

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2:30 p.m., Friday, March 19, 1976

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 45 students, Grade 6 standing of the Yellow Quill School under the direction of Mrs. Cuthbert and Mrs. Powell. This school is located in the constituency of the Honourable Member for Portage la Prairie.

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

The Honourable House Leader.

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

MOTION presented and carried and the House resolved itself into a Committee of Supply with the Honourable Member for Logan in the Chair.

MR. SPEAKER: The Honourable Minister of Health.

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MR. DESJARDINS: Mr. Speaker, I'd like to speak on a grievance as to how the question of lottery is being presented to the public.

Over the past several weeks a great deal has been said about the state of lottery operations in Manitoba. Many conflicting reports have been made and numerous questions have been asked. In the light of this interest and concern, I, as the Minister responsible, Mr. Speaker, feel it is imperative for me to make a public statement and make it now.

I chose to speak during this debate because I did not feel that it would be in the public interest to wait and make these comments during the review of my Departmental Estimates as they could be delayed for a number of weeks.

The lottery question is complex and requires a detailed explanation. Therefore, Mr. Speaker, I might ask the indulgence of the House, if I'm not quite finished in my allotted time to ask leave to be able to continue for a minute or so. I hope that this won't be necessary.

My comments, today, Mr. Speaker, will not be political in the partisan sense. I believe, the House will come to understand that my interest is in good administration, protection for the consumer and accountability. These are objectives which are shared by all members whatever their political affiliation. To find the path to these worthy goals is difficult because the operation of lotteries is intricate and difficult to understand and such understanding is all the harder to achieve in the face of misinformed and misleading statements as well as an organized campaign undertaken by the opponents of a secure and orderly lottery system in Manitoba.

Insight into the current situation must begin with some historical perspective starting with the introduction of lotteries in the province. Before 1969 lotteries were not permitted in Canada. It is true that Montreal's Mayor Drapeau started a \$2.00 lottery in 1967, camouflaged as a voluntary tax scheme; however, I think that all members of this House will agree that this operation was only an illegal lottery. In 1969 the Parliament of Canada amended the Criminal Code to allow the provinces to license lotteries within their respective boundaries. And during the fall of that same year the Manitoba Legislature passed a Private Bill which allowed a one-time only lottery to be conducted by the Centennial Corporation to raise revenue for the province's centennial celebrations. The voting on this bill did not follow party lines. I believe I'm correct in saying that its supporters were under the impression that the distribution and selling of tickets would be undertaken strictly by volunteers. It appeared that most members from both sides of the House did not want to see lottery schemes turned into a regressive task; nor did they wish to see lottery revenues depended upon for the operation of programs.

The entire project was viewed as a way to fund something a little extra, something out of the ordinary and on a one time basis only. Various remarks by members of this House are most interesting, especially in the light of hindsight.

The Honourable Member from Swan River warned that lotteries could become

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(MR. DESJARDINS cont'd) . . . . dangerous because they would encourage a something for nothing attitude, and that they could attract a criminal element if they were not well supervised.

The Honourable Member for Roblin did not want to see the mail used illegally. He told the House of two of his constituents who had lost . . .

A MEMBER: What's wrong with that.

MR. DESJARDINS: I'm not suggesting there is, I agree. Who had lost their mailing privileges because they had sent lottery tickets through the mail.

The Honourable Member from Souris-Killarney felt that the Minister of Consumer Affairs should take steps to protect the consumer and ensure that a fair share of gross revenues would be returned in prizes.

The Honourable Member from Morris joined the Honourable Members from Transcona, Inkster, St. Johns and Selkirk in opposing the bill, as he felt the lottery represented a form of taxation. He also expressed fears that the government would engage in the direct operation of a lottery.

The Honourable Member for Birtle-Russell said that a legalized lottery simply would condone gambling. And after a lively debate, Mr. Speaker, the bill was approved on second reading by a vote of 23 to 19, and finally on third reading by 33 to 14.

Then in 1971 the Attorney-General of the day, Mr. Mackling, introduced a Government Bill called The Lotteries Act designed to permit the licensing of lotteries. It provided for the creation of a licensing board as well as the Manitoba Lotteries Commission to run a province-wide government-sponsored lottery.

A number of members of the Opposition again spoke against the bill raising concerns similar to those they had expressed in 1969. A few members took delight in quoting those Ministers who had opposed the 1969 bill. Not a single member who opposed the bill felt strongly enough about it to ask that his vote be recorded even on the second reading.

The Lotteries Act provided that revenue from the lottery would be used to promote culture, sports and community recreation, and at the request of some members the bill was amended to place this revenue in a special trust fund in a Consolidated Fund for these purposes. Again it was made clear that the intent was to have the distribution and retail sales of tickets undertaken by voluntary groups.

Late in 1971 I was appointed Minister of Tourism, Recreation and Cultural Affairs, and shortly thereafter I became responsible for the Manitoba Lotteries Commission. Quickly, complaints were being drawn to my attention which had been received by either my department, the Lotteries Commission or the Attorney-General. Other provinces, especially Ontario and British Columbia, were reporting that tickets licensed to be sold only in Manitoba were being distributed illegally to and sold by their residents. The Attorney-General in Alberta impounded some of these tickets and sellers in Quebec even were jailed.

Other complaints related to the fact that depending on total sales only 10 percent to 15 percent of gross revenues were being returned to consumer in prizes. Meanwhile, agencies were arguing with the Director of the Lotteries Commission, they were insisting that greater numbers of tickets be given to them and that the Commission stop requiring an accounting of these tickets. The question of tickets unaccounted for was growing and at one point the Director of the Commission was threatened by the Director of one of the selling agencies. The Commission had good reason for concern. In one draw alone the full value of tickets which couldn't be accounted for exceeded \$1 million, one draw.

Although one of the main justifications for using the registered ticket system always has been to encourage volunteer participation, by this time it was clear that only a very small percentage of the tickets actually was being sold by volunteers. Most were being handled by either professional staff hired by agencies or by middlemen who were under contract to these agencies. --(Interjection)-- That's right. In both cases these agencies left the entire job of administration and distribution in the hands of these professionals, and where middlemen were used there apparently was no production of audited financial statements of their activities. The Lotteries Commission certainly never received these documents and as the Minister responsible I've never seen them although

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(MR. DESJARDINS cont'd) . . . . I've requested same. In any case, some agencies seemed satisfied to hand the responsibility for tickets to professionals and simply receive cheques for their net profit.

I must emphasize that not all agencies took this attitude, actually only five or six out of hundreds of agencies had paid staff or middlemen under contract. But it is very important to understand that this very small handful of agencies were responsible for about 80 percent of the total sales. The majority of agencies operated strictly within the terms and spirit of the law and they used 100 percent voluntary effort. They also provided a high degree of accountability for tickets.

Nevertheless, these smaller agencies face a dilemma. While they disapprove of the illegal and questionable tactics of the large agencies they realize they needed the volume in sales generated by them in order to make their own efforts viable.

Mr. Daniel Kennedy wrote the following in his report on lottery, and I'd like to quote it at this time. My quote: "Distribution of tickets on a widespread basis pose the greatest area of concern for many of the agencies involved. Many of the smaller community groups maintain that they were capable of accounting for almost every book of tickets distributed and others could keep their unaccountability to as low as three or four percent. These observations were discussed at considerable length and it became apparent that where such a low level of accountability was maintained, the community groups involved only sold between 100 or 500 books of tickets or slightly more. While their records and unaccountability rate is admirable their operations deferred substantially from the community groups which sold the bulk of all the tickets sold. Without having the exact statistics it becomes apparent that the community groups responsible for the largest sales of tickets sell approximately 80 to 90 percent of all the tickets sold. With the obvious result that in order to sustain a lottery yielding prize of \$100,000 or more quarterly the smaller community groups could not exist alone and the larger could not operate effectively without a broader latitude on unaccounted for tickets. Consideration was given to the marketing systems of the community groups responsible for the largest sales of tickets. I was advised that the larger agencies were not relying upon sales within Manitoba. Smaller community groups were scandalized that the larger ones were distributing veritable truckloads of tickets. There was condemnation expressed for widespread latent mailing of tickets to, for example the Detroit phone book."

What was the result of these activities? Manitoba was becoming the lottery mail order capital of North America and it was doing a booming business. To be sure the illegal sale of tickets was flourishing. Of course it is impossible to determine how much revenue did not reach Manitoba because of the high rate of unaccounted for tickets. One only can imagine what happened to the numerous tickets mailed to Detroit, Chicago, Toronto, Montreal and any other large cities around the continent.

Mr. Speaker, I am certain that the members now will understand why there has been so much resistance to changes in the lottery structure. Revenues were high. The government was getting money for sports, cultural and community recreation. The large agencies, without lifting a finger of their own to sell the tickets, were receiving large cheques for their worthy projects. The smaller agencies despite their opposition to illegal practices felt that they had no choice but to go along in order to get along.

Finally, everyone associated with lotteries was aware of the kind of scandal that could result from a thorough investigation.

Of course, Mr. Speaker, at the same time the consumer was being ripped off. Prizes generally did not increase in proportion to rising sales. Complaints from individuals that they had not received receipts naturally were investigated by the Lotteries Commission and receipts usually were not found. In these cases the agency provided the customer with a free ticket on the next draw and this was supposed to remedy the situation.

Although the professionals caused this problem because of their extensive use of the mail it is obvious that they could hide behind the agencies or were not accountable for the result. When questions were asked the professionals prompted the agencies to defend the system. The agencies responded often with great vigour, even to the point of lobbying members of this House and pressuring the government with pleas that worthy

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(MR. DESJARDINS cont'd) . . . . projects might be in jeopardy. One must ask if some agencies did not surrender their principles out of the fear that they would lose fat cheques. It appeared to be the old story of the end justifying the means.

Another question which plagued the lottery structures was the income of a professional. This much is clear. Some of the agencies received a net income of as little as 31 percent per draw, and I'm speaking about 31 percent of their gross revenues. The remainder went into commission to sellers and prizes to sellers of winning tickets. It did not include the prize fund money, the revenue going to the government, the printing of tickets, some general advertising and mailing of receipts which itself cost about eight cents per ticket sold. We simply do not know how much the professional made during this period. But given the net revenue of the few agencies employing professionals it is difficult to resist the conclusion that the professionals' take probably was substantial. Although the public is entitled to know the facts no one has presented them.

At the very moment that I became acquainted with this mixture of illegal practices, unaccountability, consumer rip-offs and unanswered questions, a new problem was appearing on the horizon. We were advised that Ontario, British Columbia, and Alberta were making plans to start their own provincial lotteries. The Attorneys-General of these provinces indicated to us that when their plans became a reality they would clamp down on Manitoba's illegal activities.

At one time Manitoba used such illegal lotteries as the Irish Sweepstakes to justify getting into the lottery business. They were saying why build a hospital in Ireland when we could build a sports facility in Manitoba. We said Manitobans were buying lottery tickets anyway and why not have the money stay here in the province. Now the other provinces were using the same argument. But using Manitoba as the bad example.

Concurrently rumours were running rampant that the Federal Government would permit the operation of an Olympic Lottery based in the east and using eastern banks. Mr. Speaker, I have exaggerated neither the seriousness of these problems nor have I underestimated the clarity of the handwriting on the wall. The other provinces were not going to stand by idly while Manitoba exploited their people. I must admit that I was more than concerned. I was damned scared that Manitoba was rushing headlong into a major scandal at the very moment revelations about Churchill Forest Industries were coming to the surface.

The options available were very limited. It appeared that we could 1) cancel all major lottery operations in the province; 2) launch a legal war on sales competition with the larger provinces as well as the National Olympic Lottery, or 3) find a broader sales base for our participation in lotteries and undertake to make it legal, fair and well administered.

Because it was obvious we were not going to be able to depend on draining the large provinces of their potential lottery revenue, it seemed reasonable to opt for the third choice and that is to clean up our act and create a structure which might produce steady revenue for the future, and which would enable us to return to the original objectives of the 1971 bill.

I suggested to the First Minister that I meet with my counterpart in the three Western Provinces to discuss the possibility of joining forces to operate a lottery which could compete with Loto Quebec, the proposed Ontario lottery and the National Olympic lottery. Mr. Speaker, I make no apology for this approach and I accept full responsibility for it. The Western Canada Lottery eventually became a reality with headquarters in Manitoba. As the development of the Western Canada Lottery came to public attention I immediately became the object of criticism and this criticism seemed to grow when I make known my support of the bearer's ticket system which is designed to ensure 100 percent accountability of tickets. The major agencies, prompted by the professionals, organized opposition to this development which threatened to shut down their gold mine. Briefs were prepared and both newsmen and politicians were lobbied. It is to the credit of most members of the opposition in the Legislature that they reserved judgment until the facts were known.

I cannot emphasize too strongly the incessant criticism against the Western Canada

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(MR. DESJARDINS cont'd) . . . . Lottery Foundation since the idea of it first became known as being entirely misdirected and grossly unfair. Those who have done everything in their power to discredit it studiously have avoided mentioning the advent of the National Olympic Lottery, the introduction of an Ontario Lottery and the fact that the western provinces were going into the lottery business.

Those who have done everything in their power to discard it, studiously have avoided mentioning the advent of the National Olympic Lottery, the introduction of an Ontario Lottery, and the fact that the western provinces were going into the lottery business. The point is that these forces not only prefer to avoid the serious problems facing the old system under the Global Sweepstakes, but they also refuse to acknowledge changing conditions in the lottery field throughout Canada. Their decision to choose the Western Canada Lottery as a scapegoat is certainly not fair. The changes that have been introduced concurrently with, and since the Western Lottery started, were going to have to be made in any case. There has to be a switch to the bearer ticket. There has to be improved accountability. There has to be a better return to the consumer in prizes, and there has to be an end to illegal practices whether or not the Western had got off the ground. It is rather unfortunate that just as many of these problems either have been, or are being ironed out, there has been a renewal of this groundless criticism of the Western. The vast majority of the agencies now understand these problems and approve of the changes which have been made. Let me turn from the Western which I believe, I hope, the members will now recognize as a Red Herring issue and discuss the changes that we have made.

First let me deal with the bearer ticket system, which has been introduced to replace the registered ticket system. Apart from the Irish Sweepstake tickets which have been sold illegally throughout the world for years, every known major private or government sponsored lottery uses bearer tickets. The use of registered tickets has been outlawed or discarded for a very simple reason. You can never have complete assurance that all registered tickets will be in the drum, even though receipts have been issued; even if you do get your receipt. With a registered system, receipts often are not sent to consumers or receipts can be forged. Sometimes stubs can be left out of the draw. A few months ago, the Regina police reported finding around 700 stubs of tickets, sold, in a locker in a bus depot in Regina. These tickets, --(Interjection)-- Well it's all the same thing there. I'm talking about the system now of a registered ticket.

These tickets had been sold but never turned in. While this was an apparent case, more than apparent, an obvious case of theft, it is also possible for tickets to be omitted inadvertently from the drum. Just a few days ago, about a week ago, it was reported to the Western Canada Lottery Foundation that this time 799 stubs of tickets sold under its final draw, using the registered system, had been lost in the mail during the postal strike. These tickets never found their way into the drum. And get this, not a single person holding any of these tickets asked for a receipt. There's another 799 people that bought a ticket. They never had a chance. And this was done inadvertently, it was lost in the mail. But I'm talking about the system now. I have to stress that with a registered ticket system anyone in the selling chain can sell a ticket and keep the money. I have received reports from the United States in which individuals selling Irish Sweepstakes are said to have pocketed the money, board a plane, and send a receipt post-marked from Ireland.

The bearer ticket system is used in Canada by the Western, the Olympic, Wintario, and Loto Quebec, and it prevents all these abuses. The consumer has an ironclad guarantee that his ticket will be in the draw and every person or group in the selling chain must pay for tickets in advance. There is no question that organized crime has tried to infiltrate the Olympic Lottery, but it has failed, because what could they do but buy tickets, unless they stole them, and that's like stealing money. Bearer tickets are printed on currency paper by the same people who make Canadian currency, and if this does not discourage potential forgers, the fact that the tickets expire frequently does. The wording and colour used on tickets changes with every series. The cost of security engraved bearer tickets is substantially higher than that of registered tickets, that is true; but the number of tickets printed per series is reduced

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(MR. DESJARDINS cont'd). . . . by one-third so the cost is approximately the same. But more importantly, because no receipts are required, administration costs are reduced, including, as I mentioned earlier, a minimum, approximately eight cents per ticket for the cost of mailing receipts, and that's even, on a dollar ticket that's 8 percent, results in security for the consumer and an increase in the percentage return in prizes from as little as 11 percent to now a much improved 35 percent.

Under a registered system some draws provide one winner out of about 1,400 tickets and in the Western Lottery there is now a winner out of every 250 tickets sold. And I should point out the misrepresentation of those who would want the public to believe that the Western has been providing fewer prizes or has defaulted in awarding prizes. And here are the facts. In the current Western series, in the one which was completed just a few weeks ago, the major prizes totalling \$930,000 were, and are guaranteed. Additional prizes of a \$100 and \$5,000 are added as the number of tickets sold increases. For every 250 tickets sold, a \$100 prize is added; and for every 25,000 tickets sold, another \$5,000 prize is awarded. This way the chance of winning remains constant, whereas in most registered ticket lotteries, the chance of winning are watered down as sales increase.

I believe, Mr. Speaker, that this history and explanation will help to clear the air a bit. Perhaps the members now will understand why the Western Canada Lottery Foundation was started, and why the bearer ticket system was introduced. Perhaps it will be seen how the return in prizes has been increased. More importantly, perhaps, it will be understood why some agencies and professionals oppose the bearer ticket system. Having to pay for tickets in advance, they recognized that the sale of tickets through the mails outside the province would become a dangerous and potentially costly procedure. Because the bearer lottery ticket is distinctly different from the registered ticket, it requires a different marketing system. With the bearer system experience has shown that it is most successful when tickets are as available as any high volume merchandise. You can advertise. You can have the best cigarettes in the world, and if they're not available you won't sell them.

We concluded that the marketing structure in Manitoba should be altered to coincide with the introduction of bearer tickets. We knew we wanted to secure a broad retail network, but we had to ponder at the same time how the wholesaling or distribution function would be handled. In Ontario and Quebec, the provinces are divided into districts or territories which are assigned to private distributors. There is very little doubt that this approach is effective in generating sales because of the incentive to the distributor. He makes a commission on sales without a ceiling. On the other hand, because of the private distributor's take, there is less potential revenue for charitable and community projects. More disturbing, Mr. Speaker, is the temptation to the provincial party in power to assign these lucrative territories, franchise, to its friends. Because Manitoba purposely wanted to avoid the negative features of this approach it was decided to offer the exclusive wholesaling rights of the Western in Manitoba to three organizations who fund worthy programs throughout the province.

Given the original intent of lottery legislation, it appeared reasonable to select the Manitoba Arts Council, the United Way, and the Manitoba Sports Federation. Last September I announced that these three organizations would be offered an opportunity to form a corporation, termed at the time as Corporation A, which would be responsible for wholesaling Western Canada Lottery products including the Olympic tickets in Manitoba. It was understood that the three partners in Corporation A would divide its profits equally. In addition to introducing changes designed to protect the consumer, the government also wished to assist those agencies which had been wholesaling and retailing Golden Sweepstake tickets. Consequently, in the September announcement, I also reported that it was the wish of the agencies, other than the United Way, Arts Council and Sports Federation, to continue, the government would permit the formation of a Corporation B and would permit it to operate a lottery with three draws a year with aggregate prize total of \$100,000 per draw.

It was made clear that Corporation B would be responsible for all phases of its lottery and in contrast to the Golden Sweepstakes, the government would retain no

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(MR. DESJARDINS cont'd) . . . . . revenue at all in Corporation B activities. The potential participants in Corporation B were advised that this lottery would have to observe all the regulations, abide by conditions contained in agreements signed by the four western provinces and observe the Criminal Code of Canada. In order to expedite matters, the Manitoba Lotteries Commission engaged the services of Mr. Daniel Kennedy. It was his job to work with the potential participating agencies for Corporation B in order to explain the government's policy, to assess the agencies' desires and report back to the Commission. I should point out it reluctantly had been agreed - and I emphasize "reluctantly" - had been agreed that Corporation B would be allowed to use the registered ticket system if it could demonstrate a high degree of accountability for tickets at around the 90 percent mark and impose ceilings on earnings of professionals.

On November 13th, Mr. Kennedy submitted his report and it was clear that some adjustments in the original concepts were needed. Some of these were of technical nature but the most important change related to the accountability for tickets. Mr. Kennedy explained that the high degree of accountability initially demanded could not be met if Corporation B were to be viable.

The next development, Mr. Speaker, I must confess proved to be somewhat embarrassing to me. It is apparent that I strongly favour a high degree of accountability and given Mr. Kennedy's report which was written in all sincerity, I could not recommend to my Cabinet colleagues that Corporation B be allowed to come into existence. Without divulging the details of the Cabinet discussion I can report that the Cabinet approved the Kennedy report and accepted his assurance that Corporation B would police itself strongly to avoid abuses, abide by the Criminal Code and follow the regulations of the Lotteries Commission. As you are aware, Mr. Speaker, Cabinet members sometimes are required to accept decisions of which they do not approve personally, and I found myself in this position. Because of my strong stand on the question of accountability I requested and was given permission by my colleagues to restate publicly my objections to the type of lottery approved by Corporation B, that is the registered tickets. And I did this on January 6th, 1976.

I feel all the members of this House will agree, Mr. Speaker, that Corporation B will have to govern itself and its participating agencies with rigour and follow the regulations of the Manitoba Lottery Licencing Board with great care. In addition I feel it must be understood that a well-policed Corporation A and B will provide about as many lotteries as the market can bear, that these two corporations would deal with all those agencies which participated in the Golden Sweepstakes and it is incumbent on government to procrastinate no longer and announce consistent policies.

Let me turn to developments surrounding Corporation A. Corporation A, now known as Western Lottery Manitoba Distributors Incorporated, as I have mentioned is to have the exclusive distributing rights for Western Canada Lottery products in Manitoba. It was designed in part to move the government out of the business of promoting the sale of lottery tickets. Not more control, more policing, but less control, less involvement. It was to have the United Way, the Manitoba Arts Council and the Manitoba Sports Federation as its constituent members. When I made my announcement in September I had no reason to believe that these three organizations would not be anxious to participate and I thought that they would want to get down to business immediately.

There was no doubt that this was to be a most difficult period with a number of knotty problems to overcome. Some of these problems included 1) the introduction of the bearer's ticket system exactly at the same time which required the establishment of a network of retail outlets which we didn't have. 2) the phasing out of the marketing arm of the Manitoba Lotteries Commission which necessitated transferring as many staff as possible. This problem was compounded by the fact that the Commission had to complete its work on the last draw of the registered ticket system which needed a lot of administration. 3) the recruitment of staff for Corporation A and 4) dissemination of information in the midst of a postal strike. It was obvious that in order to effect a successful transition without the postponement of the draw, the fullest co-operation from everyone involved was absolutely imperative.

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(MR. DESJARDINS cont'd)

Well two of the partners in Corporation A extended this kind of co-operation but, Mr. Speaker, I am sad to report that the very opposite reaction was demonstrated by the Manitoba Sports Federation. I would guess that every member is well aware of my life-long love for sports. I've enjoyed the best of relations with people in the sports world and I have found people who engage in sports, who are associated with sports, are usually open, honest and straightforward in their dealings. It grieves me to be compelled to say that in this recent development regarding lotteries, the Manitoba Sports Federation has not been an example of this kind of behaviour. I do not of course refer to the member sports associations of the Federation with whom I have always enjoyed good relations. However, even at the risk of antagonizing my friends in the sports community, I must expose the Federation role in this affair.

I should state that I believe in the concept of a Sports Federation. I have co-operated with it on numerous occasions and for this reason I felt that the Federation should participate in the benefits to accrue to Corporation A. In fact I recall discussing the concept behind this corporation with the Executive-Director as far back as three years ago. Last year when the Federation was approached to determine whether it would participate in Corporation A, it agreed. But only on the condition that it be allowed to continue operating its own lottery, the Sports Toto. Naturally it would not make any sense to permit this on a permanent basis because the Federation would be competing with the Corporation A partners as well as threatening the viability of the proposed Corporation B which would have to use the same agencies as Sports Toto in its distribution system. In addition, allowing Sports Toto to continue would run against the government's attempt to curb the proliferation of lotteries in the province. Beyond this it was clear that the Federation wanted to operate Sports Toto as in the past, nothing changed. The Sports Federation had been violating the provision of the Western Canada agreement by getting agencies in other provinces to distribute its tickets, amongst other things.

Even in the face of all these difficulties I tried to demonstrate our goodwill. I told the Federation that in order to help it during the transitional period, that is while Corporation A was being formed, I would support its application to run one more lottery only using the same agencies to distribute tickets that would form Corporation B. I made this offer on the clear understanding that it was to be a one-time only operation and only if the largest agencies, which with their professionals were doing the most selling, agreed to this arrangement. In addition, I said the Federation would have to satisfy the Lotteries Commission that a high degree of accountability would be maintained. Despite the sincerity of the offer the Federation was unable to meet these simple conditions.

It was at this time that the Sports Federation started to complain that the government was threatening its existence by taking away its income through a change in lottery policy. I've explained to you that the change in lottery policies clearly would affect a large number of agencies which had participated in the Golden Sweepstakes. For this reason the government had attempted to assist by proposing the creation of Corporation B and not to take any revenue from it. But let it be understood that the Manitoba Sports Federation did not fall into the same category as the other agencies and had never participated in the Golden Sweepstakes before the re-organization and the meeting with the other provinces, so nothing was taken away from them.

A little history about the Federation's role in the lottery field will be enlightening. In late 1972 or early '73, it came to my attention that the Federation was running into financial trouble. It was operating its weekly Sports Toto but was losing money because it could not sell tickets outside of the province. At that time it had a deficit of about \$30,000. Eventually it welled to a deficit of over \$165,000. Because I was concerned about the potential effect of these losses, I advised the Federation it should not expect to be bailed out by the government. In the fall of 1973 I met with the Federation's President and Executive-Director. I told them how the lottery policy would change but I suggested that until the Western Canada Lottery came



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(MR. DESJARDINS cont'd) . . . . into being we would permit the Federation to continue its lottery which they had re-organized some. Later it even was allowed to convert to a major lottery specifically on the condition that this was being done to help the organization pay off its deficit of over \$165,000.

MR. SPEAKER: I wonder if I may ask the honourable members if the honourable member has leave to go beyond his 40 minutes? (Agreed) The Honourable Minister.

MR. DESJARDINS: Thank you, Mr. Speaker. Thank you.

MR. SPEAKER: Order please.

MR. DESJARDINS: They were told that the Sports Toto would be licensed one draw at a time and they understood that when the Western became operational, they no longer would be allowed to run this lottery. They understood all these conditions and at that time they expressed their deep appreciation for the exception that was being made. Since then the Federation has shown its appreciation by doing everything in its power to discredit and sabotage the Western Canada Lottery. In the process it has engaged in deception and misrepresentation even to the point of attempting to withhold information from its member associations.

For example I asked if I could attend a meeting of the Sports governing bodies to explain the government's lottery policies and I was refused. I was told jokingly by the President of the Federation that I was too good a salesman. I held a meeting of the various sports groups to discuss sports in general and the President of the Federation was in attendance. He was invited. When I indicated I would be ready to answer any questions on lotteries I was informed that they didn't want the subject on the agenda. Later I was informed that the Federation had lobbied the sports organizations to prevent me from talking directly to these groups on this question of lotteries and explaining the government's policies and what we were after.

The Sports Federation claims that it cannot meet its commitment unless it continues to operate Sports Toto. I think it would be of interest to the members to learn how these commitments were made. One commitment, namely the purchase of an old bank building, was made by the Executive of the Federation without prior consultation with any of their membership. At about the same time the new lottery policies were being announced, the Federation was engaged through a joint committee of staff, in discussions with the Minister of Tourism, Recreation and Cultural Affairs, about a joint program to assist athletes engaged in international competition including the Olympics. When the Federation was told it would not be able to conduct another draw after its Grey Cup Toto, it immediately called a press conference to announce commitments of \$319,000 and this was made without a word to the Minister of Tourism or the joint committee despite the fact that the so-called commitments included funds for the joint assistance program which was still under discussion.

The duplicity of this strategy, Mr. Speaker, became apparent quickly. As soon as it was announced that the Sports Toto would not be licensed again the Federation cried that the ogres in government were taking away its livelihood and it would not be able to meet its commitments to sport. I let the Federation know that I was not deceived by this gamemanship. I even said that I probably could find ways with them of allowing the Federation to meet its commitments but it was insistent on one thing, on perpetuating the Sports Toto. From that point on everything possible was done to discredit the Western Canada Lottery and delay the activities of Corporation A.

The United Way and Arts Council for example were told to beware of the government. Some retailers of the Western were approached and efforts were made to dissuade them from selling tickets. They were told the blatant lie that the Western Canada Lottery Foundation was about to go bankrupt.

Above and beyond these efforts the media was lobbied in an attempt to have the Foundation, its Executive-Director and me criticized. All of this was done on the basis of false information. I challenge the Federation to deny it has given David Lee of the Free Press false information. I have seen a letter to the Western Canada Lottery Foundation signed by the President of the Federation in which such information is cited. In the reply of the Foundation this information is labelled as inaccurate.

## MATTER OF GRIEVANCE

(MR. DESJARDINS cont'd)

In my 20 years in politics, Mr. Speaker, I have learned to take quite a few knocks but I have never found a reporter engaged in such an exercise and I must conclude it is with the approval of his editor. It is difficult for me to understand why a reporter would permit himself the dubious luxury of publishing of substantial information quoted out of context that purposely misleads the public. And he did it again last week.

If it is Mr. Lee's intent to launch a crusade and to undertake an exposé, I would suggest that he is sniffing up the wrong tree. Why doesn't he try to obtain audited financial statements on the activities of the professionals hired by or under contract of the large agencies. Why doesn't he report on the differences in the prizes awarded under the Sweepstakes and the Western? Now I was asked to make this statement and I'm giving you the information. If you don't want to hear it, that's fine with me. --(Interjection)-- That's right and that's my grievance. Why doesn't he try to obtain audited financial statements on the activities of the professionals hired by or under contract to the large agencies? Why doesn't he report on the differences in the prizes awarded under the Golden Sweepstakes and the Western? I'll give you a copy of this, Mr. Lee. Why doesn't he investigate the problems associated with tickets unaccounted for under the old registered ticket system? Why doesn't he explore the illegal use of the mail? This would make interesting reading for his readers. Why doesn't he find out how much time the Executive-Director of the Sports Federations spends in promoting the cause of sports in Manitoba versus the time he spends in promoting Sports Toto and if he is motivated by commission? Mr. Speaker, if Mr. Lee is interested in finding out about the lotteries, let him ask these questions, the answers to which the public has a right to know. The fact that he has chosen to use false and misleading information about the Western Canada Lottery Foundation should be an embarrassment only to him and his employer.

Frankly, Mr. Speaker, I'm fed up with all the lies, deception and greed. I would not grieve if lotteries ended in Manitoba and I'm sure that many of the members of the opposition, and certainly many members of the Cabinet would be happy to see them go. But they are here now and notwithstanding the efforts of the Sports Federation and others intent on spreading rumours, we are cleaning up the bad practices of the past and improving conditions for the future to secure needed revenue for sport, cultural and community projects. Not for the government, not one cent for the government.

During this transition period with the kind of irresponsible tactics and journalism I've described, Mr. Speaker, it is a miracle that the Western did as well as it did in the last series. Sales were about two-thirds of the average of previous sales in Manitoba and in addition during that same period a million dollars worth of Olympic Lottery Tickets were sold. Part of the difficulty leading to this performance was the delay in implementing Corporation A. We wanted to insure that the corporation would run its own affairs. So while we were watching the Sports Federation play its games, we hesitated in hiring staff but the delays are ended now.

Mr. Speaker, appointments were made to the Manitoba Advisory Council on Fitness and Amateur Sports last Cabinet meeting from which two members were named to Corporation A. These, together with the two representatives named by the United Way, the two named by the Arts Council and one named by the Manitoba Lotteries Commission will form the complete Board of Directors. As a third partner in Corporation A, the Council on Fitness and Amateur Sport will be able to share revenue with sports groups and the council will deal directly with the needs of these organizations.

Mr. Speaker, if this Corporation is given the support of the community and a chance to proceed with its job of selling Western Lottery tickets including a new \$1.00 express ticket to be offered in the very near future, I have no doubt, I am sure that the original goals for lotteries in our province will be achieved. So I think that it is high time that we stopped undermining that Corporation, misleading the public. We are going on a system that will be sure. We will take care of the consumers in increasing the prizes and the government is getting out of the lottery business. The Corporation will run its own affairs, and I think that we should stick together and try to make it work. Thank you, Mr. Speaker.

## MATTER OF GRIEVANCE

MR. SPEAKER: The Honourable Member for Roblin.

MR. McKENZIE: Mr. Speaker, I do thank the Honourable Minister sincerely on behalf of our group in the opposition for finally getting to his feet and recognizing our concerns and the concerns of the people of this province about all of this mismanagement and mumbling and bumbling of public funds in lotteries.

Mr. Speaker, I am going to ask first of all the Honourable House Leader to call a committee of Cabinet Ministers and we will call the committee, "It's my turn to stand up and grieve in this House." In my knowledge of this Chamber, Mr. Speaker, the grievance motion was for the opposition or the people of the streets, the public, to grieve of the way the government handles their business. But, Mr. Speaker, in this session we have seen finally the second Cabinet Minister rise to his feet and grieve over the way his own government of which he's a Cabinet Minister of, handling the affairs of this province. Mr. Speaker, if there ever was a day the Premier should call his Cabinet back into his office, and let's recognize that they cannot handle the affairs of this province nor can they handle public funds nor can they handle the business of this province. They don't even know the rules, Mr. Speaker. So I am asking the Honourable House Leader at the earliest possible moment to call the Rules Committee together and set up a new Committee. "It's My Turn Committee," for these Cabinet Ministers to grieve to us over here the opposition and to the people of this province.

I'm sure the Honourable House Leader - and he's a great parliamentarian, Mr. Speaker, and he has seen the way Parliament is supposed to work. He understands what a grievance motion is for, and how it is supposed to be handled. The tragedy is the way this government handles this House and handles the affairs of this province and misleads us. When you have two Cabinet Ministers in one session Mr. Speaker, standing up and grieving, grieving to us. We're not even the government. We don't have the treasury benches. But we can see a government swallowing itself very fast and the way that these Cabinet Ministers and these treasury benches are handling themselves, they are going to swallow themselves real fast.

A MEMBER: We're going to hold a lottery to see who is next, Wally.

MR. McKENZIE: Mr. Speaker, let us go back to the early days of the lottery concept in this province. I know the anxiety of some of the members opposite and I know the anxiety of the members over here when the great Maitland Steinkopf late Maitland Steinkopf came and suggested to us that it maybe was a vehicle where we could raise funds to help us through our Centennial Year. A one-shot deal. We agreed, with grave concern, because we know basically when you get into gambling and lottery funds you're going to have trouble. There's nobody in the world today that has been able to devise a law or in fact enforce a law involving gambling that you've been able to make it stick. It's just a sticky issue. So in those days many members of this Chamber opposed the legislation and others supported and it did pass. So the Centennial concept went on its way and we did carry out that on a one-shot basis.

But, Mr. Speaker, this Minister over here - and at that time his political life was very very uncertain, still is today after that speech that we got this afternoon - he convinced most of us on this side that we should go for this WesCan Lottery. The opposition benches in those days told this Minister and told this government, we should not do that, we should not go into that WesCan concept. It was too big, we couldn't handle it, we didn't have the resources here nor did we have the people. We were scared that the Mafia would infiltrate it and we would have basically the problems that the Minister laid on the table here today. Exactly what we said has happened and that is most unfortunate.

Mr. Speaker, I do again, I do again today express the concern and the anxiety not only of the people on my benches but the people of this province: the selling agencies, and right across this province who are concerned and have been concerned for weeks about what is going on. I do thank the Minister for rising to feet and reading into the record, I daresay the longest grievance, typed grievance, that I have heard in my days in this Chamber and I've been here ten years. I've seen grievances and in most cases they spoke off the top of their head. But this one was very very skillfully wrote and typed out. Now I don't know why. If the Minister wasn't prepared to handle this himself with his usual eulogy and tactics in the House, I do not know. But Mr. Speaker--(Interjection)--

## GRIEVANCE

(MR. MCKENZIE cont'd)

I do this afternoon recognize the Honourable Minister's concern and his anxiety today and wonder how he is going to get out of this mess, and it is a mess. There is no two ways about it. When you have to stand up here on a grievance, a Cabinet Minister go on a grievance of over an hour or almost an hour to tell us how bad it is, it's got to be bad. It's got to be bad, Mr. Speaker. I will not go into all the ifs or buts but I'm going to ask on behalf of our caucus for a public inquiry at the earliest possible date into the lottery.

MR. SPEAKER: The Honourable Member for Virden.

MR. MCGREGOR: Mr. Speaker, I do appreciate the report from the Minister and it certainly brings me concern of what we had in years gone by and what we have now. I'm sure here is a long distance call from the Municipal Clerk at Hamiota and I'm sure as I stand here it will be asking, what are the recreational grants today? He will have the book of instructions, the municipal book, that will say up to \$20,000 and I'm going to have to, or my honourable colleague from Minnedosa, tell him no. And he'll say, why? I'll just have to say simply, because they blew the damned sweepstakes out of all proportion. The bucks aren't there to go to the recreation department.

I was one who stood on many platforms in Western Manitoba over the years when the recreational grant was under the other plan, when a town like Rivers would be after a grant for the artificial ice plant, and I'll say, you fellows keep selling the tickets. I guarantee you that the Minister has blown two years' recreational grants. I congratulate him for filling in all the applications of that day and knowing full well that we had to sit back and wait on it. But at that time it was encouraging for the Legions, the Chambers of Commerce and any other local club to sell the tickets because there was more bucks locally. They got out and hustled and I was happy to see them hustle. They were part of it. Since we joined the Western Sweepstakes--(Interjection)--Well it is. There's not as much left, there certainly isn't as much left on the local table.--(Interjection)--No, I have not missed the whole point. But Series B may leave as much on the local table and I'm not talking about the three top ones here that take the gravy off it. It's what they do in the smaller communities because they know they are part of the action, and as I said I congratulated the Minister then because I thought he was right allowing the people time to steady back, make some more money and they will get it. I watched Rivers come through and I was happy to take their cheque.

But the main beef, Mr. Speaker, is: when I was on that side of the House the same Minister, the portfolio that this Minister now has, was spread on two Ministers over there and I felt sorry for one of them. I wish the First Minister was in his seat. I think this Minister is a strong Minister but he is overloaded by any rhyme and reason and I never approached the Minister when he was loaded. I can think of some over there because I have a tough enough time when he was --(Interjection)--Well not in recent years in any case. But it was a fact. I knew at times that the Minister was in real problems and this same Minister, I waited some six weeks to a problem, until the pressure was slightly off him. I think that's my duty to try and do that.

I do say through you, Mr. Speaker, that this Lottery Commission should be put in the hands of another Minister that isn't so overloaded and we would maybe come back and maybe get Series B under way. Hopefully there is the same percentage left on the table of the local, be it the Virden Legion, the Kenton Chamber, the Rivers Legion, as it was in those old days. Because then--(Interjection)--But I didn't get that and I know there is a lot to interpret, because I came in half way through the speech. But all that I am saying: I don't think we are trying to knock this thing but it is not clear at this hour in Western Manitoba, in rural Manitoba, and that statement has got to be in a lot clearer form than I interpreted it for them to understand that this new series is a better deal. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, I would like to make a few comments on the subject that has been raised. I realize I am using up my grievance but I think that it's legitimate and probably reasonable to do that on this particular issue because I don't think

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(MR. SHERMAN cont'd) . . . . the Minister has answered the questions that the public in the Province of Manitoba are asking and have raised about the lotteries situation today. I don't mind the Minister using his grievance to go on a situation such as this. I rather regret that he doesn't have another one to go on because perhaps in the second one we could get some of the answers. I think that we have been reasonably patient in the opposition and I think the public has been patient. I think the press has been patient in waiting for answers to questions that are raised daily or almost daily, weekly at any rate, by people in the community, by agencies that used to have the right to sell lottery tickets and have been, because of the re-organization and the restructuring, to all intents and purposes phased out of the kind of worthwhile operations that they used to enjoy.

The thing that concerns me most of all about the statement of the Minister and about the position of this government on lotteries is that I don't see any evidence of any support for what the Minister of Health and Social Development has just said coming from the Minister of Tourism, Recreation and Cultural Affairs who once was in charge of the lottery. I wonder where the Minister of Tourism, Recreation and Cultural Affairs stands on this question of the Western Canada Lottery and on the position that the Minister currently responsible for lotteries is taking. I wonder where the rest of the Cabinet stands on it.

It appears to me, Mr. Speaker, that there is deep rift, a deep cleavage in this government on the question and the philosophy of lotteries and on the operation of the lottery and on the concept of the Western Canada Lottery. What we have had here this afternoon is a statement from the Minister which in large measure has been a justification of his philosophy, his concept and his approach. But I don't see that same kind of endorsement coming or offered from any other quarter of the Cabinet with the possible exception of the lone other member of the treasury benches, the front treasury benches, who is in the House and has been in the House during this statement. In fact I suggest that unless there were pressing departmental responsibilities that it's rather - the Minister of Tourism has been extremely conspicuous by his absence during the statement of the present Lotteries Minister. I question, Mr. Speaker, whether the Minister who has made the statement and delivered himself of a grievance this afternoon has the support of the Minister who was formally in charge of lotteries and has in fact the support and the wholesale endorsement of the rest of his colleagues in this administration. I think that really is the nub of the question for Manitobans where the Western Canada Lottery and the former Manitoba Golden Sweepstakes are concerned.

I recognize what the Minister says about the prior violations of the Criminal Code and the ethical difficulties of closing our eyes or closing the official eye to the law. That sort of thing can't be condoned forever and I recognize his problem in that area. I recognize also the differences that he has pointed up between the bearer type ticket and the non-bearer type ticket and the potential for abuse that can creep into one or the other of those systems. I know that the approach that he has developed has been formulated to some degree from the desire to eliminate those anomalies and to make it possible for us to have this kind of an activity in Western Canada without opening up either the opportunity for criminal exploitation or without condoning the breaking of the law.

But going beyond that point I have to ask him who are these lottery officials who are continually raising questions as to the effectiveness and the profitability and the viability of the current Western Canada Lottery? We have seen numerous reference in print and according to the Minister the stories that have appeared in the Winnipeg Free Press have been suspect but I suggest to you, Sir, that we are not prepared on this side of the House to assume on the Minister's say so that the stories are suspect. We would like to know who this lottery official is or who these lottery officials are who are being quoted as saying that the thing is a flop and a failure. In effect that's what many of them have said.

In a very recent story written in the Free Press by the journalist to whom the Minister referred a few moments ago, the following paragraph appears and I want to read it into the record at this point, Mr. Speaker.

'Since the switch, sales of lottery tickets by Manitoba agencies have dropped dramatically along with the revenue the province earns. 'Don't quote me but I suppose

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(MR. SHERMAN cont'd) . . . . 'you wouldn't be far off if you said it was a fiasco,' one lottery official said. 'We hope it will improve but it doesn't look too promising.'" --(Interjection)--No, there is no name given but I'm asking the Minister who this lottery official is who has been referred to many times.

MR. SPEAKER: The Honourable Minister of Health.

MR. DESJARDINS: In all these stories there has been one person quoted and I'm asking the honourable member if he's ready to seek out this person and ask him about this interview that was on last Friday. A Mr. Hall, on Corporation A. Maybe he could repeat to the member what he said to me and I didn't phone him, he phoned me last Saturday. Maybe you should have an understanding of how this interview took place. If that's what you want, fine.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Well, Mr. Speaker, I would say that I'd be very much in favour of that kind of thing. The public and the Manitoba taxpayer and the Manitoba opposition is reading this kind of question and asking this kind of question. I would like to know the answer. I think that my colleague, the Member for Roblin, perhaps had a good idea when he called for a public enquiry because then those people would be identified. We would find out.

I'm not suggesting to the Minister that I know who these people are. What I'm saying to him is that the problem for most of us is that we don't know who they are. But they're being referred to; they're being quoted.--(Interjection)--Well, I know some people who are unhappy with the lottery but I can't link them to these specific statements. I tell the Minister that in all truth and sincerity. I do not know who made that statement. I'd like to know who did. I suggest that there's a means of finding out and that is carrying this thing a step further to restore the confidence of the public, to restore the confidence of the taxpayer, to restore the confidence of the opposition and perhaps even, Sir, to restore the confidence of the Minister's own colleagues in the job that he's doing.

I think the questions that have been raised are legitimate ones and I suggest that the fact that they have not been answered undermines the public's confidence in this whole operation, Sir. I know that there were problems that the Minister had to meet to try to adjust the lottery situation to the requirements of the day, to try to adjust the situation to the developments that were taking place in the lotteries field right across the country. I know that. But since it happened, it seems to me that we've had nothing but difficulty; we've had nothing but suspicion; we've had nothing but criticism; we've had nothing but questions raised and the Minister had a lengthy grievance this afternoon which I don't think, Sir, has answered those questions. Well, we still don't know for example, in terms of Manitoba's position, in terms of returns to Manitoba how the Western Canada Lottery performance compares with the old Manitoba Golden Sweepstakes performance. We still don't know how agencies such as the Royal Canadian Legion are going to fare under the new operation in comparison to the kind of thing they were able to do and achieve and accomplish under the old. We know this: that according to the Minister some tickets have been found for which there was no accounting and no accountability and I say, excellent. If he's done that--(Interjection)--No, I say excellent. If he's been able to eliminate that bad aspect of the lottery operation then I give him credit for it. But I ask at the same time--(Interjection)--No, I don't agree with that.

MR. SPEAKER: Order please.

MR. SHERMAN: Well I'm not prepared to agree with that, Mr. Speaker. I think you can have accountability and you can still have profitability for agencies like the Royal Canadian Legion and other groups that use their right to sell lottery tickets and to operate in that field to provide much needed funds for much needed activities. I think you can have the two things. You can have returns and profitability to worthwhile agencies and you can have accountability. I don't think that you have to go on the tact that we're now going to have accountability so we'll throw profitability out the window. There's no point being in the thing if it isn't profitable. I can't understand why we should continue within it if it isn't profitable. I can't understand why the Minister has

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(MR. SHERMAN cont'd) . . . .to assume, or why the Minister has to convince himself that to get the accountability he wants that these other aspects have to be jeopardized if not completely lost.--(Interjection)--Well no but I think in the position that you've where all the emphasis has been on accountability and--(Interjection)--Well, Mr. Chairman, the Minister says give it a chance. I think we're giving it a chance. I just am disappointed from the point of view that the numerous questions, concerns and worries that Manitobans have about this situation have not been satisfactorily answered and resolved as yet. I would hope - the Minister says that they will be when we reach his Estimates. I would like to hear from the Minister of Tourism, Recreation and Cultural Affairs who had prior responsibility in this field as to how he thinks this operation stacks up with the former one and how he thinks agencies who once operated under the former one are now faring and what the outlook is for them. I would like to find out--(Interjection)--Well, I'm prepared to answer what I can. I can't answer very much about this lottery situation when I don't know. I'm asking the Minister who is in charge.--(Interjection)--Well, I'm asking the Minister in charge - I simply don't subscribe to the Minister's contention that you can't have it both ways. Why can't you have accountability and also have a worthwhile viable reasonably profitable operation? Why do you have to have all these suspicions, all these questions, all these doubts, all these losses, all these anonymous officials being quoted as saying that things are in difficulty and we're not going to make it just for the sake of having accountability. Is this whole exercise set up for accountability?

Mr. Chairman, the suggestion of a public enquiry I think would get at the answers that we're seeking, would get some satisfaction for this side of the House and I think for others who are raising the questions and perhaps might take the Minister off the hook.--(Interjection)--Well, I think in the view of a good many people he is on the hook right now because I think most people think the Western Canada Lottery is a disaster. In fact, and I don't want to pin the Minister to the wall on this, but the Minister used words that weren't dissimilar to that in describing the Western Canada Lottery less than a year ago at a public news conference. He described the lottery, and the lottery setup as pretty much of a mess. A horrible mess.

MR. DESJARDINS: Mr. Speaker, on a point of order.

MR. SPEAKER: The Honourable Minister.

MR. DESJARDINS: At no time did I describe the Western Canada Lottery as a mess. I said the existing marketing system, which I tried to put across today, in Manitoba, has been a mess. That is what I've said. I've never said that you can't have accountability and be viable or we wouldn't be in it. But I say you can't have accountability and satisfy the people that do not want that system.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Well if that's what the Minister said that's what he said.

But I go back to the point that I made prior to that and that is that a good many people in Manitoba certainly think it's a mess and they're concerned about it. I say the Minister from that point of view is on the hook. I think he's having extreme difficulty in pursuing the policy and the philosophy that he wants to pursue in this area. I think as I've said that he lacks substantial support from his own colleagues; I think that he's in a position diametrically opposite to that taken by the former Minister responsible for lotteries and I think that rift, that cleavage put alongside a couple of the other cleavages such as we saw during the time of the transit strike, are splitting this administration right down the middle, in fact splitting it in four or five points. Until that sort of thing is resolved, Sir, until that thing is resolved, Sir, I guess we'll never, short of a public enquiry, get the answers that we want. So with those few words, Mr. Speaker, I --(Interjection)--

A MEMBER: Take a little longer, Bud.

MR. SHERMAN: Well, perhaps with a few more words, Mr. Speaker. I'm not going to say it all again, Mr. Speaker. Those who didn't hear me will have to read it in Hansard.

But I do say that I would like two things. I'd like to hear from the Minister of Tourism who has been most conspicuous by his absence all afternoon and in fact has not participated in a lottery debate in this House for the last year, I think for reasons as I've suggested of wide differences of opinion. Oh, here he is now. Well, perhaps the Minister will now . . .

## GRIEVANCE

MR. SPEAKER: Order please. Would the honourable member address himself to the Chair and carry on?

MR. SHERMAN: Well, let me go back to where . . .

MR. SPEAKER: No repetitions.

MR. SHERMAN: No. Perhaps the Minister of Tourism, Recreation and Cultural Affairs would now like to go on a grievance in response to the debate up to this point and to my challenge to the present Minister of Lotteries. And just in capsulized form let me just say, Mr. Speaker, for the benefit of the Minister of Tourism that I'm suggesting that there is a deep rift in philosophy and in approach in policy with respect to lotteries between the present Minister responsible for lotteries and the most recent Minister and that there is no support for the present Minister's position.

So on those grounds we're asking for some evidence of some kind of general support from other members of the Cabinet for the position the Minister has taken and we are re-emphasizing the request of my colleague from Roblin for the kind of public enquiry that would get to the bottom of the questions that have been raised and that would identify to the satisfaction of all of us these officials who have been referred to in numerous newspaper reports which the Minister may feel are suspect but which we have not had proven to our satisfaction are in any way suspicious, Mr. Speaker.

MR. CHAIRMAN: The Honourable Minister of Tourism and Recreation. Order please.

MR. TOUPIN: Can I ask the Honourable Member a question?

MR. SPEAKER: Order please. One member at a time. The Honourable Minister of Tourism and Recreation wishes to ask a question?

MR. TOUPIN: Mr. Speaker, I don't intend to forego my possibility of getting up in this House in regards to a grievance. There may be other opportunities. I would like to ask the honourable member if he was in my stead and was asked to support a policy that he did not accept, would he remain in Cabinet?

MR. SPEAKER: The Honourable Member for Fort Garry. Order please.

MR. SHERMAN: No, Mr. Speaker.

MR. SPEAKER: The question before the House is that the House go into the Committee of Supply.

QUESTION put, MOTION carried and the House resolved itself into a Committee of Supply with the Honourable Member for Logan in the Chair for Civil Service and the Honourable Member for St. Vital in the Chair for Consumer, Corporate and Internal Services.

SUPPLY - CIVIL SERVICE

MR. CHAIRMAN: Order please. I refer honourable members to Page 13. Resolution 29(a) Salaries, \$383,100. The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Chairman, I would like to make a few points on this item and . . .

MR. CHAIRMAN: Order please. It's my turn. I'd like the honourable members to just show a little common courtesy when another member gets up on the floor. If you want to have a caucus meeting, you know where your caucus rooms are. Go there. The Honourable Member for Assiniboia.

MR. PATRICK: Thank you, Mr. Chairman. I do wish to make a few remarks on this item. I listened when the Honourable Minister of Labour introduced the Estimates on this item under Civil Service and I believe he spent only a couple of minutes about the Civil Service as such and the point that he did say, and I would agree with him, and I want to say the same thing, that I believe we do have a very good Civil Service in this province and I think that we should be very proud of that fact. However it's not to say that there aren't any problems on the horizon. I believe there are some ripples. We know when we had the Manitoba Government Employees Association before our Industrial Relations Committee and it was quite indicative that there might be . . .

MR. CHAIRMAN: Order please. Would the Honourable Member for Minnedosa please like to go out and hold his caucus somewhere else. It's difficult for the Chair



## SUPPLY - CIVIL SERVICE

(MR. CHAIRMAN cont'd) . . . . to hear what's going on. I'm not going to warn the member again. --(Interjection)--

MR. PATRICK: Mr. Chairman, I'm sure that the Minister realize at the Industrial Relations Committee meeting that there are some problems as far as the Civil Service is concerned and I hope that he would begin to pay some attention in a way that any small problems that there are can be resolved without confrontation. This is what concerns me. Because at times the Minister does make statements that are - in fact he did make some statements about some other employees, they may be correct but I just wonder if they're the type of statements to make in committee meetings.

The point I'm trying to say is the Minister, must know that he is --(Interjection)-- No, that's not the one I'm referring to. I'm referring to the statements, the other one in the Free Press and I understand that you're not sued by the paper, one of the papers as yet. The point that I wish to bring to the Minister's attention. I'm not so sure that he's aware that he's the largest employer in this province. He has over 13,000 civil servants that he's responsible for. I believe that, you know, that area needs some attention. They have brought some problems to the Minister's attention and to our attention so I think that the Minister should take that opportunity and that responsibility quite seriously because he is the biggest employer. I know that in the report that we have some information here.

There has been quite a few new appointments in the Civil Service, some 2,000 and the questions that I'd like to raise to the Minister at the present time is - there were some good points here in the report; there were some 2,000 promotions and I think that this is wonderful that we have promotions upward in the Civil Service. The thing that I am concerned about, perhaps the Minister can indicate to us, that there was temporary appointments of some close to 6,000 people. Now perhaps the Minister can explain that to us. I don't know if this is the summer jobs that most departments take extra staff, taking university students and high school students and if this is what it is then I will agree with the government action in this area. Because I do feel that each department can take quite a few students, university students or high school students in their employ. But if this is not what it means, that we have some temporary employment of 6,000 people, and if it's not the summer employment as far as the students are concerned then I would like to have some explanation from the Minister.

The other point that I would ask the Minister at the present time: we did have some 3,400 resignations I believe last year in the Civil Service or close to it, somewhere in that area. That to me appears to be quite high, Mr. Chairman. Very high in fact. Either these positions must be temporary positions, but if they're permanent positions and you have that kind of resignation in one year, it appears to me there may be some problems as far as the Civil Service is concerned. So again I would hope that the Minister would be able to indicate to us and give us some explanation as far as the resignations, because it is very high.

The thing that concerns me, Mr. Chairman, quite considerably, is we have as far as maternity leaves are concerned we only have 148 people that had maternity leaves out of the Civil Service of 13,000 or more. To me it would only indicate one thing there must be some discrimination against the women in our Civil Service. Surely there should be much more than that unless we just haven't got too many women in the Civil Service which I know is not true.

So again I wonder what is the upward mobility as far as the senior positions are concerned in the Civil Service where the women are concerned. Surely I know that there has been great progress made in some of the other jurisdictions as far as the upward mobility, I understand even in the Federal Government there have been Deputy Minister positions created where women occupy those positions, very important positions. Now what is the attitude of the Minister here? Is there still some sex discrimination or are we really beginning to reach a point where there is true equality? This is something that the Minister can probably again give us some information because according to his own report it doesn't look too encouraging as far as the women are concerned.

The other point that I would like to raise again, and this is almost unusual, where

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(MR. PATRICK cont'd) . . . . we have for educational leave, we only had some 28 people ask for educational leave. Well that's very unusual with such a large group of employees. Surely there should be more that should ask for leave to upgrade their education. I think it would only be much to the benefit of the government and to the benefit of the province if there are people who would take leave and ask for it so they can upgrade their abilities for further education. In here we see there's only 28 leaves, educational leaves, and you could almost say there's no such program within the Civil Service Department. I would hope again that the Minister can give us some indication what is the policy of the government in this area and what is the policy of the Minister? Are people within the government, are they able to get a leave to upgrade their education and upgrade their potential? According to the Minister's report it doesn't appear that way. So that's an area I would like to have the Minister perhaps explain to me.

I know that the report just came out recently from the Federal Government where it indicated only 40 percent of all the Canadian unionized workers are able to settle to come to agreements. I understand some other 45 or 42 percent are only settled when there are either conciliation officers or arbitration and assistance offered for settlements which is a very interesting point. I know that this is just a report that came out and it becomes more and more apparent it's very difficult for many groups now to come to agreement by themselves unless you're a large union and a large employer where you have the staff and facilities and the expertise to get the two together and to finalize an agreement. What it points out - I'm not talking about the Civil Service, I'm just relating a point outside the Civil Service where now 42 percent of our labour force there had to be assistance offered to the groups by way of conciliation officers so that they can come to an agreement. So this is an indication what's happening in the present day and I'm sure the Minister knows that there are difficulties and a lot of people, with the high cost of living the expectations are such that it's pretty difficult just to come to a contract very quickly. I think what's happening in the private sector I'm sure the Minister will find out that it will also happen with the government Civil Service not only here but the other places.

I know that some of the points that were raised by the MGEA and they weren't of a serious nature. There are perhaps some minor things but it may be something that they are concerned with and perhaps the Minister can resolve those small problems. I know one of the problems was that they raised, in one section I believe in the Act, where they complained where the Civil Service access to government "may" negotiate with the Civil Service.--(Interjection)--Well it is. But to the Minister it may have no meaning at all but to the Civil Service - I don't know how wide it is because the President was speaking on behalf of all the employees. I don't know how widely the employees are concerned about that but if they are and if it doesn't mean anything what's the difference of putting the word "should", you know, that the government "should". But again I'm saying these may be small things.

The other one that the MGEA were concerned about and they wanted to set up some kind of a grievance committee or a grievance board and to me again I think it would probably improve the relationship between the employer, the Minister, who is the biggest employer in the province, and the Association. I see really nothing wrong. I think it would probably improve the situation and that's one of the other points that I've raised.

I know that they were quite concerned about that they don't come under The Labour Relations Act and I don't know how important it is or not. I know the Chairman or the President said it was quite important and I don't know if he has the support of all the employees and how important it is to the Association. But again the Minister takes the attitude that these are not important things. They're playing on words. But I'm sure that if he would sit down with the Executive of the Association and perhaps resolve these small differences, then I think the relationship and the attitude would be much - he would remove some of the difficulties that they have and their misunderstandings. That's all I'm saying. Because they're not major as I said when I started, to say some of the things that they talk about don't appear that major. But it is a problem or they're saying it is a problem and they're concerned. They've raised those points last year I

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(MR. PATRICK cont'd) . . . . believe and again their brief is quite extensive and they raise the same things this year again. Now I don't know if the Minister does meet with the Executive of the Association and say, okay, you know, what are the problems and how can we resolve them?

I know that they had quite a concern about appeals and, you know, the Minister indicated they can appeal back to the Civil Service Commission on appeals, and they say well it's the same people that rendered the first decision and how can you appeal to them again? I know they have a chance to appeal to the Minister himself which is, I believe, sort of a second step. They feel that there should be a separate committee or maybe bring in somebody else on the Commission, at least one or two individuals, maybe just one, where the appeals are heard so that you have some new idea or fresh idea so that there would be an independent opinion in that area. Again I can't see, unless the Minister can explain to me, but if you bring one new person designated by the Minister, it could be a Judge or a lawyer, I don't care who it is, but at least you're bringing in a new opinion, a fresh opinion in that area so that may satisfy them. So what I'm concerned about if there are some ripples as far as the problems that the Civil Service are concerned about, I believe that the Minister probably can correct that situation quite quickly if he'd be prepared to sit down and talk to them and meet with them. So that's the reason I'm raising the point.

I know the other area that they were really concerned about, and perhaps the Minister could indicate, about the contract employees. They were saying that they don't talk or speak for the contract employees and they would like to do that. Now my question is and it's one of the questions that I raised before: where you have temporary appointments - we have some close to 6,000 which is a large number and if it is what I believe it is, it's temporary employment and I have no argument against that. But that was one of the complaints that was brought to our attention, how do the contract employees, how do they come in and what is the number of the contract employees? Perhaps the government can indicate to us, you know, how many there are and if he hasn't got the answer now I'd be prepared to be satisfied if he could give it to me on some other occasion. I think that we should know how much, what is the number of the contract employees?

The other point was that the Civil Service Commission is not required to give written reasons for its decisions either on hiring or appeal. Again perhaps the Minister who's been the Minister of Labour for quite a few years, he can give us his expertise and knowledge what difference would it make. I don't say that you have to write a history. All it could mean that some other employee got hired because of qualifications. But again it may not appear important to the Minister of Labour at the present time but if this is one of the things that would resolve some of the hard feelings between the Civil Service and the employer, the Minister himself, I think it's a small thing to sit down and say, okay what kind of written decision do you want? Do you want a complete history and synopsis or perhaps in some cases somebody that's hired is more qualified. At least I think the reply should go out that somebody else has been hired so that somebody doesn't wait for two months and say, well, I'm still waiting, hoping that I can be called. Apparently in some instances, I don't know how wide it is, but in some instances it doesn't happen. There is no communication.

So these are some of the points that I wish to raise with the Minister at the present time and I would hope that he would be able to give us some answers.

I know last year I raised some points in respect to the portability of the pension plans and I know that was resolved last year because I had a resolution before the House and the Minister did bring some legislation. However there were some points that I was concerned about in respect to the interest paid on the contributing portion of the employee. I know it was three percent, I believe it's still three percent, is it not? This has been a problem with some employees and I would hope that the Minister would take a look at that because I believe in the other provinces it is either five or six percent at least. All I know is that it's higher than what it is in the Province of Manitoba. Now I don't know at this time how much money this involves, but the thing is the money belongs to the employee anyhow, so if the government is receiving interest on it, at least bank interest,

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(MR. PATRICK cont'd) . . . .so when you're giving back six percent or five percent I don't think it's giving too much, because there's some expense involved, I know, but the bank now is paying what? Nine and a half percent today I believe. So I think that it should be upgraded to the point of what some of the other provinces are doing and three percent, I'm not certain that you'd be happy or anyone would be happy to have his money locked in at three percent. So that's another area that perhaps the Minister could look at.

So these are some of the areas that I wish to raise with the Minister at the present time. But I really do feel that he should not take the attitude that the Civil Service is completely happy at the present time because they've raised some points. They've raised those points this year much stronger and in some quarters there is some bitterness developing and I believe that the Minister should say, look, I'll sit down with the Executive of the Association and let's discuss the points that they've raised which is a grievance to them and which they feel quite bitter about. The points that they raised, to me they don't look of such serious nature, that I believe the Minister can resolve. When the Minister says there's no difference between "may" and "should", so why not put "should" - that the government "should" negotiate it. Because really I've seen in Law Amendments many times where this was discussed and that one word was changed in many bills. Now there must be a reason that the Minister says no, I can't do that. So that's the points that I wish to raise with the Minister at the present time. And again now in negotiations he must know that we're getting bogged down more and more as it was indicated by the study that was just released by the report federally where 40 percent of the workers now need some extra conciliation officers need more information, need more assistance to come to agreement. It's quite important that the Minister would express his mind on such a thing as setting up the grievance board, what he thinks about it, what his attitude is and I have no attitude on that myself. I'd like to know what are the problems by setting one up and if that would resolve many of the problems, then I see nothing wrong.

The other one, again the removal of the collective bargaining restraints that are contained in The Civil Service Act, again this was brought up before our committee and I don't know just exactly what the Chairman or the President of the MGEA was talking about. But I'm sure the Minister must know because it has been brought to his attention I understand before. That appeal procedures and some of these things, I'm sure that they may not appear of major concern, of big things to the Minister but I understand it does and is of very great importance to the Association. So what I'm saying instead of dealing in confrontation and not talking to them, let's see if we can resolve some of those points.

MR. CHAIRMAN: The Honourable Minister of Labour.

MR. PAULLEY: Well, Mr. Chairman, I want to indicate my appreciation of the objective approach of the Honourable Member for Assiniboia. I would suggest that his objective approach is somewhat different than some other members of the Assembly, dealing particularly with the negotiations and the general association between the employees as represented by the MGEA and the government through its joint council, and of course by myself as the Minister responsible to answer in respect of the Civil Service to this Assembly.

I want to first of all say to my honourable friend, the Member for Assiniboia, that we do sit down, and we are sitting down in the area of negotiations and as far as we are concerned, and as far as the Association is concerned, I think I can quite properly say that really negotiations never end. We have established in legislation a facility called the Joint Council under the Civil Service Act where from time to time we meet, representatives of government, representatives of the MGEA, to continue considerations of problems with which each of us are confronted in the normal operation and normal relationships between management and employee. And, of course, I'm sure that my honourable friend the Member for Assiniboia who this afternoon, I think, exhibited a non-political approach to the concerns that we have in government. As an employer I am sure that he recognizes the fact that my type of government or my philosophical

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(MR. PAULLEY cont'd) . . . . approach as a person who has been involved in the years as a so-called representative of the employer, also has to accept the responsibility of being on managerial staff, should I say, in the interests of the people of Manitoba. I appreciate this approach and attitude from my honourable friend, the Member for Assiniboia, as against some of the approaches that are made by members opposite in the official group in this House, who attempt to shirk that aside and criticize our approach on a different plane, and I regret that very very much.

My honourable friend, the Member for Assiniboia did raise for the consideration of this committee many important factors that are of concern between employer and employee in the conduct of the business of the province. He made reference to the three percent return of contributions on pensions when one leaves the pension field and has a return of their contribution, it's only three percent. I recognize that and I want to say to my honourable friend and to the members of the committee, that this is a matter of concern with the liaison committee representing the employees and the committee headed by myself in respect of Civil Service superannuation.

I appreciate and I realize, and I'm sure the government realizes as indeed the employee representative today three percent interest doesn't really mean a hell of a lot, does it? But I do want to say that three percent today is a great advance over no percent that previously was the return under the Tory administration of the Province of Manitoba. Now maybe the situation, the economy has changed to a considerable degree, that it was okay for the previous administration not to recognize that anybody who had made a contribution should get even three percent as a return for their contributions. We at least have changed that and I would agree that comparatively speaking three percent really is peanuts. But I do want to say because of the attitude of this government as against the previous government, we do listen to representations by the contributors to our pension plan and I am meeting I believe next Thursday with the liaison committee of the employees to consider as to whether or not we could take another look at the percentage return on contributions in respect of employee contributions to the Civil Service Superannuation Fund.

But I think in all fairness and I'm sure that my honourable friend the Member for Assiniboia will agree that if there is an increase in the amount of percentage that is awarded in contributions to those who are leaving the Civil Service Superannuation Fund, then somebody has to pay for it. We have a joint scheme at the present time in respect of Civil Service superannuation on a percentage basis of contributions and if the operation costs of the fund increases then the money has to come from somewhere. And while it may be perfectly true that the three percent is inadequate - I'm not arguing about that - but the funds in order to provide for six or nine or twelve percent return on a contribution, has to come out of the fund itself. So we're faced with the question as to the adequacy of the return of three percent in the first place, and who's going to pay for it in the second place. And thus far I would suggest that by and large the employee representatives have indicated that we at least have gone a considerable distance from the time when the contributor didn't receive a damn cent in percentage return on their money over the previous administration who were so very effective.

So we have these problems and as I say, Mr. Chairman, a committee will be meeting, I think next week, with the liaison committee to take a look at this because . . . And I trust that when we get into the consideration of the Estimates of the Civil Service, when we get down to the consideration of the Superannuation Fund Benefits and the likes of that, that members of this committee will realize and appreciate the difficulties that we have. Not the difficulties only of the government but the difficulties that the employees have for the consideration of the benefits that are received and the amount of contributions for return of contributions, referred to by my honourable friend, of the three percent and also the end return of pension benefits based on contributions, because we have a joint system where the benefits that inure to a person retiring is shared equally between the taxpayer in the name of the Government of Manitoba and the contributor, the employee of government.

I trust and hope, Mr. Chairman, that when we deal with that precise item in the Estimates that my honourable friend the Member for Assiniboia, and others in opposition will give me as the representative of the government, the Minister responsible,

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(MR. PAULLEY cont'd) . . . .an opportunity to explain and to develop the present situation in respect of Civil Service pensions and the contribution that is being made to our retired employees, which I suggest are amongst the best that there is in the whole Dominion of Canada, and it is . . .costly to both the employee and the government as the representative of the taxpayer of Manitoba.

My honourable friend, the Member for Assiniboia mentioned the question of written decisions for reasons of denial of appeals to the Civil Service Commission. I want to say that this is a matter that has been raised by the Ombudsman, Mr. George Maltby, who is, of course as we all know, an ex-policeman, who does a reasonably capable job. But he has on a number of occasions drawn to my attention, as the Minister responsible, the lack of having documentary evidence or report as to the reasons of denial of appeals by the Civil Service. Now I would suggest, Mr. Chairman, and my honourable friend raised this question, the Civil Service Commission is not a court of law. It is a group of individuals who are charged with the responsibility of hearing appeals by individual members of the Civil Service against decisions that are internal in the operation of the departments. And to document those decisions and to have stenographic documentations of the appeals, I would suggest in all due respect to my friend, could conceivably be detrimental to the individual who is making his appeal. The appeals of the Civil Service Commission, I would suggest, Mr. Chairman, are based on the judgment of four or five individuals who have the evidence produced for them by the individual concerned, which is of prime importance, representatives of the department, which is likewise of importance, and there's no denial at all, Mr. Chairman, of the right of representation by a representative of the Manitoba Government Employees Association, if they indeed are the representative of the employee before the board. But if the suggestion of my honourable friend is accepted, then we take out of the appeal provided for under the Civil Service the normal appeal procedures and establish the Civil Service Commission, in my opinion, almost as a quasi judicial court of law with the documentation and the evidence available to anybody.

I would suggest whether it's acceptable to my honourable friend or not, that if he had the opportunity as indeed I have, of having the end results of the appeal, and that being documented as to the reasons for arriving at that judgment, it could conceivably be prejudicial to the individual concerned, not only in respect of the possible termination of that individual's employment within the Civil Service, but it could conceivably be a black mark on that individual insofar as possible re-employment in other agencies. This is one of the reasons that we do not, Mr. Chairman, take documentary evidence. I trust that the judgment of the members of the Civil Service Commission is that type of humane and human approach in consideration of arriving at decisions that my honourable friend would not want to be documented, that would be preserved to the detriment either of the Commission or of the individual. In recent days, Mr. Chairman, in this House we have heard, particularly from the Member from Fort Rouge, criticisms of wire-tapping and documentation. Now surely 'to heaven we would not want that type of documentary compiled that can be used against our civil servants. They do have --(Interjection)--Pardon? You wouldn't understand. They do have, I suggest, in certain cases a further appeal from the Commission insofar as a person being appointed that hasn't the merit, to the Minister responsible for the Civil Service Commission. But I'd hate like heck, Mr. Chairman, that if we ever arrived that a person, represented by his counsel, being that counsel a member of the legal fraternity, a representative of his union, that it would have to be documented to the detriment of the individual or the process of a reasonable approach on appeal.--(Interjection)--Yes I will.

MR. CHAIRMAN, The Honourable Member for Assiniboia.

MR. PATRICK: I thank the Minister. When I spoke I did not say that it was the Ombudsman that requested the decisions. But I wanted to point out that the Executive of the Manitoba Government Employees Association have made the same request. I don't say that the decisions for hiring should be all in writing but what about the appeals. Would the Minister have the same feeling about the appeals? That's the point I'm making, on appeals only.

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MR. CHAIRMAN: The Honourable Minister of Labour.

MR. PAULLEY: But, Mr. Chairman, what I want to say to my honourable friend, despite the information that he gets from some of the executive but not all of the Manitoba Government Employees Association, that any individual who appeals to the Civil Service Commission, has the right of having the involvement of a member of the Manitoba Government Employees Association. I think maybe that is a point that is being overlooked by my honourable friend. My reference to the Ombudsman dealt with . . . I feel that the Ombudsman for some reason or other is not knowledgeable of how appeals to the Civil Service Commission are conducted. There's no denial, and I want to emphasize this quite clearly, Mr. Chairman, there's no denial of the right of any individual who appeals to the Civil Service Commission to have an involvement with the Manitoba Government Employees Association representative, providing that the individual concerned is represented by the Manitoba Government Employees Association, and I suggest this is very important.

MR. CHAIRMAN: Order please. The hour being 4:30, Private Members' Hour, Committee rise and report.

SUPPLY - CONSUMER, CORPORATE AND INTERNAL SERVICES

MR. CHAIRMAN: There being a quorum the Committee will come to order. I refer honourable members to Page 16 in their Estimates Books, Consumer, Corporate and Internal Services. Resolution 35(a) Minister's Compensation. The Honourable Minister.

HON. IAN TURNBULL (Minister of Consumer, Corporate and Internal Services) (Osborne): Yes, Mr. Chairman, thanks. I would like to make a few opening remarks before we continue into the detail of the Estimates. I had hoped by the time of my Estimates review to have an annual report about all the activities of the department, but as I am now on deck with these Estimates I haven't got the report ready just yet, so you will have to wait some time for the completion of a draft and publication of it. This is the report that some members opposite asked for at the last session of the Legislature.

I would like to say that in the Department of Consumer, Corporate and Internal Services the activities in all branches continued at a high level. Our Estimates for '76-'77 showed an increase of \$190,700 over the previous year; this represents an increase of 8.2 percent. That small amount of increase is only accomplished by the exercise of good Scotch parsimony.

A total of 13 SMYs are to be established merely to meet the demands placed on the department for services, particularly in the Companies Branch, the Consumers Bureau and the Utilities Board. Of the additional staff being requested, three are for the General Administration Branch, which includes the Companies Section; four are due to the separation of the Public Utilities Board; five are for the Consumers' Bureau; and one is for the Queen's Printer. Now that is rounded to the nearest whole person, not counting fractions of SMYs.

In more detail my Companies Branch incorporated 2,188 new companies during 1975, an increase of 499 over the previous year, up over 29 percent and again the largest number of new incorporations in the history of our province. In order to adequately respond to this increased demand for services, an additional expenditure of \$61,000 over last year is being projected for the Companies Branch.

Dealing with the Consumers' Bureau, overall activity increased substantially, both in the Consumer and the Landlord and Tenant areas. On the Consumer side approximately \$75,000 in cash, and \$108,000 in adjustments were recovered for buyers and borrowers; under the Landlord and Tenant Act \$68,000 was paid into the Rentalsman's Trust Account during 1975, pending settlement of 1,059 disputes. The number of complaints, particularly under the Landlord and Tenant Act, continued to increase and in part can be attributed to an increase in public awareness of the rights of consumers and tenants brought about by the educational programs of the Consumers' Bureau.

Our public information and educational program is being continued, both through the school system and to any interested group via lectures and seminars, by direct advertising and by distribution of pamphlets. Five regular issues of our newsletter Counterpoints were distributed, while seven special pamphlets were prepared and distributed outlining consumer rights and pitfalls of the marketplace.

These pamphlets were translated into four languages on a trial basis. A new illustrated booklet "Wheels and Deals" to assist persons planning to buy a used car was produced and 37,000 copies were distributed.

We can deal, Mr. Chairman, with the particular Estimates of the Bureau, which you have before you. I wish to report that the increase in the salary appropriation by \$90,000 represents the usual salary adjustments of the current pay plan and for an additional five SMYs. Of the additional five persons, two had been transferred from other departments along with their responsibilities, and these are namely under the Trade School Regulations and Upholstery and Bedding Inspection; and the remaining three people are for the Rentalsman's section, merely to cope with the increased work load of that area.

Again, we have reduced our request for funds to the minimum. Considerable improvement can be expected in this branch's ability to serve the public on the move of a large portion of this operation to 307 Kennedy Street, which will be a storefront operation. The old quarters virtually became too small for the operations of the Bureau, given the increased demand for its services.



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(MR. TURNBULL cont'd)

I think, Mr. Chairman, I will stop there rather than continue, on the understanding with members that as we move to the various sections, I will have other comments to make as we move through the Estimates review. But those opening remarks will deal with the first part of the Estimates that we will be getting into this afternoon.

MR. CHAIRMAN: Resolution 35(b) Communications (1) Salaries--pass; (2) Other Expenditures--pass; (b)--pass; Resolution 35(c)(1)--pass. The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): . . . four hundred and ninety-nine more companies had registered than before. What type of companies is the increase in, did you notice?

MR. TURNBULL: I don't register these companies personally. They are really, I would think of all kinds. I mean they would be engaging in a great variety of activities, although some incorporations occur of course for tax purposes.

MR. HENDERSON: Would there be considerable of them now that might be farms, that are . . . ?

MR. TURNBULL: Yes, there are . . . There has been. I did note some time ago that there had been a number of incorporations resulting from farm operations, yes.

MR. HENDERSON: Have the fees changed for the registration of these with you people?

MR. TURNBULL: Yes. As of April 1, there will be an increase in fees of . . . within the guidelines, within the 10 percent limit. It is an attempt to cover costs, by the way. I don't think . . .

MR. HENDERSON: There is nothing wrong with covering costs.

MR. TURNBULL: Yes. That's the intent. Thank you.

MR. HENDERSON: There is also a raising of the fees for a change of name, or any of this. Is there not a general increase putting it right across the board in your fees?

MR. TURNBULL: Change of name? Of a corporation you mean?

MR. HENDERSON: Yes. If there is a name change or anything like that.

MR. TURNBULL: Well all the fees are going to be adjusted, virtually all of them, again within the 10 percent guidelines. --(Interjection)-- Yes. Anything under The Companies Act. The whole schedule of fees was changed. There was an Order-in-Council some time ago with regulations indicating that, effective the beginning of the next month, April 1.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. HENDERSON: That's all for this now.

MR. CHAIRMAN: Resolution 35(c)(1)--pass; (c)(2)--pass; (c)--pass. Resolution 36, Consumer Bureau: (a) Administration (1) Salaries. The Honourable Member for Wolseley.

MR. ROBERT G. WILSON (Wolseley): Yes, I'm interested in the ever-expanding Bureau which, as the Minister pointed out is largely due to public awareness through pamphlet publications. I wondered if the Minister might be able to tell me possibly under this section what would the cost of those pamphlets be, and how many were distributed?

MR. CHAIRMAN: The Honourable Minister.

MR. TURNBULL: I gather it has been the practice to answer as we go along, rather than take the information and come back to it. Mr. Chairman, I ask for your direction.

MR. CHAIRMAN: This is the prerogative of the Minister to answer immediately, or to seek the information.

MR. TURNBULL: Okay, then we will go . . . I'll try to answer as we go along - 62 questions and 62 answers for Manitoba Landlords and Tenants. We are up to the third re-print, 280,000 pamphlets. The pamphlet "A Government Service at Work for You" there has been 93,000 since September 1974. The pamphlet "What You Need to Know" there have been 43,000 since September 1974; "You and Your Shadow" there have been 21,000 since February 1973. The pamphlet "What You Don't Know" there has been 22,000 since March 1974. The pamphlet "Door to Door Sales and Home Improvements" there have been 5,000 since November 1975. I notice this list doesn't include the pamphlet

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(MR. TURNBULL cont'd) . . . . "Wheels and Deals," Do we have a figure for it? Oh, here we are. The pamphlet "Wheels and Deals" there were 37,000 copies distributed, and I am advised that we don't have a cost breakdown for each individual pamphlet.

MR. WILSON: Am I to gather then that in light of the conversation in the House that the Home Warranty Program then, there will be no pamphlet printed by the government, it will be left up to the private sector to advise people as to what portions of their home may be covered by warranty by builders. There won't be any public awareness through your department to let people know who buy a new home what to look for, it will be sort of geared to the private sector.

MR. TURNBULL: You are referring I gather to the Housing and Urban Development Association of Manitoba New Home Certification Program?

MR. WILSON: Yes.

MR. TURNBULL: It is a certification program, that is what they have titled it. That is a completely privately sponsored program. It's run by the industry, and it was set up by the industry, and the Province of Manitoba will not be spending money to advertise it at all. What we will be doing as I have indicated is continuing to meet with the representatives of the industry, and I have instructed the senior executive of the Consumers' Bureau to try to ensure that the New Home Certification Program does indeed serve the consumer interest.

MR. WILSON: Another area, Mr. Minister, under which I have a great deal of concern is, under the Rental Association of Canada they have been urging that governments, and certainly this provincial government, lend some protection for them in the fact that they seem to be in a position where their rental equipment is sometimes subject to other Acts which supersede their rights. In other words, what I am trying to say is that a person who is in the rental business, whether it be televisions, or what have you, can rent out these particular articles and when he comes to recover them or to repossess them he finds that possibly a local truck driver or warehouseman would have a lien which would take priority, and who may in fact lose that television set because under the warehouseman's lien he can hold onto it for a year.

MR. TURNBULL: Well, Mr. Chairman, you know, on a point of order, I'm not overly clear what the member is driving at, but we are on the Estimates and not on interpretation of legislation in other jurisdictions or . . .

MR. WILSON: The question that I was raising, is there anything upcoming in the government, in the Minister's department which would lend itself to protection for the Rental Association of Canada and the goods which they are renting out?

MR. TURNBULL: I have not directed the staff to undertake a study to protect the Rental Association or the industry for which that association acts.

MR. WILSON: And I wondered if you could possibly describe this new operation at 307 Kennedy St., with the expanded staff of five consumer officers. Will all people forwarding a written complaint be assigned a particular consumer officer, or will they have to go through the director, possibly Mr. Phillips or Mr. Therrien, or somebody like that.

MR. TURNBULL: Well the operation of the Bureau and the Office of the Rentalsman will continue to be the same as it has always been. People phone in with a particular telephone complaint and they get in contact by doing that with an officer and the first contact is made that way; that officer will attempt to deal with the problem, and as the problem becomes, or if the problem becomes more and more complex, then the officer will presumably refer to a more experienced and senior individual in the Bureau or the Office of the Rentalsman for advice, and in that way the complaint is processed.

MR. WILSON: I did ask if I could have an explanation of what 307 Kennedy might entail. I wondered, will there be a legal aid office in this particular storefront operation? I say that in light of an article by Mr. Val Werier in which he said legal aid will be made available to aggrieved debtors. I wondered, is there an intention on the government to have a legal aid office on Kennedy Street, or possibly we could go back to my original question if you could explain what 307 Kennedy will be, what services will they be offering the public?

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MR. TURNBULL: The same services they offered at 210 Osborne. It has moved, yes. Public Works came along and said you have got to go someplace else because . . . We've got dominoes operating here, and various departments are moving into different space. There was word that we would go to the tenth floor of the Woodsworth Building, and I had no intention of letting the Bureau be located there. It's much better that that Service Bureau be located at street level in an area where there is adequate pedestrian traffic, and that is where it has been located. But the services haven't changed, you must understand that there has been no change, no significant change in legislation to date, the Consumers Protection Act remains virtually the same, the Landlord and Tenant Act remains virtually the same, and until the Acts are changed there can be no increase in services.

MR. WILSON: Could I possibly ask the Minister, if it is the government's policy, or is the government less than satisfied that they haven't been reaching enough consumers. It seems to me that the Consumers' Bureau was set up, the location was established, the local media through Hotline Programs, and that, would direct people with complaints to the Bureau, and yet there seems to be a further emphasis on the government through advertising, through pamphlets, through a storefront operation to want to increase this particular staff by going out and saying to people, you haven't got enough problems we want to create some for you so therefore we are going to get closer to you. Is it the intention of the government to try to search out more problems than already exist?

MR. TURNBULL: In terms of making people aware of their rights, I have every intention of carrying on an adequate program to make sure that people know their rights, and that they know the law. When it comes to searching out problems, the bureau does not engage in that kind of activity particularly. It is a response bureau, people phone in, or call in, or write in with a complaint and the Bureau deals with it. Now in addition to that, of course, there is an educational program. It's undertaken by the Bureau officers and by the officers at the Rentalsman. In terms of creating complaints, that of course is just ridiculous.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. HENDERSON: Mr. Chairman, I would like to ask are many of the people that are having trouble on going to the Rentalsman using free legal aid?

MR. TURNBULL: Well we wouldn't even ask if they were using free legal aid.

MR. HENDERSON: You'd have no way of knowing it.

MR. TURNBULL: Well it might come up in a case. To find out we would have to review each case. But obviously it is perfectly plausible that someone who has made a complaint to the office of the Rentalsman might also on some other issue be at the Legal Aid Office.

MR. HENDERSON: If they don't settle like through the Rentalsman . . .

MR. TURNBULL: Are you saying does the Legal Aid office act in a court case on behalf of someone whose complaint originally went to the Rentalsman?

MR. HENDERSON: Yes, that's right.

MR. TURNBULL: Well, we'd have to check that. That problem is conceivable but I don't think that there is much of that.

MR. HENDERSON: On The Landlord and Tenant Act do you get many complaints from landlords that the deposit is far too small?

MR. TURNBULL: I have not received very many complaints. I haven't received any that I can recall now offhand except from you, that the security deposit is too low. It is one-half of a month's rent as you know.

MR. HENDERSON: Well, Mr. Chairman, through you. My experience with this is I've heard it from so many people that this is one of the things that's really bad about The Landlord and Tenant Act, that you can only get a half a month's deposit. A tenant can easily spoil the walls in a place and to redecorate them alone . . .

MR. TURNBULL: I can tell you that in the report that I mentioned when I opened discussion, there is citation in a general way of certain kinds of cases and I know that there's one case cited in the draft of that report that indicates that the Rentalsman's office managed to secure for the landlord an amount of money amounting to \$1,000 from the

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(MR. TURNBULL cont'd) . . . . tenant to pay for damages that the tenant had done to the premises. I don't think it's accurate to say that the Office of the Rentalsman acts always on behalf of the tenant and never on behalf of the landlord. He does in certain cases respond to complaints that he gets from landlords, and he gets complaints about damage. That is most definite. But you know, there's all kinds of reasons why premises might not be in good repair including the one that the premise isn't in very good repair when it's let out for rent.

MR. HENDERSON: Well, Mr. Chairman, I intend to pursue that further when we get some of the landlords here tomorrow, about the condition of their places that they're left in at times because I'm sure that you're just kidding yourself if you don't feel that this is one of the things that landlords are very concerned about and I feel it isn't fair at all. I know that what you tell them is that if the half of the month isn't sufficient to repair the damage you tell them they can go and sue the fellow. Well if you'd ever had any experience in that, by the time you try to find one of those fellows let alone try to sue him, you can't get no money out of him anyhow if you even could find them. Then they move out just on the spur of the moment and you've only got that half a month's rent to go on.

So I really feel this is one thing about your Act that's really very unfair. I know many of the people that are tenants haven't got much money, that's the other unfortunate thing about it. But it's certainly like saying to somebody, well, sue them all the time, you know. But you can't get blood out of a stone and when these fellows are gone you can't even find them.

MR. TURNBULL: These are cases of genuine damage by the tenant you're talking about. Not cases where . . .

MR. HENDERSON: There's quite a bit of that.

MR. TURNBULL: Well, you know, there's quite a few cases too of landlords letting property out that is in really serious disrepair and then turning around --(Interjection)--

MR. CHAIRMAN: Order please. One at a time.

MR. TURNBULL: And when they've let the premises out and the premises is a wreck to begin with, they then turn around and try to blame the tenant for causing damage to the accommodation. Now, you know, that is the position that many tenants are in. It works both ways and as long as you recognize that, fine.

MR. HENDERSON: Well I realize you're presenting a different side of the argument. But I'm talking about a place that isn't in the best of repair but a tenant takes it in those conditions because it's probably a good deal. It's something that he can afford. So then later on somebody can say, well it isn't just painted up the way it should be or cleaned up. I'm talking about damage that's done after he goes into any building. The better the building the more costly the damage is because they even ruin a rug or something with something, you know, they've spilled something on it and it can't be cleaned. It's one of the complaints that I've heard continually and if you aren't aware of it I'm going to draw it more to the attention of the landlords when they're here on another occasion.

MR. TURNBULL: I'm aware of the problem but I'm also aware of the other one that I've stated already to you. I mean you can't legislate or prohibit people from acting like vandals. I mean how do you do that? You're suggesting that the legislation be drawn in such a way perhaps as to change people's characters. You can't do that. On the other hand to allow a security deposit of what, one month's rent or two months' rent or a year's rent or what's a logical amount to allow?

MR. HENDERSON: Well, Mr. Chairman, through you. I don't think a person has to go to the extremes in getting a bigger deposit because we know there'll be times when you'll be under in certain cases. But the half a month's rent is just ridiculous. These people that are complaining all the time, you know, if a person knew it, they're going from one place to another and they're making almost a racket of it. I would certainly think it would be a lot fairer to the landlords and I know it's not too popular to defend the landlord because there's so many more tenants than there is landlords, but

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(MR. HENDERSON cont'd) . . . . still just because he's in the minority position doesn't mean that --(Interjection)--

MR. CHAIRMAN: Order please.

MR. HENDERSON: Just because there's more tenants than there is landlords don't mean that you should have legislation that's not fair to a landlord.

MR. CHAIRMAN: The Honourable Member for Wolseley.

MR. ROBERT G. WILSON (Wolseley): I'd like to deal with this section because it speaks about, provides for the administration of consumer legislation such as The Consumer Protection Act and then it goes to The Landlord and Tenant Act and The Personal Investigations Act. Now I'm sure that under these sections, especially the first one, there would be a number of trades which would be licensed and I wondered if you would be able to indicate how many individuals and companies are licensed under this section and what revenues do you derive from those licenses? If you wanted to take that as notice maybe you could answer them later on.

Under The Consumer Protection Act, again we don't want to interpret the Act at this time but one, upon reading the Consumer Protection Act, notices that you have a section in there which says that The Consumer Protection Act supersedes all other Acts. Would this not be a contravention of the British North America Act? If you had a federal statute . . .

MR. TURNBULL: We're talking about supersedes provincial statutes, other provincial statutes, not federal statutes.

MR. WILSON: Not federal.

MR. TURNBULL: Certainly not the Constitution.

MR. WILSON: So what you're saying is under The Consumer Protection Act you at present have legislation which, when you claim that this Act supersedes all other Acts you're talking about provincial situations.

MR. TURNBULL: Yes.

MR. WILSON: In other words this Act would supersede The Lien Note Act and The Chattel Mortgage Act or any other such Act of which the private sector . . .

MR. TURNBULL: Well again we're into a matter of legal interpretation and I'm not here to give legal interpretations really. But there is legislative counsel and I suggest you ask your questions of him.

MR. WILSON: All right. Would you be able to tell me just offhand has this section of your Act ever been tested in court?

MR. TURNBULL: Not that I'm aware of.

MR. WILSON: Under The Personal Investigations Act, in this personal investigation section, is one able to carry on that function in the private sector and also carry on other occupational duties within the province or is he limited to just that section?

MR. TURNBULL: I'm afraid I'll have to have another run at that. I didn't quite finish hearing what you said.

MR. WILSON: Well I have personal knowledge where one who wanted to be a personal investigator or a private investigator cannot carry on a function such as a collection agent or something.

MR. TURNBULL: That's what I thought when I asked you to go over that again. I thought you were confusing the Act that's referred to here, which is The Personal Investigations Act, and other Acts that relate to the licensing and the regulation of people who are actually engaged in security investigations of one kind or another. The Act that I am responsible for is The Personal Investigations Act. What it is involved with is ensuring that individuals who have had reports made on them by, say, credit companies of one kind or another, can in fact get access to a summary of the report that is held on them, so that the person on who the report is made can ensure that it's accurate. This Act that I'm responsible for has nothing to do with statutes that regulate people who are engaged in the business of collecting information on others.

MR. WILSON: Well, Mr. Minister then, as I said, I was trying to look at this section as all encompassing. Would you think that anyone that wants to search out at a credit bureau information about themselves should have to pay a charge for this? What ceiling would you put on this charge? Should it be \$2.00, \$5.00? What would you think

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(MR. WILSON cont'd) . . . . would be a fair amount or should there be no charge at all?

MR. TURNBULL: It's \$2.00 now. I mean there has to be in my mind some means to prevent people from coming in and just, you know, getting reports all the time. That report has to be compiled by the business that has the report and the \$2.00 fee is a small fee. We can talk about eliminating the fee which, you know, might be something to consider. We'll be looking at Freedom of Information in more detail later on in the session and we'll see.

MR. WILSON: Well this is what I was talking about, Freedom of Information. It seems to me that this company is in the profit-making business of disseminating information and for the public to have to pay \$2.00 to find out what someone is saying about them seems to me to be an added hardship if they are making money in fact from selling information about them. We would assume that some time your government would look at that \$2.00 charge.

Again I felt that licensing might have come under this section, however I will leave this to a later time and maybe I'll come back to it.

MR. TURNBULL: With that \$2.00 fee, that \$2.00 fee is a maximum and I'm advised that most of the companies that do have the credit files don't normally charge anyone who wishes to have a summary made of the record.

MR. CHAIRMAN: The Honourable Member for La Verendrye.

MR. BANMAN: Thank you, Mr. Chairman. I'd like to get back to what the Member for Pembina was discussing and I think the cost of rent is uppermost in everybody's minds and we've got a bill before the Legislature right now and everybody's concerned with keeping the costs down. I think one of the problems that we face right now is that we have a small handful of people, maybe two to three percent of the renters, that are causing the landlords most of the problems. I'd, No. 1, like to know if the Minister or his department has done any studies to see what percentage of let's say a good tenant's rent goes out to help defray some of the costs that the bad renters are incurring on the landlord; and No. 2, if the department has given any consideration to maybe cataloguing these people.

I don't think it's such an unusual thing. We do it with had drivers and maybe the landlord should be given the option of calling your particular bureau and saying, have you got any information? Are there any liens against this person because he did wanton damage of \$1,000 to somebody else. I think maybe this is a service that you could provide to the landlords. I realize there's certain problems in it but I think that we want to keep the rent as low as we can for the people who are doing a good job of keeping their apartments clean and being good tenants. But we are penalizing these people by again, I don't know what percentage, but I know there is a very very small handful of people that are spoiling it for others. You know \$100 nowadays doesn't go anywhere. If somebody wrecks the top of a counter, that's \$100. If you phone a plumber it costs you \$25.00. So that the \$100, it's tokenism, and as the Member from Pembina put it before to go after these people, and most of them don't have anything and it's like he said, you can't get blood out of a stone. If you do go through the legal process we all know what the legal costs are now. They're more than a plumber and by the time you catch up with these people and they haven't got anything - they might have moved two or three times and done the same thing to some other landlord. I'd just like to get the Minister's reaction to that.

MR. CHAIRMAN: The Honourable Minister.

MR. TURNBULL: Well first of all \$100 is not tokenism to the vast majority of the people in the province. Secondly, I have not instructed the staff to try to ascertain how much money is being paid out by certain landlords to pay for damage done to their apartments and how that is recovered from the rents of other tenants, no more than I have instructed the departmental staff to try to find out from the banks how much of their credit charges, as distinct from interest charges, are levied on good borrowers to pay for the bad debts. I don't think that the government really should be getting into that kind of thing unless it's absolutely necessary. That's my reaction on that point.

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MR. BANMAN: Well, along that same line. You know, it's a little different here. We're going to be regulating this industry by this bill that the Minister has brought before the House and you'll want to know what the input costs are. Now what percent of that input cost, what percent of that rent that a good tenant is paying goes to pay for the bad ones?

MR. TURNBULL: You know, for the Member for La Verendrye, it seems to me that we're into a situation as he talks about it, very similar to the difference between a legitimate lending institution making loans to people and the people who are engaged in loan sharking. I mean lots of individuals can make a lot of money by charging 40 or 50 percent interest and they loan money to people who are not going to be perhaps very good risks. Well in many cases, you know, we have analogous situations when it comes to renting out accommodation. If we are to look at the whole problem of the cost that is entailed by renting out accommodation to tenants who are a bad risk, that is something that the government could perhaps get itself into. I can I think ask a question of the member in committee, let me ask you in your business: do you really want the government to go into your business and find out how much it is that you're charging to cover bad debts? Do you really think that that is a role that government should legitimately play?

MR. BANMAN: I think if the Minister will check into this when governments go into different plans, whether it be the Agricultural Department, they're underwriting a certain amount of risk. They're saying, okay, we're going to underwrite a ten percent loss rate. I mean this is being done in the industry all the time; we're looking at loss rates all the time. I won't pursue the matter further. I just would ask the Minister if he would not confirm that a certain amount of your rent of a good tenant goes to covering the cost of a bad tenant.

MR. TURNBULL: I think it varies with the landlord just as it varies with people who lend money out. Those people who lend money out on a loan sharking basis are going to have to charge higher rates to cover the risks that they are entailing by lending money. The same goes for some landlords. Some landlords are renting out accommodation to people that they may have a very good idea will be acting in a particular way, and they charge a darn good rent for it, too. If you look at the square foot rent that is charged for some of the poorer housing in this city, you will find that it's very high on a square foot basis as compared to accommodation that's rented out in some areas of the city where the accommodation generally, housing generally, is of a higher standard and a higher price.

MR. CHAIRMAN: Order please.

MR. TURNBULL: The square foot cost is lower priced.

MR. CHAIRMAN: Order please. The hour for Private Members' Hour has arrived. Committee rise.

Call in the Speaker.

Mr. Speaker, your Committee has considered certain resolutions, reports progress and asks leave to sit again.

IN SESSION

MR. SPEAKER: The Honourable Member for Logan.

MR. WILLIAM JENKINS (Logan): Mr. Speaker, I would like to move, seconded by the Honourable Member for Point Douglas, that the report of the committee be received.

MOTION presented and carried.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Yes. Mr. Speaker, I believe that there is a disposition to adjourn the House. Before doing so I would indicate there are meetings scheduled I believe for Monday, Law Amendments Committee on the Rent Stabilization Act; Monday afternoon, Municipal Affairs Committee on the Brandon Bill at 3:30; Tuesday morning at 10:00, Public Accounts. In the House we will be proceeding with the Estimates of the Civil Service and then Labour, followed by Northern Affairs, if we reach that. In the simultaneous committee we will be proceeding with Consumer and Corporate Affairs. I would indicate that the order of business will be much the same, we will be dealing with bills followed by the Estimates. If there are any questions...

There appear to be no questions so, Mr. Speaker, I would move, seconded by the Honourable Member for Lakeside, that the House do now adjourn.

MOTION presented and carried and the House adjourned until 2:30 Monday afternoon.