, the government is not desperate for Bill 16 when ample tax revenues can continue to be collected under existing mining tax and royalty legislation. Members of this House, Mr. Speaker, are entitled to hear the views of the Premier on Bill 16, and I say that not because he is the Premier, but because he's the Minister of Finance, because this bill involves not just the Minister of Mines and Natural Resources, it involves the Department of Finance. It involves the application of the tax by the department.

Now I believe that the Premier - and I just presume that the Premier has read the questions and comments presented by the mining industry - I believe he has an obligation to inform this House if the industry's analysis is correct. Do the people in Finance believe that the industry's analysis as to the effect and the mechanics, the operation of this bill, do they believe it to be correct or not? Is the arithmetic correct for the analysis in the tables presented in the industry's evaluation, the analysis and charts and tables which appear to prove that Bill 16 would create significantly higher taxes for all new mine investments, rich and poor alike, in Manitoba? Is the arithmetic correct in Table 1, which shows that Bill 16 would cause far higher taxation for even low profit companies? If these facts and analysis are correct, what is the government's intent? Surely these facts contradict the Minister's speech. If the industry's analysis is incorrect, why can't the government convince the industry of this fact, and what motive does the industry have to falsely attack Bill 16?

In particular, the Premier as Minister of Finance should comment on two policy aspects of Bill 16 which, after inspection, are now apparent to everyone. Firstly, why is Manitoba unlike B.C., Ontario or Quebec, now abandoning the traditional processing allowance for mining profits? Why are we now being asked, for the first time, to tax all processing profits? On Page 1235 of Hansard, the Minister of Mines and Natural Resources had only a few words explaining the discontinuation of the processing allowance. In fact, the Minister clearly explained that this action has nothing to do with his own objectives for Bill 16. And I want to quote him: "And I have been assured - and this is not really my field, it's the field of finance - I have been assured that the processing allowance is a non-realistic type of measure to have been included in the legislation at this time, that they've wanted to repeal it for many years, and that it will not result in any disincentive towards the processing in the Province of Manitoba."

Those are the Minister's words. What does the Minister of Finance and the Premier have to say about this? Is this the recommendation that he approved as Minister of Finance? Is this the recommendation that he understood fully? Is this the recommendation that his experts have been able to convince him? Is this something that came from the normal process in which the Deputy Minister of Finance was involved and agreed to this procedure?

Industry experts have refuted the assertions made by staff in the Department of Finance. Current legislation in each other mining province, as well as in practice in Manitoba, refutes these assertions. In fact, the Province of Ontario has recently moved to increase significantly its processing allowance in northern regions. The Premier, as Minister of Finance, has an obligation to explain to this House why this change has been proposed in Manitoba, why we are now going to penalize firms who previously invested processing assets in Manitoba in accord with government policy, and why we are now creating added disincentives for further processing in Manitoba of Manitoba minerals within Manitoba.

The second policy aspect of Bill 16 which requires explanation by both the Premier and

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(MR. SPIVAK cont'd) . . . . the Minister, is why Bill 16 would place on the statute books such a dangerous procedure which is clearly inadequate for identifying the so-called economic risk, or excess profits, deserving of super taxes. The government's stated intent was to impose super taxes only on economic rents or profits over and above a reasonable return on original investment capital. All available analyses, including that provided on Page 19 through 13(?) of the Mining Association Analysis, clearly proves that Bill 16 would impose super taxes without any meaningful regard as to what return is in fact achieved on original investment capital. Bill 16 could impose incremental tax rates even on an investor who was losing money on his investment, let alone achieving rates of return far less than a minimal reasonable level of 18 percent before tax suggested in the Bill 16 formulae.

Now the words of the Mining Association Analysis deserve direct quote on this point:

"The mining industry has never expected the government to guarantee that mining companies will achieve a profit. Nobody asked that subsidies be provided in cases where private investors actually lose their money. Furthermore, the industry has never expected that government will in any way reduce or remove the basic 12-1/2 percent or 15 percent tax on mining profits. It is understood that at least this tax will always be applied in any profit year, even if a company in fact experiences an overall loss over the entire life of its investment. Traditional mining royalty levies have never made any provision for loss carryover, although such provisions are available to private taxpayers, capital gains tax revision, and corporate income taxes. The mining industry has always understood that the intent of the Manitoba Government was to ensure that the new incremental mining levies, 35 percent rate on Bill 16, would be applied only in cases where a mining company achieved so-called economic rents or profits in excess of reasonable return - the 18 percent return stated in the Formula 5 of Bill 16. Mining investments last for many years. This Act means that it is literally impossible to talk in any meaningful way about so-called economic rents without fairly evaluating the actual situation over a number of years. To accomplish stated objectives, some provisions must be made to ensure that the company will not lose profit-based credits during years when low profits are in fact experienced."

Now the Association presentation proves that Bill 16 penalizes a company by ensuring that profit based credits will always be lost during years when low profits are experienced, and the net result means that Bill 16 will levy super taxes on a company even though company rates of return are far below the reasonable level of 18 percent before taxes. Now surely this House requires an explanation from the Premier, as Minister of Finance, and the Minister, concerning this serious defect in Bill 16.

Is this a repudiation of earlier policy statements? Is it the government's real intent to levy super taxes on companies that are not in fact making economic rents? Well, one thing is certain. Unless the problem is remedied, Bill 16 will fail to achieve its stated purpose, and would in fact place on the statute book a dangerous procedure whereby governments could erroneously claim to identify excess profits deserving of super taxes.

Now such a dangerous procedure obviously need not be applied only to mining. In future, this same approach might well be extended to affect any other group or industry. In the case of labour unions, for example, the principle of Bill 16 in its current form implies that any wage control policy would be applied solely on the basis of this year's wage increases. Workers who suffer from unfair low wages would not be permitted any of the above-average increases required to catch up.

Now the principle of Bill 16 could even be applied to CFI. Earlier in the session - and the Minister will recall the debate in the Speech from the Throne, his debate in the Speech from the Throne - he stood up - and on Page 172 of Hansard it can be found - he argued most forcefully that we should not evaluate CFI on the basis of cash flow in any one year. He argued that before we can determine if CFI is making money, let alone any economic rent, we must consider interest charges and accumulated losses for the past year. But Bill 16, however, does not permit interest charges to be deducted as a cost. So what he argued with respect to CFI, he is not prepared to allow in his taxation bill in Bill 16. It does not permit any accumulation for loss profit base, let alone actual cash losses incurred in the past years. And, for all we know under Bill 16, we all might be told that CFI is making an economic rent, let alone making money. And, Mr. Speaker, we come back to the Minister as to what his definition of making money really is.

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(MR. SPIVAK cont'd)

Surely, Mr. Speaker, this House deserves answers and explanations from the Premier and from the Minister on these important policy matters that are buried away in Bill 16. We also deserve the opportunity to examine in a normal and proper committee forum the many other technical and mechanical questions arising out of the proposed tax reform.

In introducing Bill 16, the Minister expressed a willingness to listen to amendments and to consider any changes which will make more perfect the realization of stated policy objectives. In all fairness, it is most unreasonable to expect us to offer any such amendments when everyone is still in such a confusion as to the mechanical impact of Bill 16 and the real policy intent in certain key areas. And I suggest that this bill cannot be voted on until we've heard from the Premier on the question areas that I've raised in this speech. Furthermore, this bill cannot be voted on until we know what it will do, something which we cannot know without proper committee examination of all available experts. Despite all of Bill 16's complexities, I submit that these few simple observations of principle should be obvious to all members of this Legislature.

Now, Mr. Speaker, I've attempted in the presentation to apply a test of reasonableness to a situation which is complex, in which the policy objectives of the government have been agreed to both by the industry and, in the main, on this side, in which there is an attempt to understand a complicated set of mechanics to accomplish the objectives, and I suggest that we are not unreasonable in trying to provide a forum to allow the opportunity to understand the differences of point of view and, out of the debate and possible clash, a clarification and possible further amendment to correct it.

Now, I wonder if this is really an unreasonable procedure. I recall the Farm Machinery Act being introduced in this House at the tail end of the Session in 1970 or 1971 - I'm not sure of the exact date but it was right at the end of the Session. I recall at the time that the Farm Machinery Bill was introduced, and at that time there was objection from the industry, and I remember at the Law Amendments Committee that there were a number of people present. There were lawyers who were present and there were principals who wanted to speak on the bill. I recall as well that after the first bit, the first few hours of debate there was an adjournment, and lo and behold what took place was at the next meeting no one from the farm industry appeared, the farm machine industry appeared. Why? Because a meeting had been arranged in which the principals involved were placed together with the industry, and the civil servants were provided a form and opportunity with them, and out of this some 30 or 35 amendments were brought forward, which satisfied the stated objectives of the government, which may not have satisfied the industry entirely but at least the industry accepted that much of what they found objectionable was corrected and that bill was passed.

I recall the Landlord and Tenant Act that was provided, the new Landlord and Tenant Act. The Honourable Member from St. Matthews was a member, the former Member from Crescentwood, Mr. Gonick, was a member of the Committee at the time and had some hand in developing. I recall that that bill was attacked in the committee, and attacked by someone who was objecting to the legislative drafting of the Act, who basically said that the stated objectives were not being accomplished and essentially tore the Act apart on the basis of its drafting, of its intent. I recall that over a weekend the Attorney-General and others met and a new bill was basically drafted. As a result the stated policy objectives of the government were passed and approved, and the Act itself was a far better Act than that that was drafted.

And so I say to the members opposite if what has happened was not intended, in other words, the mechanics, the objective mechanics is not something that was recognized would occur because it was believed that the mechanics would follow through and carry out the objectives, if that is the case, and if that really is the position of the government - and I have to suggest to the Minister that many times we on this side are very very skeptical of government's intentions because we think they say one thing and do another - but as in this particular case this is not the intention, then I believe that the kind of form that we are talking about can in fact be established. It can be established without creating the precedence for a taxation bill without in any way the government putting itself into a position which would be an untenable position in terms of procedures in the future, but with the recognition that we are dealing with a tax reform bill of major proportions whose policy objectives have been basically agreed to but whose mechanism has been challenged, and will allow the opportunity for the experts on

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(MR. SPIVAK cont'd) . . . . the government side and others to present their position and allow the laymen who make up this Legislature the opportunity to be in a position to properly evaluate and to properly arrive at the conclusion that has to be finally undertaken. Now there may be some on the other side, and maybe the Minister, who'll believe that there is no way that the members on this side can in any way be convinced. I say to him, and I want him to understand this, that that is not the case. Our problem at this point is that we are presented with confusing information because of the challenges that have been made and the apparent difficulty of reconciling, you know, technical information. We want that opportunity, we want that opportunity not as a means of in any way stopping the procedures - we don't believe that that can really take place - but as a means of a reasonable way of dealing with a complex set of problems which we on this side must resolve before accepting in principle the bill that has been presented by the government.

So I say to the Minister, and I would hope that it would be conveyed to the Premier, that there is an obligation on both he and the Premier to allow this opportunity to take place. It may not take place in the formal way, it can take place in an informal way with the Legislature being present, but so that there be an opportunity for the questions and answers to be put, and for the different facts to be presented and the mechanics to be understood. I believe again that in asking this we are trying to apply a test of reasonableness to this proposed bill.

If the government's not prepared to do this, and if the government's not prepared to basically present you know a rebuttal to what has been challenged on the mechanics, then I am afraid that we are going to have to come to the conclusion, which is not our conclusion at the present time, but what is being talked about now is really not what the government is intending to do, that the objects are very different than what the Minister has said, that in effect there has been an attempt to mislead the people. We do not believe this to be the case at this point but we believe, and we have attempted in this presentation to provide a reasonable basis to resolve a difficulty and to be able to arrive at an intelligent and rational judgment, and then to be able to make a decision in something that we recognize is far-reaching and could very well be a model for much of what will happen later on, but a model that could be very destructive, and a model that will not be copied but rather would be very much of an albatross around the designers if in fact the mechanics of it failed.

So I suggest to the Minister that the form that we're talking about is a form that can be established. It does not in any way embarrass the government. In any case what it really would do would provide I think without question proof of the intentions of the objectives that it is attempting to achieve are in fact the direction that the government really wants to go. And in that case the mechanics may very well, or the committee may very well give the opportunity for the correction of the mechanism which will in fact ensure that the objectives will in fact be reached, and that what will have been produced will in fact be a correct measure rather than one in which there would be challenges over the years, and which will in fact reflect on the ability of some to understand the technical complexities of the innovation that is taking place here. And I do not in that way talk about Ministers or about Members of the Legislature, but I talk about the technicians and technocrats who ultimately must be the people who produce the final arithmetic and calculations upon which judgments are made.

So I say to the Minister we on this side want to be reasonable on this. We want that opportunity, we believe that it is in the interest of the people of Manitoba that that opportunity be given.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, I beg to move, seconded by the Honourable Member for Rock Lake, that the debate be adjourned.

MOTION presented and carried.

MR. GREEN: Mr. Speaker, before we get to the next bill I want you to advise honourable members that the bill has been on the Order Paper for some time and I'd like the honourable members to try to see that it moves along. We are now proceeding with the other bills.

BILL NO. 31.

MR. SPEAKER: Bill No. 31. Proposed motion of the Honourable Minister of Labour. The Honourable Member for Fort Garry.

MR. L. R. (Bud) SHERMAN (Fort Garry): Mr. Speaker in opening my party's debate on this bill let me say at the outset, sir, that it seems to us to be a piece of proposed legislation that appears to raise many more questions than it answers. We would hope that during the course of the debate and the exchange those questions will find themselves addressed very conscientiously by the Minister and by his colleagues on the government side, and that those answers will be forthcoming.

Sir, the legislation at first hand appears to be relatively innocuous, but I'm concerned, and we're concerned lest it be the type of measure that sneaks up on you and puts you in a position in the future down the road where you are disadvantaged in a manner that was not anticipated at the time you first considered it. And I use the term "you" in this discourse Mr. Speaker, to refer in the main to the public servants of Manitoba, the civil servants of Manitoba, the Members of the Manitoba Government Employees Association, and all those in the public service bracket, because the initial question that introduced itself to one in studying this legislation is the very simple question, why? Why is this legislation before us at the present time? What is the rationale for it? What is the justification for it? Why is the government doing it? What's down the road? And whatever is down the road is down the road for the public servants of this province themselves, and in large part that means the members of the Manitoba Government Employees Association, the men and women who are the civil servants of this province. And what is down the road for them in terms of the handling, the administration, the control, of that fund of capital which is made up of their contributions and the matching contributions and deductions that go into providing them with group life insurance programs to protect them against disability and illness during the course of their working careers, and to protect their beneficiaries, to protect their relatives against their own deaths.

Mr. Speaker, the point at which the new legislation varies very subtly but very meaningfully with the old legislation is the point at which it concerns itself with the dispensation of the deductions that are remitted for the group insurance plan. Under the old legislation the deductions that were taken from employees of the public service, the deductions that were matched by their employer, in other words the Province of Manitoba, were remitted ultimately to the insurer, they were remitted to the Minister of Finance and then they went to the insurer. In the case of the program as it's presently constituted that insurer is the Canada Life Assurance Company. Under the new legislation the deductions are remitted, sir, to the government and then credited to the fund, credited to what is going to be set up under the legislation as the Public Service Group Insurance Fund, the Public Servants Fund, known formally as the Public Service Group Insurance Fund, which will be established under this Act.

Now you may ask, sir, what basically is the difference? Under the old plan, the plan that exists at the present time those deductions were remitted to the insurer. Under the new plan those deductions are . . . although it says in the legislation that they're remitted to the government, it goes on in the legislation to say that from the government they shall then be remitted to the Fund itself, credited to the Fund itself. But the rub comes, sir, in the legislation, in earlier sections of the legislation - I'm not going to refer to them by number or by section, but in an earlier part of the legislation where it's very clearly pointed out that the Fund shall be under the control of the Minister of Finance, the Fund shall be under the control of the Minister of Finance. So in effect what is happening under the proposed legislation is that the deductions and the contributions, the moneys that are accumulated under this program in the future, if this legislation passes, instead of going to the insurer, the carrier which is operating and administering the program - those funds, those moneys go into an office and an area of administration which is under the aegis and the control of the Minister of Finance. That may not be a bad thing, Mr. Speaker, it may not be a bad thing. On the other hand it may be a bad thing, it may be a bad thing. Do the members of the Manitoba Government Employees Association, do the public servants of this province understand, have they been notified, that this is what is going to be the destiny, the future of the funds of the moneys that they have put into this program. The basic question that I asked a few moments ago, why is this legislation being introduced, therefore lends itself to a whole number of subsidiary questions.

The questions that immediately recommend themselves to us, sir, are: What's in it for the government? What's in it for the public servants? What's in it for the MGEA and the rest



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(MR. SHERMAN cont'd) . . . of the public servants of this province? One has to ask oneself at that point, and certainly one has to ask the Minister of Labour, who introduced the legislation, and the government generally, has the Manitoba Government Employees Association had any input into this legislation? Was the Manitoba Government Employees Association consulted? Were they told that this is the proposal for the rearrangement of the administration and the dispensation of their moneys in their Group Insurance Program? Or did the government proceed on the basis of some particular goal, objective of its own philosophic, economic, practical, or whatever, and decide to put this kind of program in without seeking the advice and the counsel, any input of the public servants, notably members of the MGEA themselves?

If that's the case, if the government has proceeded without consulting the MGEA, Mr. Speaker, then I suggest to you, sir, that they have moved backward in time in terms of group insurance programs on the North American Continent because the whole trend in the past 10, 20, 30 years on this continent in terms of employee-benefit programs, and in terms of union-management negotiations, contractual, the whole trend has been for labour unions to demand, to insist upon, and indeed to achieve, a much closer, much more integral involvement in the development and the administration and the knowledge of that kind of program within the industrial and commercial environments within which they work.

It used to be that the average labour union seeking the average kind of new contract was content to battle with management over wages, specifically over salaries, specifically over income, and their demands no doubt certainly included very often, certainly more often than not, requests and demands for additional benefits, peripheral benefits, such as group insurance, pension plans, and that type of thing. But the demand was usually as nebulous and as vague as that, and it was left to management to come back with a proposition, with a proposal that contained for those workers a concept of group insurance, pension benefits, or whatever. Then the union, which was most concerned of all with wages and with working hours, more often than not accepted the proposal in the other area without too much devotion to detail, without too much debate or dispute because that was a peripheral kind of a thing.

But all that is changed, Mr. Speaker, as many members of this House know that in the past 25 years the labour movement has come more and more to involve itself very vitally, very integrally with the concomitant benefits that go with a contractual agreement with an employer. They are no longer simply concerned with the dollars in the pay envelope and with the hours of work, they are concerned with the whole spectrum of their working environment and their protection, and their families protection while they're working and after they're working. So they have come to take into play, and justifiably so, laudably so, a first-party role in the determination of the group insurance programs, the pension programs that are being developed and being offered them by management. That has been the trend in private industry in the private commercial sphere across North America in the last 25 years.

Now what is happening here on the surface at least, Mr. Speaker, what is happening here it appears to us is that this government in making the changes proposed in this legislation having to do with the group insurance program for the public servants of this province is going upstream, is going precisely backwards, is reverting precisely to where private industry and commerce were a quarter of a century ago, and is creating a condition wherein battles that were fought and won are going to have to be fought all over again. We raise the question and invite the Minister and his colleagues to address themselves specifically to this point in the course of the debate, is the administration, is the dispensation and the distribution and the handling of this contract, of this program which involves employees' moneys, employees' work, involves workers' money, is the administration of that program now being taken out of the hands of the carrier, out of the hands of the Civil Service Commission, in fact out of the hands of the workers themselves and being put in the hands of the employer, in this case the government of this province, under this legislation? And if that's happening, I suggest two things at the risk of being contradicted by the Minister when he speaks later in the debate. If that's happening, I suggest that the Manitoba Government Employees Association doesn't know about it, doesn't know about it, isn't aware of it, because I can't conceive of their standing by and letting that happen if they are conversant with it. And (2), if that's happening I suggest, as I said a moment ago, that this government is setting this aspect of its relations with its employees back 20, 25, 30 years.

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(MR. SHERMAN cont'd)

So these are the initial objections we raise to the legislation, the initial questions we raise, and we are deservedly I think, Mr. Speaker, very interested, and I would suggest that all public servants in Manitoba are and should be very interested in the answers forthcoming to those questions.

Now there are other questions, Mr. Speaker, that lead one to ask whether this is not really the pickpocket's hand in the velvet glove where the Government of Manitoba is concerned in this whole contractual question. The Government of British Columbia was avidly bent on introducing a group insurance program for its public servants that would be administered by the government itself - that program that exists for public servants of British Columbia is operated and administered by a private carrier at the present time, but the British Columbia Government some months ago made it clear that one of their priorities were going to be to introduce a government-operated and administered and controlled group insurance program for its employees to replace the one currently administered by the private carrier. There was a good deal of preliminary work done, there was a good deal of speed and haste attached, as I understand it, to the British Columbia Government's examination of this possibility last fall.

The new legislation was supposed to come into effect in British Columbia on January 1, 1975, which is now four and one-half months ago and, sir, that legislation has not seen the light of day yet and our information, which I believe to be reliable, it certainly intends itself to be reliable from the source from which it comes, our information is that not only has that legislation not seen the Order Paper in British Columbia, but it's going to be some substantial time before it sees the Order Paper, if it ever does. Because what happened was the Government of British Columbia originally, and I think by Premier Barrett's own admission, anticipated that under the kind of group insurance program envisioned there and talked about here, there was going to be a cash flow available to his government which would be extremely valuable, as any cash flow is, in meeting its own legislative program. They had miscalculated on that point. The facts of the matter are that there is nothing in the way of float, as the insurance industry refers to it, or cash flow as laymen know it, there is nothing in the way of cash flow in a universal group insurance type program that is any way near comparable to the cash flow that you get from a public automobile insurance program such as was introduced here under Autopac and introduced in British Columbia under their own Autopac program.

The cash flow picture, positions and possibilities are in no way comparable largely because under the public automobile insurance program, or any automobile insurance program, you are dealing with yearly, or biannual, or even in some cases triannual premiums, whereas with group insurance, you're dealing with monthly deductions, the sums are much smaller, even though they naturally accumulate over a period of time, it is not like the major kinds of pools of capital that suddenly at a given point in the year, or twice a year, make themselves known and make themselves available to a government, or to a private insurer, under an automobile insurance program. As a consequence of that discovery, the British Columbia Government has lost some of its enthusiasm for rushing its program on employee group insurance through. That at any rate is our information and I ask this government if that's not so, then why has the B. C. Government slowed down in its approach to the program? And was the B. C. Government in its knowledge interested in this kind of a program from the cash flow point of view under the misapprehension that the cash flow would be substantial? And I ask this government whether they are approaching this kind of program from the point of view of making available to themselves what they believe to be a substantial cash flow pool?

The facts, as I've suggested, I think demonstrate otherwise. I think that the cash flow will not be there. But that does not by any means nullify the possibility that this government approached this program to begin with under the misapprehension, under the false hope, an illusion that the cash flow would be there, and having found that it isn't there, what is there now to take its place? Now if this government were to say to me, as they said during the Autopac debate, well the reason we want this program is we want so many millions of dollars of cash flow, which is essentially what the Minister of Mines and Resources and others on that side of the House said during the early part of the Autopac debate, then I could see, then I could see a --(Interjection)-- The Minister of Mines and Resources has asked me a question, Mr. Speaker.

MR. SPEAKER: Order please.

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MR. JORGENSEN: He wants to know what you said.

MR. SHERMAN: Oh! I said that if under this group insurance program this government were to say to me the reason we're introducing this program is because we want to get our hands on so many millions of dollars of cash flow, or we would like to get our hands on some, or we could make use of that cash flow, which is essentially I think what was said by the Minister and others in the early part of the Autopac debate as one of the reasons for Autopac, then I could understand this program much more clearly, much more cynically, too, but much more clearly, Mr. Speaker.

But since that cash flow isn't there, one has to look for other motives. One has to look for other reasons, other justifications, and one has to ask again what I asked at the beginning, why is this government doing it? What's in it for this government? Well let me try to answer that question. There certainly is the possibility of money, of some money, of something financial in it for this government. The fact of the matter is that this government could change the form of the death benefit under the program, they plan to assume control over. They haven't said they're going to change the form of the death benefit but the fact of the matter, Mr. Speaker, is that they could change the form of the death benefit. Under the present system on death the beneficiary of the deceased obtains the group life insurance in lump sum. This government could change that form of the death benefit to make it a payout over time, which would thus help them form a pool of capital that would be available to them. They could change the form of what is known as the pre-funded retirement death benefit. This is the fund that is built up to take care of an employee on his or her retirement. Now the way it works at the present time is that payments are made on a regular annual basis and they accumulate over the years. Well this government could say the employee must pay that benefit fully in one fell swoop, or in two lump sums fully, and within such and such a time period. The employer in this case is the government, so what the government would be saying to the government would be that those benefits instead of being paid over a period of time, and instead of having that fund build up over a period of time, it could be accumulated immediately, it could be paid up now within a limited period of time, and then that money could be invested and put to use in ways that might be attractive to this government. That's another manner or form in which they could accumulate for themselves a pool of capital.

There's the whole question of the surplus in the program at the present time and where it stands, and at what level it exists with the present carrier, and I suppose only the present carrier, the Canada Life Assurance Company, can answer that question. I'm sure that at some stage in this debate they might find it expedient and worthwhile to answer that question, or for reasons known best to themselves they might not. But we as Opposition have a legitimate question in asking this government what kind of surplus is there resting with the present carrier at the present time? That is what kind of surplus of premiums over claims exists in the program, in the hands of the present carrier right now. Is it sitting with that present insurer? Is it available to the extent of several millions of dollars to be used by this government for other programs, to be borrowed against, to be invested, to be used as a medium for capital return? That might be something that's very attractive to this government.

All these are legitimate reasons, if cynical, nonetheless legitimate reasons for this government to go into this program, and I would like to ask those questions and have this Minister and this government answer those questions. Are these the reasons or among the reasons why this government is going into the program? Is this what they are getting out of it? Is this what's in there for them? But even when those questions are answered you still have to come back to the position of the Manitoba public servant, and particularly the member of the MGEA, and ask him or her if they were told, if they were consulted, and if they like it that their funds, their moneys, should be taken over by the government, administered by the government, and used in that manner. You have to ask them, and I think they have to face the question as to whether or not their long-term interests are being put uppermost or put in a subordinate position by this legislation. Because, sir, we have seen this government's track record in business and I don't think that it's stretching a point to suggest that we, and every Manitoban has a very valid question in asking, who is the more efficient investor? Who is the more efficient administrator of funds such as those that are available at the present time through a group insurance plan? A private insurance company, a private carrier with all the

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(MR. SHERMAN cont'd) . . . expertise it has had in working in the market, or a government like the government of this province, and you wouldn't get much of an argument on that question, on the answer to that question, Mr. Speaker.

This, I think, is what members of the MGEA should be asking themselves. Do they want that money that they are putting aside for their illness, and for their families' protection in the event of their deaths, being invested, being administered, being handled by a bureaucracy that has proven and demonstrated its incompetence in handling and administering funds in businesses, or do they want those moneys, which are theirs, to continue to be handled and administered by a competitive, private carrier with the knowledge, the experience, and the background of its lifetime of competition in the marketplace. I don't think, sir, you'd get much of an argument on that question. We know, and I believe you know, sir, and I believe that if the government is honest with itself, it would answer that it knows what that answer would be. There is simply no choice. The best interests of the public servant would unquestionably be protected by leaving that program in the hands of a competent, competitive private carrier.

There is also the question of alternatives and changes and options that could be opened in the future, and I think the public servant of Manitoba and the Opposition in this Legislature must ask that question, Mr. Speaker. Once you take a program like this and put it under the aegis of the Minister of Finance, and really put it into the administrative hands of the government, what other recourse is there for the member of the plan who is not satisfied with the benefits of that plan. What other recourse is there for the working body, the working force, in this case the MGEA and the other public servants of Manitoba, in contract negotiations, or elsewhere, when they feel that the benefits, the products of the plan itself are not precisely what they want and not as good as they might get if they shopped around. If you're in the private commercial market as the beneficiaries of the plan - the members of the plan are at the present time - there is an opportunity to move from one carrier to another, to shop around. But once this thing goes into the hands of government and government administrators and administration, you lose that option, you lose those alternatives, you lose that range of opportunity. That's another benefit that I think public servants in this province have to ask themselves about and must wonder about. And I ask again whether this government consulted with them on that point. If so, I would be very surprised, I would be very surprised that the plan and the proposal and the legislation that has come before us in its present form, because I can't see the members of the MGEA being happy with the kinds of compromises they are being asked to make on this legislation.

Sir, the plan at the present time, as I have suggested, is administered and carried by a private insurer, or a private carrier, and I think our next series of questions to the Minister and to the government goes something like this. Is it being taken away from the carrier who presently holds it? When the government goes in, if the legislation passes, to the administration area with respect to the plan that is proposed here, who is the carrier going to be? During the Autopac debate it was pointed out pretty emphatically to us, not correctly in our view, but pretty emphatically to us that this government and many other Canadians were dissatisfied with private automobile insurance companies, that because of the wastage, and the redundancy, and the inefficiency, and the general immorality of private automobile insurers, it was necessary for governments like this one to save the day, to save the people, to save the motorists to come into the field and clean it up, and to bring some order and morality, and some efficiency and some management to it. Well we know what kind of efficiency and management and order and morality have been brought to it. But that's another question, Mr. Speaker. That's another debate.

The fact of the matter is that was the argument, and now I ask this Minister and this government, are they saying they're moving into this field because the private insurer, the private carrier where the present contract is concerned, has not been efficient, has not managed the thing properly, has not done a good job of it? Are they saying they've got to come in and take it over because private insurers, private carriers have let people down? Sir, there is no possibly way, if this government intends to go into the, sort of the total, full scale operation of the plan itself, if they're thinking in terms of this plan becoming totally self-insured and self-administered by this government, then there is no possible way - and I make this statement without fear of proven contradiction - there's no possible way that this government can do it cheaper or more efficiently than private carriers. They simply cannot do it.

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(MR. SHERMAN cont'd) . . . . They don't have the volume, they don't have the expertise, they don't have the researchers, and they don't have the field of coverage. The private insurers in the group insurance field have cut the cost of operation, and have cut the marginal operating range to a very very thin minimum. They've cut it almost to the bone because of the fact that they operate on such a massive scale, and because of the fact that it's only one facet of their overall insurance program. Sir, there is a private insurer in this field, in this community, that in the past year wrote \$50 million worth, wrote \$50 million worth of group life insurance, and their profit on that was \$600,000. On a \$50 million group life insurance total of premium written, their profit was in the neighbourhood of \$600,000. That is possible for them because they have the resources that makes it practical and possible for them to deliver that kind of service at the lowest possible cost and to make the kinds of operating profits, achieve the kinds of operating profits that they need through other facets of their program.

But imagine this government, you know, trying to operate a program like that where a major private insurer, one of the most successful in the field, in the world, is only able to achieve \$600,000 with all its expertise and all its talent on a \$50 million program, imagine what this government would do with that kind of a program. Let alone a \$600,000 profit on it, there's going to be a six to ten million dollar loss. And the taxpayers of this province would be back into the kind of situation that we're into with Autopac right now. And those are the facts of the matter. Those are the actual facts of the group life insurance business in the marketplace. And if this government thinks they can do it cheaper, then, sir, I suggest to you that there are dozen of members in this House, both on this side and that side if they're honest about it, who can prove to this government that they, and no government, they can't do it cheaper. It can't be done cheaper.

So that's a major point that we must get an answer to, that we must confront this Minister and this government with. Are they thinking of taking the program away from the present carrier, and why? Have they found that present carrier inefficient? And if so, are they giving it to another carrier? Are they opening the field up for competitive bids? Perhaps there might be something to be said for that if the present carrier has not met the standards that this government seems somehow induced to impose for it and other private operators. There might be something indeed to be said for opening the field up for additional competitive bids. But certainly not for freezing this carrier and other private carriers out of the field and taking it over themselves. There is no economic justification for that whatever. That may not be their plan, but we haven't been told, and we would like to know, and I suggest it's in the very keen and lasting interests of the public servants of this province, that they know and that we do know what the answers to those questions are.

Mr. Speaker, in the one or two minutes remaining to me, just let me make the point that in many debates that arise in this House we find ourselves on this side being put in the position for some reason or other of having to prove to the government that such and such a course of action is wrong, or prove to the government that such and such a course of action should be taken. In this debate, sir, I don't think we have to prove anything. I don't think we have to prove anything, and I suggest we fall into a trap if we allow ourselves to be seduced into that kind of argument. In this debate, sir, it's up to this government to prove that what they're doing is in the best interest of the public servants of this province. That there's something in it for the public servants of this province. Otherwise, the debate is lost no matter what the mathematics of the House are, and surely the mathematics, I agree, are such that they can ram the legislation through. But the debate is lost unless this government can prove to us why they're doing it. What's in it for the public servants of this province? Why do they feel that what they're proposing is going to create a better, more productive, more efficient, more beneficial group insurance contract program for the MGEA and the other public servants of this province? I don't think it's going to, and I suggest that it's immoral of this government to try to ram that legislation through before they prove to us and to the public servants that is going to have that kind of a beneficial result.

QUESTION put and MOTION carried.

MR. SPEAKER: Bill No. 34 . . .

MR. SHERMAN: Yeas and Nays, Mr. Speaker.

MR. SPEAKER: Call in the members. Order please. The Motion before the House is Bill 31.

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

## BILL NO. 31

YEAS

Messrs. Adam	Johannson
Barrow	McBryde
Boyce	Malinowski
Cherniack	Miller
Derewianchuk	Osland
Desjardins	Pawley
Dillen	Petursson
Doern	Schreyer
Evans	Shafrensky
Gottfried	Toupin
Green	Turnbull
Jenkins	Uskiw
	Walding

NAYS

Messrs. Axworthy	Johnston, F.
Banman	Jorgenson
Blake	McGill
Brown	McKellar
Einarson	McKenzie
Ferguson	Minaker
Henderson	Moug
Johnston, G.	Sherman
	Spivak

MR. CLERK: Yeas 25; Nays 17.

MR. SPEAKER: In my opinion the Ayes have it, declare the motion carried.  
The hour being. . . The Honourable House Leader.

MR. GREEN: Well, Mr. Speaker, I wonder if it would facilitate matters if we go into Supply.

I move, seconded by the Honourable the Attorney-General, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MR. SPEAKER: Moved by the Honourable Minister of Mines, seconded by the Honourable Attorney-General, that the House go into Committee of Supply. Agreed? (Agreed) So ordered. I call upon the Honourable Member for Logan --(Interjection)--

MR. SPEAKER: I thank the honourable member. The hour being 4:30 we are going into Private Members' Hour.

PRIVATE MEMBERS' HOUR

MR. SPEAKER: Private Members' Hour, at the present time we are into second reading of public bills. Bill No. 12. The Honourable Member for Radisson.

MR. HARRY SHAFRANSKY (Radisson): Stand.

MR. SPEAKER: Bill No. 4. The Honourable Member for La Verendrye.

MR. BANMAN: Stand, Mr. Speaker.

MR. SPEAKER: Resolutions. The Honourable Member for Morris, Resolution No. 23

RESOLUTION NO. 23

MR. JORGENSON: Mr. Speaker, I move, seconded by the Honourable Member for Fort Garry, that

WHEREAS the examination of the operations of the Liquor Control Act in the Committee of Supply has revealed several questionable practices under the administration of the Act; and

WHEREAS an ongoing examination of the Act is desirable to ensure that its administration is in keeping with the intention of its provisions; and

WHEREAS the development of many northern and remote communities has created problems that may require a fuller examination than has been undertaken thus far;

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(MR. JORGENSEN cont'd) . . . .

THEREFORE BE IT RESOLVED that the government consider the advisability of establishing a special committee of the Legislature to inquire into matters relating to the operations of the Liquor Control Act and that the said committee be empowered to examine and inquire into all such matters relating to the operation of the Liquor Control Act, with powers to send for persons, papers and documents and examine witnesses.

MOTION presented.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: Mr. Speaker, the purpose of this particular resolution is as stated in the resolution itself, to provide for, not an examination of the Liquor Control Act itself, because I happen to believe that the Liquor Control Act that we have here in the Province of Manitoba is, if not the best, one of the better Acts throughout the Dominion of Canada. But like any Act that is passed by this Chamber, the administration is an important part of how successful any particular piece of legislation can or will be. And in the limited opportunity that was available to us in the examination of the Liquor Control Act, I think members of this side of the House at least, came to the conclusion that the intent and the purpose of the Act as outlined in its provisions, and there are many, are not being carried out as was, I think, assumed and intended by those who passed the legislation in the first place.

I am concerned, and I think a good many people in this province are concerned, that the kind of authority and the kind of power that is being assumed by the person who is given the responsibility of administering the Act, was never intended to be the kinds of authority and power wielded by one particular person. And we find that there is a growing tendency on the part of this government, and I don't think that they should be isolated because I think most governments now are doing the same thing, in order to avoid the criticisms that would logically flow upon the careful examination of any piece of legislation, more frequently we find that the administration of a particular piece of legislation is shifted off into some corner, given a corporation status of some kind, and hopefully members of the Legislature will never have an opportunity to examine them again.

I find the examination of the Liquor Control Act under the Department of the Attorney-General is a very unsatisfactory way of conducting an examination of a branch of the government service. The examination of the estimates of the Liquor Control Act are contained only in a provision that allows members to examine under the first item of the estimates or the Minister's Salary. I find that is a very unsatisfactory way of conducting any kind of an examination.

More and more we find that there are Acts that come under the legitimate scrutiny of members of this House that are being shunted aside in that fashion and thereby depriving members of this House an opportunity to carry on the kind of examination that is necessary. And I think it is particularly true in the Liquor Control Act because the powers that are assigned under that Act are such as to affect the standards of living, to affect the life style of so many people in this province, that one cannot help but come to the conclusion that the person who was entrusted with the responsibility of the administration of this Act has almost and virtual dictatorial powers. Powers that I don't think should be assigned or given to any one person without that person being subject to some kind of an examination from time to time. We haven't had such an examination under the Liquor Control Act for a number of years. And again I repeat, I'm not interested in an examination of the Act itself. What I am interested in is an examination of the actions of the person who was given the responsibility of administering that Act because I feel he is going far beyond the kind of authority that is given to him and that was ever intended under the Liquor Control Act, and I want to just cite one section of the Act itself to give us an idea of how that power is being abused. I refer you to Section 8, Subsection 16, and this is the wording of that particular section.

"To control the conduct, the management and equipment of any premises upon which liquor may be sold under this Act."

Now I presume, sir, that the drafters of that particular section meant that the person who was given the responsibility of administering the Act will have some authority over the manner in which liquor is dispensed in any of the licensed outlets in this province. And that's fair enough. One does not quarrel with that kind of authority. But what is being assumed by the present administrator of the Act is the authority not only to outline the conditions that exist

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(MR. JORGENSON cont'd) . . . in the beverage room, where I'm sure that this particular section applied, but he decides what kind of wallpaper goes on the rooms in the hotel; he decides what kind of carpets go on the floor in other parts of the hotel; he almost decides the kind of people that are going to be working there. I say, Mr. Speaker, that that is the kind of authority that was never intended under the provisions of the present Act. I find that wherever I go throughout this province, in the past year or so, the kind of criticisms that are being levelled against the Administrator, or the administration of this particular Act, is such as to make one wonder just who does he think he is, and what is he attempting to accomplish.

Now I'll give you one example, sir, of the kind of discriminatory practice that he's carrying on, and the reasons why. A good many members - and I'm sure not only in this side of the House, but I'm sure members on the other side of the House as well - questions that they must be asking themselves, and maybe not in this Chamber, but I'm sure they're asking one another. And I want to refer you, sir, to a situation that exists in Thompson, and why it is that one section of the province must be treated in one way that was never intended under the Act, and in a way that leads one to wonder whether or not the Administrator is exceeding the kind of authority that he has under the Act. And I want to refer to a cocktail lounge that has been licensed in Thompson and it's the Head Frame. It is the only nightclub in that city of 20,000 people, and when they applied for a cabaret licence - the strange thing about this particular unit is that there's a seating capacity for about 186 people. But in the particular area that is used there is a seating capacity for about 60. And only those who can seat in the area where there are 60, adjoining the main area, are they allowed to serve liquor. So that means you've got about 120 people sitting outside waiting to get in and hoping that somebody will move out, or pass out, so that they can get a seat. What they've applied for is a cabaret licence which will enable them to accommodate the number of people that want to go in there. But the Commissioner has decreed that only if they build a hotel attached to those particular premises are they going to be allowed to have a cabaret licence. What's the hotel got to do with it? Does Koko's have a hotel attached to it? Town and Country? There are a number of them in the City of Winnipeg who are allowed to have cabaret licences in order to provide for those people that want to use those premises, and I'm sure they don't all want to. But what gives with Thompson? Why is it that Thompson is going to be treated differently than another part of the province? There are a number of hotels there and outlets where people can get drinks, but this is the only one that has applied for a cabaret licence, and why must the Commissioner take it upon himself to say to the people of Thompson, "No, you're not going to have the kinds of services. . . you're not going to have the kind of a set-up that the people in Winnipeg are entitled to." It seems to me that the Commissioner takes it upon himself to impose life styles and living standards on people in different parts of the province that are really none of his business.

A more recent example was noticed in the paper today when in a front page story it was noted that the Chairman of the Liquor Control Commission was a little bit upset because he could not get advertising privileges on the NHL playoffs. Who's he? You know, it's rather interesting to listen to him complain about not getting advertising space on the NHL when he was the very person that criticized the breweries because they advertised. He said that if the breweries would spend less money in advertising they wouldn't have to ask for increases in the prices of their products.

Well, if that is the case, sir, then surely the Liquor Control Commission, which seems to be doing a heck of a lot of advertising in the past few months, could also reduce their prices somewhat, if that is important. And I don't want to deny the government the opportunity of dipping into the pockets of the taxpayer on this particular product because I think that most people across this province will say, "Well, you know, if they're going to tax something, let them tax booze and cigarettes." But for him to complain that a private company, such as the breweries or distillers, are spending too much money and taking up too much time advertising their product, and then to turn around and complain that he is not getting enough advertising space for himself, seems to me to be smacking of just a little bit of a hypocritical attitude, and the Commissioner has demonstrated this sort of thing on more than one occasion.

Now then it seems also that there is another area in which the Commissioner has issued a decree that seems to be final, and yet I think it is very unfair and very irrational in the light of the existing circumstances where cocktail lounges have a provision that they can provide



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(MR. JORGENSON cont'd) . . . entertainment. There are a lot of smaller cocktail lounges or beverage rooms that would like to provide some kind and some form of entertainment, but seem to be unable to get a licence to do so because the Liquor Control Commissioner says that in order to be able to do that you have to hire live bodies because you don't want to cut the prices of the various - and I use the term loosely - orchestras that are playing in some of these places. They sound more like boiler factories than they do orchestras. But there are a good many --(Interjection)-- Well, on that particular subject, yes. But there are opportunities for some of these nightspots to hire piped music for entertainment, which could be controlled right from the bar, the volume could be turned up or down, preferably down because there are a lot of people that like to go for a friendly drink with a neighbour or friend but don't want to be subjected to the kind of ear smashing noises that emanate from some of those so-called orchestras. But the Liquor Commissioner has decreed that they can't do that. I don't find anything in the Act that says that they cannot hire whatever kind of entertainment that they choose. If it happens to be Brahms or Bach, or something like that, I don't know why the Liquor Commissioner should have the authority to say, "No. It must be a boiler factory." But that seems to be his attitude, that he is going to decree what kind of music goes in, what kind of carpets go on the floor, what kind of wallpaper, and heaven knows what all.

Sir, I am utterly amazed that the Chairman of the Liquor Control Commission is being allowed to inflict himself upon the life styles of so many people in one province without being called to task once in awhile to ask for an explanation at least as to the reasons why he is insisting that the provisions of the Act be enforced in such a way as to question whether or not they're being enforced according to the provisions of the Act as they exist. It seems to me that the calling of the Liquor Control Commission before a committee of this Legislature, and we are the ones that get the complaints. We are the ones that have to live daily with those people who criticize and who are completely lacking in understanding as to the reasons why certain things are being done, and why they're being done in a certain way. It seems to me that a committee of this House should be given an opportunity to examine at least periodically the operations of that Act to ensure that we understand what the Chairman of the Liquor Control Commission is attempting to do, and whether or not what he is doing is in accordance with the provisions of the Act.

At the moment there is a good many of us that don't understand either, and there's a good many of us that believe that he is usurping the kind of authority onto himself that is not contained within the provisions of the Act. And we hope that the government will see fit to allow us an opportunity to give that kind of an examination, not to the Act itself so much as to the way it is being administered.

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, if I terminate my speech on the early side it's because I'm due to be out at the airport at 5:45.

I listened with interest to the comments by the Honourable Member for Morris.

I would like to point out to honourable members that I think during the period of responsibility of the present Chairman of the Liquor Control Commission, that his administration of the Liquor Control Act and of the Commission has been of such a nature with the various programs that he has developed in this province, that without question, Mr. Speaker, the role and the responsibilities that have been assumed by Frank Syms has cast him in the light of probably being one of the foremost leaders in the field of reform in liquor all across Canada. And there is plenty of evidence to that, Mr. Speaker. Over the period of the last several years, from time to time one can read of the actions by the present Chairman of the Liquor Control Commission, by his forward steps into many areas, rather than to perform the usual very lackadaisical bureaucratic stance in regard to the usual performance by a Chairman of the Liquor Control Commission. The chairman has dared to venture into fields where I think, Mr. Speaker, the passage of time will indicate that in fact he was looking very far ahead.

I would like to mention several of these to honourable members. First, the entire question of advertising that was referred to by the Member for Morris. Frank Syms led the way with the proposing of regulations that would restrict the type of advertising in regard to the sale of liquor in our province. And I note that other provinces now are speaking in the same tones. Ontario for instance is contemplating this. The Federal Minister of Health and Social Welfare has spoken very strongly in the same light of the need for responsible legislation

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(MR. PAWLEY cont'd). . . . pertaining to the advertising of alcoholic beverages across Canada. And I think, Mr. Speaker, that the concern expressed by the Chairman of the Liquor Control Commission was a sound one, as we read in the paper today, in regard to his concern that the hockey broadcasts that there was not an opportunity for the liquor Control Commission, or for the message of moderation to be given during this all important time allotted to TV coverage.

One of the very great concerns that we must all have in the area of liquor, that society and people of all ages, not think that one has to be socially acceptable in order to drink; that one does not need to think that in order to be a successful athlete you need to consume alcoholic beverages. In order for one to get ahead in the business world, one need not be a consumer of alcoholic beverages; that in order for one to get along well with one's young friends, one does not need to resort to alcoholic beverages; and certainly least of all, with the statistical evidence that we have before us of the damage and death and injury caused by liquor on the highways, least of all should liquor be associated with the motor vehicle.

Yet, Mr. Chairman, the type of advertising which has been allowed, and which was permitted to gradually become entrenched in the Province of Manitoba, often would create that very atmosphere insofar as our people in Manitoba were concerned. I want to simply state that certainly I stand all for, behind the Chairman of the Liquor Control Commission in his worthy efforts to attempt to prevent this type of advertising that can only lead in too many instances, to this improper association in the Province of Manitoba.

So that I see, Mr. Chairman, no criticism in the concern expressed by the Chairman of the Liquor Control Commission that there should be some effort at every move, some attention and every opportunity to direct the attention of viewers to the need for moderation in drinking habits. Moderation to countervail really the manifold greater expenditure that is encountered in the province and all across Canada by those who wish to encourage people to drink. So I'm rather surprised, Mr. Speaker, that there could be implied any criticism of any type of effort to control advertising of liquor products and return in the effort to encourage advertising which is directed towards moderation.

I know that the role of the Chairman of the Liquor Control Commission is not going to be a popular one. There is no way that the Chairman of the Liquor Control Commission if he is to do his job effectively, is he not going to make a lot of enemies, a lot of opponents along the way. The very nature of the Act is such that it gives him great powers, great areas of responsibility and discretion. And I suppose that is, Mr. Speaker, because of the very fact that liquor can bring about so many negative results, that one need to ensure that the Commission certainly to act reasonably and responsibly but at the same time are able to act with decisiveness when there is a danger of abuse taking place in regard to liquor.

The Honourable Member for Morris refers to the Cabaret at Thompson. I know that there is a thick file dealing with a number of circumstances pertaining to the application in regard to the Cabaret licence in Thompson, many circumstances that really are of a private and a confidential nature, certainly not matters which would have to be reviewed in light of those that are entrusted with that responsibility to deal with individual instances and applications for liquor licences. The manner by which the Chairman of the Liquor Control Commission uses his authority in regard to insuring a proper standard of premises, carpets, etc., I think that this certainly goes back to the spirit that was envisioned by the Bracken Report on liquor, now some 15 to 20 years old in this province. But certainly that the standard of premises in which liquor is sold should be of a reasonable standard, that every effort should be undertaken to ensure that they do not allow themselves to become run down, that really to a great extent there be a certain amount of strictness exercised to ensure that they do not become the centre for some of the other types of abuses that sometimes can be attendant with alcohol. Certainly the Commission has to have very strong powers in this regard to ensure that that type of abuse does not slip into the picture.

I'm sure every commission has in Manitoba from time to time exceeded its authority, or has exercised its authority unreasonably. And I'm sure this Commission like previous ones has, from time to time, so done. I think we have to be constantly conscious of this. But I do think, Mr. Chairman, that we need have no second thoughts about expressing confidence in the present Chairman of the Liquor Control Commission, the members of his Commission in the functioning of the Liquor Control Commission. I think that insofar as provinces are concerned for all across Canada that it's been second to none, and therefore, Mr. Speaker, I

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(MR. PAWLEY cont'd) . . . do not think that at this time that any function would be served by the appointment of a special committee of the Legislature to examine the functions of the Liquor Control Commission.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSON: Mr. Chairman, I wonder if I may ask the Minister a question. He suggested that the Chairman of the Liquor Control Commission was implementing a good many forward things that, you know, in the future we will all be thankful for. Would he not agree, first of all, that the way to implement successful programs is to make sure that the people understand what you're doing and that they're going along with you, first of all.

Secondly, would you not think one of the ways it could be done would be by having the Chairman before the Commission to explain all of these forward-looking programs that the Minister has talked about?

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Chairman, certainly my responsibility as the Minister reporting to the Legislature is to do that very thing, as the Minister responsible for the Liquor Control Commission.

We had had a discussion during estimates of that very philosophy, that very direction that we hoped the Liquor Control Commission would take. I think there is other opportunity during the proceedings, we are dealing with amendments to the Liquor Control Act within the next week or two. And I believe, as was the case a year or two ago when amendments were dealt with that we gave the chairman pretty wide latitude in dealing with questions that were raised pertaining to the amendments at that time and also permitted him to touch on other areas that members were interested in, if I recall correctly the discussion that took place at committee. So I don't see where a great deal would be added at this time beyond that which has already taken place.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Thank you, Mr. Speaker. I do wish to take a few minutes of the House to make my contribution on this resolution and I would like to state at this time that I am supporting the resolution, perhaps from a different point of view than maybe the member that introduced it, but I do feel - and I don't know if I can be critical of the Chairman and be critical of the Board, - because I'm not fully totally familiar just how restricted the Act is itself, and if maybe we can't put some of the blame on to legislation. But I do feel that some of the things that have been happening in the last couple of years, it's time that we begin to question the legislation that's on the Statute Books and maybe it's time that the House committee do have another complete look how our regulations and the legislation is working in the province at the present time.

I'm sure that the Minister will agree that I had taken considerable amount of time in this House debating legislation when we debated Shakey's Pizza - and that's going a few years back - and at that time, I'm sure that this establishment at that time lost its licence because it didn't have tablecloths on its tables and the piano music was too loud. Mr. Speaker, it's almost ridiculous that we would think of this at this place, where people used to take their families, their young kids, used to enjoy the entertainment and they went to this place, they frequented this place because the food was good and was reasonable and there was good entertainment and still we cancelled the licence because there wasn't white tablecloths on the tables.

So it is time, it is time that we do take a look and perhaps review some of the legislation to see if the legislation is too rigid or maybe the Board and the Chairman are exercising too much control themselves.

Now, I know we can get involved in a very wide debate under this resolution and I would like to see the Minister of Corrections - or I know somebody this afternoon referred to the Minister of Conventions and that was referred very lightly - but I wish that he would get in the debate because I believe it is very serious. We discussed about advertising and I think that it's time that the Minister would indicate that we should spend more money on advertising in respect to preventative measures of using alcohol and in what way it can be harmful. And I don't believe with the kind of revenue we're getting at the present time that we're doing this.

So I feel that there is great need in an area that we should review the Act. I know that during the summer, sometimes late in August when we have one of the . . . I believe it's different groups that they have their beer garden facilities, and this has been accepted by

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(MR. PATRICK cont'd) . . . . festivals - that's right - has been accepted by many people in the city and they've enjoyed this. I know that I visited most of them and I haven't seen anyone that was inebriated or drunk or did not enjoy it. I think this is something that perhaps we could look at and review. We can call the Chairman and see how it's working.

I know as far as locating the liquor stores I also have been extremely critical in this House, the way we're locating our facilities without having prior consultation with the neighborhood, with the people, I know there's a store at the present time coming up on River Avenue, in my member to the right here, his constituency, and we haven't given any consideration to the traffic problems, what will develop, because in my constituency I know that we had extreme difficulties with one of the locations, with one of the stores where there was sufficient traffic facilities provided and people were parking on private property, driving on private lawns and so on, and this has created very many difficulties I know for the Board, for the Commission and as well for the Minister, and I'm sure he would agree.

I know I have also questioned the location of the outlet next to the Centennial Concert Centre . . .

A MEMBER: Why?

MR. PATRICK . . . . because in my opinion I didn't think it was the right location to locate a liquor outlet in that location. It also created traffic problems, parking facilities and so on. At that time I believe the Minister took my arguments quite lightly and today I think that what I said is true and he's finding those problems, and I know he's heard from the Board just quite recently.

The other point, Mr. Speaker, I feel that it's very important that we sort of find out what are the basic rules that we're operating on. Is the Board making decisions on their own or are they really regulated by some regulations and legislation. So let's find out.

I know that with respect to older facilities and hotels in our rural communities there has been some difficulties because each year I know the hotels get a work order to spend 10, 20 or 25,000 dollars in a very small community. This is impossible to do and what will happen, that facility will close and there will be no facility, because if you only have 100 families it's pretty difficult for someone that's making probably 10 or less thousand dollars of revenue a year to be spending that kind of renovation and rehabilitation program and still the facility to many of us and I'm sure that many of the members from rural Manitoba would say there was really nothing wrong with the facilities and here there's a work order for \$25,000. So these are the things that the members in the House are questioning and I'd say that it's time that we review the situation and what's going on.

I know that the other point a few years ago that I was one that supported, promoted and was for, that the age of majority be 18 years old and that they should be allowed to drink. But today I'm of the opinion that perhaps this is time to review it, Mr. Speaker. I feel that perhaps it should be increased, and I would be of that opinion right now. I would like to hear from the Board and the Chairman and see what difficulties they have and what are the problems, because I had the opportunity to talk to a few of the high school principals and I understand there is a difficulty. Because we have many of our 18-year olds still in our high schools, in Grade 12, and some of them are coming in with a few beers under their belts and that doesn't, you know, stand too well in the class. These are the problems that some of these people have. I know somebody will say, well, this can happen in Grade 8 or 9, or at age 15, and perhaps it may happen or it does happen, but I'm sure if the law is enforced by the beer vendors and the law is enforced by the licensed premises that some of these people have to show their I.D. cards and see if they're of age or not. I think that all it takes is to catch one or two of the youngsters that are breaking the law, and the juveniles, and if they have to pay the consequence, pay the price and be punished, I'm sure this would stop it pretty quickly in any classroom or in any high school.

So all I'm saying at this time, let's review and see what kind of a problem it is and if it is a serious problem perhaps we can give it some attention during the next session of the Legislature. So that's another reason that I feel we should perhaps review.

I know there has been a considerable amount of debate and discussion about only one glass of beer on the table and I understand that the Minister said he is prepared to change this, and I believe it will be changed for the better. Some of these things are very important and of great concern to, I believe to the public, to the members here. So I see no problem and no danger and I can't see why, where the members themselves, with the Legislature, which will not be a

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(MR. PATRICK cont'd) . . . .cost, to review the present legislation.

I know that the regulation of advertising alone we could spend a considerable amount of time on this one problem and see what the Minister can do in the way of using some advertising funds as a preventative measure.

If I may, I would like to say the advertising that was done during the Christmas holidays was very positive, in my opinion was very good, it was mentioned to me and supported by many families and many people. So I believe in some areas we may be doing the right thing. But again I wish to say that many things are happening in the way of locating stores without proper consultation with the local residents, without giving proper consideration for parking facilities, certainly this you know has to happen and we have to come to some understanding and have some consideration for the local residents concerned. I know this is a serious problem to many people the whole question of the Liquor Control Act, and at the present time I see nothing wrong, I see everything good, that we give some consideration to review the whole thing during the summer holidays so that next session of the Legislature perhaps there could be some legislation forthcoming.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID BLAKE: Thank you, Mr. Speaker. I want to just add a few words in debate in support of the resolution. I think there are a number of areas that could do with a real good review and a good session of dialogue between the powers that be administering the Liquor Control Act and those of us here in the Legislature, or others that may be interested. I think, as was mentioned at some length by my colleague, the Member for Morris, that the powers of the chairman are reasonably broad within the Act, but whether they are being carried just a little further than was intended I think maybe leads one to feel that there has been suggestion by the Commission or by some of the people appointed by the commissioner from time to time that has caused some apprehension in the minds of those engaged in the conduct of liquor outlets or in the operation of licensed premises.

I didn't have an opportunity to mention it during the Estimates of the Attorney-General, but it would appear now that there's a good opportunity to bring this point to possibly the attention of the Minister responsible. And it may have to do with the powers of the chairman, and that would be to maybe set the commission or the remuneration paid to those operating small outlets, and which the chairman has full control, to authorize an outlet to continue or to authorize the delicensing of it and shift the licensing of it to another premises in the small areas where outlets are the only sales source for spirits.

These outlets have been established for many years at a commission of, I think five percent of gross sales and were limited to \$40,000 and with the several increases that we've experienced in the prices of liquor, the gross income is very quickly arrived at and there has been no increase in this amount paid to the licensed outlets. They are very reluctant to make a point of this for many reasons, because when they approach the senior people of the Commission they are just simply told, well if you don't like it, the chap down the street is pretty anxious to pick up an outlet, so that's just about the end of the conversation right there.

I can completely agree with the remarks that have been made earlier by my colleagues on the degree of control that the Commission takes over the furnishings and draperies and whatnot that are suggested by them or are tolerated by them in many many premises. We all know that there are many towns in the rural areas where the hotel has certainly fallen into a bad state of repair and is in need of upgrading, and in many cases the building certainly doesn't warrant the type of upgrading that the Commission suggests, but in order for someone else to come in and possibly demolish the older building and build a new one, the demands of those administering the Act are so stringent that it almost makes it prohibitive, and in some cases the red tape and the change of a license becomes so involved that they merely tear down everything but the old cooler and build around it, which is not the best method of reconstructing a new hotel either. But I think in areas where the people have been not used to drinking in a rather shoddy place but it's been the only place available, when it's being replaced by a reasonably modern structure, I think there is some leeway the Commission must allow the new operator in order to get himself established and see what kind of profits he's going to generate before they make him put in \$10,000 worth of carpet on the floor where in some rural areas without paved streets and whatnot the tile might certainly be a lot easier to maintain than an expensive carpeted floor.

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(MR. BLAKE cont'd) . . . . .

I think on the question of casual permits or occasional permits, the Commission wheeled a pretty strong hand and they have created a fear in a lot of areas. I know I've had people tell me that different organizations that conduct a social once or twice a year, they're having difficulty now getting someone to sign that permit, because there's been some ads over the media that if Charlie has one or two too many at your place and he gets into trouble on the way home, that you're going to be held responsible. And that same charge would hold true on someone who had signed an occasional permit at a banquet. I think that's a wee bit of a far-fetched ad to be placing over the airwaves. I doubt very much if you would ever make something like that stick in a court of law.

These are the areas where I have some concern, and a great concern has been expressed to me by many people in the constituency. That they feel the Commission is being a little heavy-handed or a little hard-handed in granting these occasional permits.

I can also agree with the Member for Assiniboia. I have some reservations on the lowering of the drinking age to 18. I know how eagerly many young people look forward to reaching the age of 18, and I suppose in a great number of cases there's no problem whatsoever, they're certainly responsible. I just have some mixed feelings and some reservations about it. I would like to see it discussed and get the feelings of a great many more people on this. I know the feeling that was held during the war; as soon as you put a uniform on you were able to drink, and it didn't seem to make too much difference. And this I think has had some influence on those that were in favour of lowering the drinking age to 18. Lowering the drinking age to 18 in itself is probably quite fine, but it's the lowering from that that creates the problem. It was mentioned that many of these young people 18 years old are still in high school and obviously they are in company with youngsters that are 16, even younger than that, and this is where the problem is being created in my mind, is just how much lower down the age scale does the drinking habit be introduced. That I think is something that I would like to see some more discussion on. Possibly if a committee such as has been proposed in the resolution, if this committee were established we could entertain that kind of discussion and get the feeling of a wider segment of society.

I really can't see the benefit of the Commission advertising in prime time television, I know that's a very expensive time, and I'm sure there are many other ways and many other methods through the media that they could get their message across. I realize the profit margin is certainly very handsome, and that was a criticism that we heard from the Commissioner against the breweries - if they hadn't spent this much money on all their fancy advertising campaigns, they might be able to lower the price of their product. I think he maybe forgets or has overlooked the benefits that have accrued to many many communities through their breweries, through their advertising program and through their contributions to sports in the way of sweaters and various equipment to community clubs that were having a difficult time financing their operations. These were areas that were classed as advertising areas and I don't think they can be criticized that severely. I don't know when I can recall ever watching an ad that has made me drink more, I think the odd time when they come on they might suggest that maybe it's time for another drink, but I think the same suggestion is placed in your mind when you hear an ad put on by the commission that may be in moderation, you might not have been thinking about it at all.

So just which form of advertising might be more detrimental or more advantageous than the other, I don't know. I think in the industry throughout the rural areas, there is a concern. I don't like to use the word "fear", but there's a great concern over the powers that the Commission has, and there have been charges laid in the past that I think have been open to some question, the methods that have been used by the people involved in carrying out the provisions of the Act. All of these things I think would come to light in discussions in a committee such as being proposed. And for this reason I would readily support the motion proposed by my honourable colleague, the Member for Morris.

MR. SPEAKER: Order please. The hour being 5:30, I am now leaving the Chair and the House will reconvene in Committee of Supply at 8:00 p. m.