

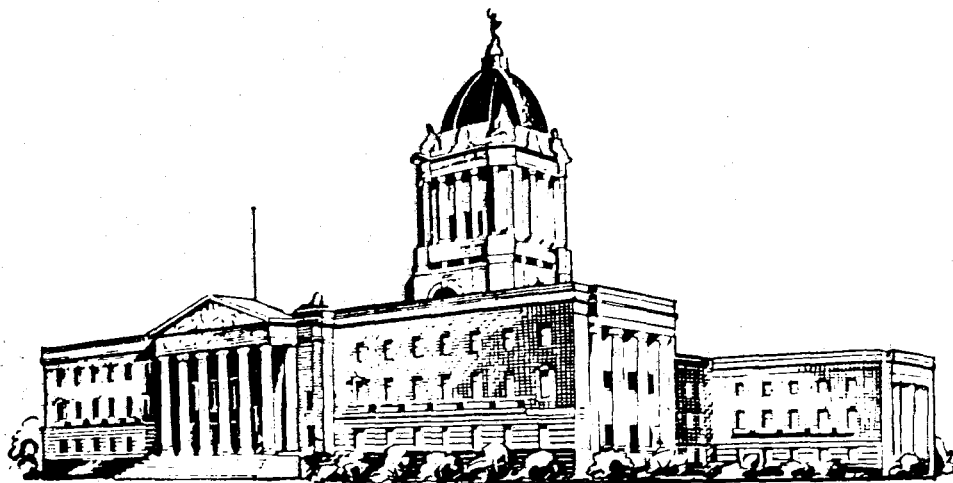


Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

Speaker

The Honourable Peter Fox



Vol. XXI No. 57 8:00 p.m., Monday, March 18th, 1974.

First Session, 30th Legislature.

Electoral Division	Name	Political Affiliation	Address	Postal Code
ARTHUR	J. Douglas Watt	P.C.	Reston, Man.	R0M 1X0
ASSINIBOIA	Steve Patrick	Lib.	10 Red Robin Pl., Winnipeg	R3J 3L8
BIRTLE-RUSSELL	Harry E. Graham	P.C.	Binscarth, Man.	R0J 0G0
BRANDON EAST	Hon. Leonard S. Evans	NDP	Legislative Bldg., Winnipeg	R3C 0V8
BRANDON WEST	Edward McGill	P.C.	2228 Princess Ave., Brandon	R7B 0H9
BURROWS	Hon. Ben Hanuschak	NDP	Legislative Bldg., Winnipeg	R3C 0V8
CHARLESWOOD	Arthur Moug	P.C.	29 Willow Ridge Rd., Winnipeg	R3R 1L5
CHURCHILL	Les Osland	NDP	66 Radisson Blvd., Churchill	R0B 0E0
CRESCENTWOOD	Harvey Patterson	NDP	978 Garwood Ave., Winnipeg	R3M 1N7
DAUPHIN	Hon. Peter Burtniak	NDP	Legislative Bldg., Winnipeg	R3C 0V8
ELMWOOD	Hon. Russell J. Doern	NDP	Legislative Bldg., Winnipeg	R3C 0V8
EMERSON	Steve Derebianchuk	NDP	Vita, Manitoba	R0A 2K0
FLIN FLON	Thomas Barrow	NDP	Cranberry Portage, Man.	R0B 0H0
FORT GARRY	L.R. (Bud) Sherman	P.C.	86 Niagara St., Winnipeg	R3N 0T9
FORT ROUGE	Lloyd Axworthy	Lib.	132 Osborne St. S., Winnipeg	R3L 1Y5
GIMLI	John C. Gottfried	NDP	44 - 3rd Ave., Gimli, Man.	R0C 1B0
GLADSTONE	James R. Ferguson	P.C.	Gladstone, Man.	R0J 0T0
INKSTER	Hon. Sidney Green, Q.C.	NDP	Legislative Bldg., Winnipeg	R3C 0V8
KILDONAN	Hon. Peter Fox	NDP	Legislative Bldg., Winnipeg	R3C 0V8
LAC DU BONNET	Hon. Sam Uskiw	NDP	Legislative Bldg., Winnipeg	R3C 0V8
LAKESIDE	Harry J. Enns	P.C.	Woodlands, Man.	R0C 3H0
LA VERENDRYE	Bob Banman	P.C.	Steinbach, Man.	R0A 2A0
LOGAN	William Jenkins	NDP	1294 Erin St., Winnipeg	R3E 2S6
MINNEDOSA	David Blake	P.C.	Minnedosa, Man.	R0J 1E0
MORRIS	Warner H. Jorgenson	P.C.	Morris, Man.	R0G 1K0
OSBORNE	Hon. Ian Turnbull	NDP	Legislative Bldg., Winnipeg	R3C 0V8
PEMBINA	George Henderson	P.C.	Manitou, Man.	R0G 1G0
POINT DOUGLAS	Donald Malinowski	NDP	23 Coralberry Ave., Winnipeg	R2V 2P2
PORTAGE LA PRAIRIE	Gordon E. Johnston	Lib.	135 - 16th St. S.W., Portage la Prairie, Man.	R1N 2W5
RADISSON	Harry Shafransky	NDP	4 Maplehurst Rd., Winnipeg	R2J 1W8
RHINELAND	Arnold Brown	P.C.	Winkler, Man.	R0G 2X0
RIEL	Donald W. Craik	P.C.	3 River Lane, Winnipeg	R2M 3Y8
RIVER HEIGHTS	Sidney Spivak, Q.C.	P.C.	Legislative Bldg., Winnipeg	R3C 0V8
ROBLIN	J. Wally McKenzie	P.C.	Inglis, Man.	R0J 0X0
ROCK LAKE	Henry J. Einarson	P.C.	Glenboro, Man.	R0K 0X0
ROSSMERE	Hon. Ed. Schreyer	NDP	Legislative Bldg., Winnipeg	R3C 0V8
RUPERTSLAND	Harvey Bostrom	NDP	Manigotagan, Manitoba	R0E 1E0
ST. BONIFACE	J. Paul Marion	Lib.	394 Gaboury Place, Winnipeg	R2H 0L4
ST. GEORGE	Hon. Bill Uruski	NDP	10th fl., 330 Portage Ave., Wpg.	R3C 0C4
ST. JAMES	George Minaker	P.C.	318 Ronald St., Winnipeg	R3J 3J8
ST. JOHNS	Hon. Saul Cherniack, Q.C.	NDP	Legislative Bldg., Winnipeg	R3C 0V8
ST. MATTHEWS	Wally Johannson	NDP	418 Home St., Winnipeg	R3G 1X4
ST. VITAL	D.J. Walding	NDP	26 Hemlock Place, Winnipeg	R2H 1L7
STE. ROSE	A.R. (Pete) Adam	NDP	Ste. Rose du Lac, Man.	R0L 1S0
SELKIRK	Hon. Howard Pawley	NDP	Legislative Bldg., Winnipeg	R3C 0V8
SEVEN OAKS	Hon. Saul A. Miller	NDP	Legislative Bldg., Winnipeg	R3C 0V8
SOURIS KILLARNEY	Earl McKellar	P.C.	Nesbitt, Man.	R0K 1P0
SPRINGFIELD	Hon. Rene E. Toupin	NDP	Legislative Bldg., Winnipeg	R3C 0V8
STURGEON CREEK	J. Frank Johnston	P.C.	310 Overdale St., Winnipeg	R3J 2G3
SWAN RIVER	James H. Bilton	P.C.	Swan River, Man.	R0L 1Z0
THE PAS	Hon. Ron McBryde	NDP	Legislative Bldg., Winnipeg	R3C 0V8
THOMPSON	Ken Dillen	NDP	1171 Westwood Dr., Thompson	R8N 0G8
TRANSCONA	Hon. Russell Paulley	NDP	Legislative Bldg., Winnipeg	R3C 0V8
VIRDEN	Morris McGregor	P.C.	Kenton, Man.	R0M 0Z0
WELLINGTON	Philip M. Petursson	NDP	681 Banning St., Winnipeg	R3G 2G3
WINNIPEG CENTRE	J.R. (Bud) Boyce	NDP	777 Winnipeg Ave., Winnipeg	R3E 0R5
WOLSELEY	I.H. Asper	Lib.	Legislative Bldg., Winnipeg	R3C 0V8

THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Monday, March 18, 1974

BILL 28

MR. SPEAKER: I believe we were on the second reading of Bill 28. Someone was on the floor. The Honourable Member for Fort Rouge.

MR. AXWORTHY: Yes, Mr. Speaker. Mr. Speaker, when we called 5:30 we had found ourselves interestingly enough in something of a spontaneous debate about the merits or demerits of the housing program, and trying to adjust ourselves to the question of the responsibility or lack of responsibility in the implementation of a housing program in the City of Winnipeg. And there had been fairly serious charges made by the Member from St. Matthews concerning the copability of the City of Winnipeg, being the major frustration and the major blockade in the ability of the province to implement a Public Housing Program in the city. And I was trying to say at the time that I don't think that the case was nearly as clear-cut as that particular proposal or that proposition - and that what had happened was in many cases a series of misadventures, and that part of it was very much part of a general issue right across North America about the location and timing and form of -- and style of low-cost housing and low-income housing that should be placed in large urban areas.

I would though, just like to take a minute to partially bring to task some of the charges that have been made, because I think they were unfair, concerning the kind of relationships that existed, have existed and do exist between the City of Winnipeg and the province in their individual and in sometimes mutual efforts to get housing developed. To begin with, the Member from St. Matthews made quite a case out of pointing to a joint meeting held between the two bodies, where there was certain commitments made and those commitments weren't fulfilled. And I think to be fair, one should look at really what did happen at those meetings. To begin with, on both sides, on both the city side and on the provincial side the administrators who were responsible for the program very shortly after left their positions, and therefore the follow-up to those meetings were difficult to hold - and I would suggest on some part the replacements for those, particularly on the provincial side were not nearly as amicable or as open in their approach as the previous general manager of MHRC had been.

And at the same time, there had been certain gestures of goodwill on the part of different city officials. In some cases in the municipality, or the Community Committee of St. James, there were certain indications that they were prepared to pay, for example, up to one third of the cost for recreational programs that would be applied to or attached to public housing projects. And at the same time the city in setting those guidelines asked very specifically, as we have been asking in this House, for an inventory or a reading of the actual building lots that are available, because the point of fact is that when you do develop a public housing project it doesn't remain as some kind of feather upon the community, it has great significance. It has large numbers - that you build a project of 150 units - you are talking about 700 or 800 people, which places a fairly serious burden on transportation facilities, on school facilities, on recreational facilities, and on the general planning for that area. It would only seem to be warranted that if there was to be the implementation of the development of a - if the onus, pardon me, had been handed back, Mr. Speaker, to the City of Winnipeg to develop guidelines, it would only seem to be legitimate that they would have expected the province to detail exactly where the proposed sites were and the kinds of sites that were proposed to be developed, so that they could then properly plan around the infrastructure that would support such a program

And so the case that we're trying to make is that the -- the case is not as has been painted, a black and white case where there is one side implacably entrenched against the other; that unquestionably there had been differences in point of view, and as I pointed out this afternoon those differences are in some part legitimate differences; because in many cases the objections raised by city councillors are objections that the people in their own constituencies were raising; in some cases for well-founded reasons; and the other cases because out of fear because of the unknown, and because the concept of public housing for a long time has carried a stigma in this community.

The important part, though, is that in the absence - with all those objections and difficulties and handicaps, the case I would make is that rather than acting petulant about it, it was the responsibility of the Provincial Government then to find other ways of dealing with the problem; not just saying, it's got to be public housing or nothing else. It was up to them

BILL 28

(MR. AXWORTHY cont'd) . . . to say, "All right, this is a problem. It's a serious problem. Perhaps people do not understand, or are not prepared at this time to accept the kind of public housing program that we think is warranted." But it is going to take time to overcome those fears and those objections and those biases. It is going to take time to begin working in the communities to try to assimilate and integrate public housing projects into suburban areas. But in the meantime we can't let the program of low-income housing be forgotten, which seems to have been the case. Because the Member of St. Matthews has admitted, I believe, the First Minister admitted the other evening that in fact the low-income housing program of Manitoba Housing Renewal Corporation has gone flat this year; they have built less than 600 units. And I'm not saying to them that the problem should have been sort of one of trying to push through or shove through . . . clear of public housing projects because if there is opposition, that is the opposition that must be sort of responded to. --(Interjection)--

MR. SPEAKER: Order, please. The Honourable First Minister state his Matter of Privilege.

MR. SCHREYER: Well, Mr. Speaker, I believe that it can be said that there has been a misquoting of what was said on my part. I indicated when speaking to this previously, that there was some significant slowing up of construction of public housing in the Greater Winnipeg area. I certainly did not refer to a province-wide pattern which is one of still significant construction -- on the scale of about 10 times, what used to take place on a per annum basis in the 1960s.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Well, Mr. Speaker, I suppose the Minister would like to play with terms. The fact of the matter is, that according to the objectives set forward by this government, first in 1971 where I think they were talking something in the neighborhood of 3500 units; last spring, when I believe the Attorney-General who was then still responsible for MHRC, made a statement where he was talking about 1500 units. The actual number of public housing units built in the Province of Manitoba in 1973 has been less than 600. Now that is sort of - now if the Minister wants to correct me, I said and I repeat again that we have asked several times to get a report. Let's see the report of Manitoba Housing so if we can be corrected then let's be corrected by facts and figures.

But the point that we're simply saying is, that by the objectives set by the government themselves there has been a significant reduction in the number of units, not only that they set but what is required by the growing demands of the market and by the growing demands simply for people for more housing. And this is the point that I really want to come to. I'm not, I'm not here this evening to lambast sort of the Provincial Government. I'm simply saying this, that the kind of debate we were getting to was the wrong one. The debate we began together this afternoon was kind of lay blame on the other person for the responsibility. I'm simply saying now is, that it's time for a second beginning in the low income housing field. I will give and I have given in the past, and I think the Ministers across the way know this, full credit to this government for the efforts they began in 1969 and '70 to bring a proper low income housing program to this province. It had to be a crash program and like many crash programs it runs into many difficulties. But I'm saying okay, the lessons should now be learned. And we have to learn that to develop an effective low income housing program in the province needs an awful lot more, and a sophistication and skill, an awareness and sensitivity than was required heretofore. And that's what we're asking for now. It's not to simply say as your advisors have been saying in the presence of many people, Mr. First Minister, they have sought public housing and nothing else, it requires all kinds of alternatives. It requires a flexibility of response, it requires a kind of analysis to determine needs in relation to families in relation in needs to incomes, in relation to needs to the income. It means that you're going into public housing. You simply don't weigh a project on the raw ground. It means you've got to work in that community; you've got to bring that community along, to understand it, to work with it, to become part of the fabric of that community. It's not simply bulldozing or shovelling the project in.

And it doesn't mean blaming the City of Winnipeg and creating increased acrimony. It means beginning to use the resources of the non-profit groups in this city who have been waiting for the kind of assistance and the kind of support that they require - the kind of assistance that British Columbia has brought in, where they will give provincial land for the use

BILL 28

(MR. AXWORTHY cont'd) . . . of non-profit groups; the kind of assistance the Ontario government has just introduced where they're prepared to give them additional capital grants beyond what the National Housing Act and the Federal Government will give them. It requires providing certain kinds of professional resources, so that in the management and housing and in the economics of housing, citizens' groups in their own community are able to implement programs to help solve their own problems and to avoid some of the stigmas that government sponsored housing seems to carry. And I agree, I agree with other members of this House, in an ideal perfect world public housing should not have a stigma. But the fact is it does have a stigma and you are not going to change generations of feelings and attitudes by waving a magic wand or wishing it to be that way. You must work at it or you must find ways of working around it. You must introduce the kind of low income housing program that can respond to changes.

And I recall the First Minister said, I think - and I don't want to misquote you - that a year ago you felt that one reason we didn't get into the housing program is because there seemed to be a surplus and a vacancy, and therefore it was required to pull back. Well I would like to see a housing system in this province that can respond to that kind of thing; that can take advantage or utilize that opportunity when there is a certain degree of vacancy rates, than to make agreements with private builders to use a certain number of their units for low income purposes. That should have been taken advantage of at that time. It means taking the provisions - and again I know the Federal Government's prepared to do this, because they're doing it in other --(Interjection)-- It's not being done, the units aren't on the ground. They're just simply not there; and if they are, then for God's sake tell somebody about them, because we are certainly getting enough requests about it and enough demands. And certainly if you look at the sheer production of numbers, they're simply not there. And so it's got to be - this is not a program that, you know, has to be sort of looked at, decided and I would say in full honesty that I look forward to anticipation - because I think that you have acquired for yourself a new General Manager in MHRC who has accredited himself very well in this province in the housing field. And I think that that was a significantly good move, and I hope that he will be given the freedom and a lack of interference - that MHRC has suffered up to this time in being able to implement a good housing program, because I think you've got the kind of person that can do it. But for God's sake, eliminate the interference that's been going for the last couple of years and give him a full head so that he can develop the kind of comprehensive and flexible program.

And I would only bring to the attention of the opposite side, that one thing that I think should be seriously explored in this province is the use and application of what is now being called the third housing sector, which differentiates between public housing and between private housing which is the non-profit co-op thing. And I would bring to your attention that in places like Denmark and the Netherlands that up to 40 or 50 percent of the housing that's supplied in all cases comes from that kind of non-profit voluntary type operations. But it doesn't happen again simply on its own; it requires a very substantial investment of time and resources by the governments in the first instance to enable that kind of operation to take its full impetus and its full momentum . . . the Federal Government has taken its responsibility by providing the financial means. I think that now it is up to the province to match or complement those particular programs.

So simply we'd like to make the point that I think that we should end and bring to an end this kind of, in a sense, sort of harmful and damaging disputation as to whose fault it is. I think it is time simply to say: Look, let's start the second beginning, let's start negotiating in perfectly open good faith for the city of Winnipeg and with the community operations and with the different kinds; and let's bring the private builders into the operation at the same time, because they have a role to play - and I don't think we have up to this point officially put the onus upon them as well to ask them what can they do and what are they prepared to do and how can we work with them, because whether you believe it or not - and I'm saying this directly to the First Minister - there has been a spirit of acrimony existing and I won't try to name where it comes from, but the fact of the matter is there has not been an invitation to the City of Winnipeg officials or politicians or to private builders or people outside the government field to become involved in solving the housing program. There has not been that kind of invitation - and if the Ministers across the bench want documentation, I could pile a desk

BILL 28

(MR. AXWORTHY cont'd) . . . this high with documentation, but that has not taken place - but the opportunity - and I will do it, you believe me I'll do it, because you know damn well it exists.

So the fact of the matter is, let's start again, let's start anew. And rather than the kind of thing that went on this afternoon, let's simply say that that kind of dispute and conflict only ends up hurting one group of people, and that's the people who need housing in the City of Winnipeg. And we are not going to get anywhere by the kind of thing I heard going on for an hour this afternoon. What we need simply is a new beginning in the low housing income field, one which is far more open, far more flexible, and where this government is prepared to put the responses in - not simply in pushing forward a public housing program, but pushing forward a housing program on many fronts and putting the kind of resources into the analysis of housing need and demand into the kind of professional resources that are required. And if the First Minister or the Minister responsible for housing can get up this evening and say that's being done, then I think that we in this group will simply do nothing else but say Hallelujah.

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, I have tried to refrain from involving myself in areas not particularly pertaining to the fields in which I am directly responsible, but the comments by the previous speaker I think do require and do call upon one to deal at some length with the allegations that have been made, I think unfortunate allegations - and I really do think that if the honourable member would pause and contemplate a little he might ascertain the degree to which those allegations are unfounded.

The one allegation particularly that I reject out of hand is the fact that the housing program by the Province of Manitoba has not proceeded because of interference - and he pointed across the way here - by members on this side of the House. That, Mr. Speaker, is emphatically and completely untrue. If there is anything that this government is primarily concerned about seeing develop in order to improve the quality of life in Manitoba, it's a decent housing program in this province. And there has not been interference, Mr. Speaker, by this government in its attempts to insure that there's a maximum decency in housing in this province. (Applause) And let me further say to the honourable member that I was somewhat puzzled by his words because he had just finished saying in a very pious and holy way that we must face to stop to blame each other, and yet he points his finger across at honourable members on this side of the House and accuses honourable members of interfering with a decent housing program.

MR. SPEAKER: Will the honourable member state his point of order.

MR. AXWORTHY: Point of order. At no time - if the Minister would check the record and listen carefully - at no time did I say the interference was on the part of members on that side of the House.

MR. SPEAKER: The Honourable Member . . .

MR. PAWLEY: Mr. Speaker, I'm glad that I misinterpreted the remarks, but I heard the honourable member directly referring to interference from this side of the House in the past two years in the development of a housing program, and I'm pleased to know that I have misinterpreted the remarks and he is not alleging interference by the government in the development of a housing program in Manitoba.

I want to simply say this though, about another matter pertaining to the City of Winnipeg. I can recall about 16, 18 months ago when many allegations were being made that the program within the City of Winnipeg was not proceeding because there was too much political sparring involved by those at the city level and at the provincial level. And at that time I was the Minister responsible for the housing program and we deliberately, we deliberately on our end moved away from presenting a political presentation to the representations at that time that were being made to the City of Winnipeg. And I can recall, Mr. Speaker, the present Chairman of the Manitoba Housing and Renewal Corporation appearing before the City of Winnipeg, one of its committees, I believe it was the Environment Committee, and detailing in the minutest detail the sites and proposals and all its aspects for housing that was contemplated by the Manitoba Housing and Renewal Corporation in the City of Winnipeg. That, Mr. Speaker, was about a year ago, and yet the Honourable Member from Fort Rouge indicated tonight that the province had not indicated to the City of Winnipeg its projections and plans insofar as housing was concerned in the City

BILL 28

(MR. PAWLEY cont'd) . . . of Winnipeg at any time. That happened, Mr. Speaker, a year ago, and where do we stand now insofar as housing is concerned in the City of Winnipeg? We still have made very little progress despite the fact, Mr. Speaker, that the province has been more than anxious to assist and to co-operate with the City of Winnipeg.

MR. SPEAKER: The Honourable Member for Fort Rouge state his point of order.

MR. AXWORTHY: On a point of order. I again did not say plans and projections; I said inventory of land and lots that were available, the same information that we have not yet received in this House.

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, when I referred to the proposals being offered by Mr. Andrew Currie in detailed analysis at that time included - and I can be subject to be corrected by the Minister now responsible - there was inclusion of sites and locations at that time; every site, every location was described in that proposal one year ago, so there has been no absence of that type of information presented to the City of Winnipeg and there ought to be no mistake in that regard.

Furthermore, Mr. Speaker, I would like - and I've heard this really many more times from across the way from the Official Opposition benches, the bland statement that the government and/or its civil servants have taken a position, a doctrinaire type of position, public housing or none at all. I've heard this repeated many times by honourable members across the way, not just by the Member from Fort Rouge. Yes, by the Member from Assiniboia. That again is a patently untrue statement and public record will verify that . . .

MR. SPEAKER: Order please.

MR. PAWLEY: In fact . . .

MR. SPEAKER: Order please. Order please.

MR. PAWLEY: In fact, let me say this, Mr. Speaker, that this government has been very deliberate in its efforts to develop a comprehensive program embodying many different aspects of housing programs, and that we have stated at many times that we felt that public housing was only one particular aspect of our total housing program; and that we were obtaining maximum moneys for public housing because of the lack of direction and initiative from the Federal Government and lack of speed in order that provinces such as Manitoba could proceed into other housing programs such as assisted homeownership. And that's where I'm a little surprised, Mr. Speaker, that during the last provincial campaign I noted that we were being outdistanced in promises by the Liberal Party at that time about assisted homeownership program, and the implication was being left that some way or other this government was dragging its feet on leading into an assisted homeownership program. Let the record very clearly indicate that this province has moved just as expeditiously and just as rapidly as possible towards an assisted homeownership program, at the same pace as it's permitted to do so by the preparedness at the federal level of government in order to develop an assisted homeownership program right across Canada. And let the record also indicate, Mr. Speaker, that there has been during the period of 1973 many meetings involving various officials at all provincial levels of government plus the federal level of government developing regulations, program analysis, guidelines for an assisted homeownership program and that just now such a program is getting off the ground. But it has been a program that has been developed in co-operation between the provincial governments and the Federal Government of Canada, so there has been no feet dragging in that aspect. This government has consistently stated its interest in moving forward in an assisted homeownership program for those that feel their housing needs can be best met by such a program

This government has also repeatedly demonstrated its concern insofar as the development of senior citizen residences in Manitoba are concerned. And I want to say this, that one of the shameful legacies that the previous Conservative Government carries with it is the fact that it had done such a minimal job in the development of senior citizen housing in rural Manitoba during the period when it had the opportunity to do something. (Applause) And that legacy will live long, it will live long with the Conservative Party of this province.

MR. SPEAKER: Order please.

MR. PAWLEY: . . . and its do nothing attitude in respect to senior citizens' housing in Manitoba. (Applause)

And another thing which I would like to say tonight . . .

BILL 28

MR. SPEAKER: Order please.

MR. PAWLEY: Another item that I would like to mention tonight, Mr. Speaker, that is another legacy which the Tory Government prior to 1969 will have to carry with it, it is complete loss of intelligence and direction in the development of land assembly in the Province of Manitoba. During the eleven years that the Conservative Government had the opportunity prior to 1969 to develop a land assembly program, they did nothing. And I suggest, Mr. Speaker, that if the Conservative Government had left behind just a little better start for us to have proceeded with insofar as the ownership of land in and about strategic parts of Manitoba for development of housing, that we would be in a better position today, Mr. Speaker, and there ought to be no secret about that.

The Honourable Member for Fort Rouge, the Honourable Member for Fort Garry - which doesn't surprise me at all, he was the member a few years ago that had talked about the stamping boots, yells that there's something socialist about land assembly program . . .

MR. SHERMAN: Mr. Speaker, on a point of order or a point of privilege, whichever it is, I made no such . . .

A MEMBER: Make up your mind.

MR. SHERMAN: You make up your mind, you haven't made it up on any question you've been asked yet.

MR. SPEAKER: Order please. The honourable member address himself to the Chair, please.

MR. SHERMAN: My point of privilege, Mr. Speaker, is that I made no such suggestion, no such suggestion.

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Well, then I can possibly from that lead to the assumption that the Honourable Member for Fort Garry would support an aggressive land assembly program for the development of low cost housing in Manitoba. But certainly that is an area that the Province of Manitoba along, might I say, with support from the Federal Government is prepared to aggressively pursue as one of the best means in order to minimize the cost of land, the land which has been soaring out of reach for so many low income families right across Canada, particularly in Manitoba. And I would simply mention this as another aspect, another direction that the Province of Manitoba is prepared to move and is moving at the present time insofar as its total housing program is concerned.

Another area that has so often been ignored I think by members opposite, which this province pioneered, is that when we developed our public housing program in 1969 one of the first acts that we undertook was to remove the 25 percent share of losses which had up to that time been expected to be the burden of the municipalities. It was in fact by the continued retention of that provision in the Housing Act in Manitoba, expecting municipalities to pick up 25 percent of the loss that those municipalities and towns and cities that often had the worst of lights insofar as their housing conditions were concerned, were unable to move, they financially were unable to prioritize for a housing program. And I think it will certainly be remembered that this was one of the most progressive moves this government had undertaken when they removed from the backs of municipalities the costs of developing public housing programs within their own midst. And when the Minister responsible for Housing reports to this House, he will be able to report the number of towns and communities, for instance in rural Manitoba - and they will count now somewhere in the area of 50 to 60 communities - who have received public housing, senior citizen housing, without any burden been cast upon the municipalities. And I want to say this, Mr. Speaker, that if that burden had not been removed by this government, I have no doubt, no doubt that we would have made very little more progress during the past five years in this direction than the prior government had made in 11 years.

I concur with the Honourable Member for Fort Rouge that it is critically necessary that both the City of Winnipeg and the province develop together a suitable housing program. I trust that that is being developed at the present time; I trust that the City of Winnipeg and the province are sitting down; I know that they've had information from the province about a year ago as to its plans and protections. I think that a year is long overdue on the part of the city to be able to develop with the Province of Manitoba a suitable housing program in the City of Winnipeg, when for sure the poorest housing conditions in Manitoba are right here in

BILL 28

(MR. PAWLEY cont'd) . . . urban Winnipeg. And let me say, Mr. Speaker, that I think there is a heavy responsibility on the part of the city and the province to work out a suitable agreement so that we can proceed with the job that lies before us to do.

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

MR. GRAHAM: Thank you, Mr. Speaker. You know, Mr. Speaker, I listened with amusement to the words of the Honourable Attorney-General, because I can't help but think that it is rather amusing and rather hypocritical for him to stand up there and accuse everyone else of dragging their feet, of stopping the housing - and he is the Minister who was in charge of the Land Titles Office, and it is the Land Titles Office that is stopping housing in this province more than any other single agency, Mr. Speaker . . .

MR. PAWLEY: Mr. Speaker, on a point of privilege . . .

MR. SPEAKER: Order please. The Honourable Attorney-General state his matter of privilege.

MR. PAWLEY: Well, the privilege is this, that the honourable member suggests that the Land Titles Office is preventing housing in this province. His statement is just so patently untrue that it should not be permitted to go unchallenged.

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

MR. GRAHAM: Mr. Speaker, that is a debatable point, and again I make the charge that it is the Land Titles Office in this Province of Manitoba that is stopping housing more than any single agency. We know there have been farmers in this province who have waited for months and months to get transfers of titles through; we know that the city in development projects have waited for months and months to get titles of land through, and in fact they have gone ahead and issued permits before they even got titles through, Mr. Speaker. And the Minister sits there and blames somebody else, and it's his own department, it's his own department that's to blame.

Mr. Speaker, he said - one other statement he made, he said that 16 to 18 months ago the Manitoba Housing and Renewal deliberately moved away from a political presentation when they went to the city, deliberately moved away from a political presentation. And by that statement, he inferred that in every other presentation he made, that they were political. Mr. Speaker, I know that in other areas of the province housing has been political and in this respect, Mr. Speaker, I resent very much the actions that the Housing and Renewal Corporation has taken in this respect. Mr. Speaker, housing for those that are underprivileged should never be a political issue, should never be - and yet we find that this is the government that uses political influence by innuendo and other means, tries to influence politically and through their actions, to indirectly try and influence the people hopefully favorably come election day.

Mr. Speaker, I hadn't intended to get involved in the Housing debate, but when the Member for Fort Rouge was talking - and I think he had some very valid points to make, and the First Minister was agreeing with him - it was rather amusing to watch that other member on the other side who seems to be involved, the Member for St. Matthews - who was sitting there chewing his cud and his head was nodding in the opposite direction to that of the First Minister. Now while the First Minister was nodding in the affirmative, the Member for St. Matthews was vigorously in the negative - and I wonder just whether it's the difference of opinion that occurs within that party on the other side which is holding up the housing programs in this province. (Applause) So maybe they should straighten out their own differences in their caucus rather than try and straighten it out on the floor of this House here. Because I'm sure that the people of Manitoba would all be better off if we had a clear-cut comprehensive policy and we didn't have the Member for St. Matthews vigorously denying that which the First Minister so positively affirms.

Mr. Speaker, I was not one who is that closely associated with housing or that closely associated with the affairs of the City of Winnipeg, but when members on the other side accuse the City of Winnipeg, let me assure, remind those members once more that they were the party that created the present creature, the City of Winnipeg. And if they are having trouble with the City of Winnipeg at the present time then I would suggest, Mr. Speaker, that some of those problems are problems that they themselves created.

Mr. Speaker, I had other things though that I wanted to bring to the attention of the House at this time, other things that are just as . . .

MR. SPEAKER: Order please. The Honourable Member for Thompson rising on a point of order.

BILL 28

MR. KEN DILLEN (Thompson): Would the Honourable Member for Birtle-Russell yield to a question?

MR. SPEAKER: The Honourable Member for Thompson.

MR. DILLEN: Mr. Speaker, there was some remarks attributed to a member of City Council about one year ago, in that the answer to the housing problems in the City of Winnipeg was to send all the Indians back to the Reserves. Is that what he is calling the type of co-operation that we could expect from the City of Winnipeg?

MR. SPEAKER: Order please. I must say - Order please - if members have a sincere honest question, I must entertain it, but I do not think people should rise on a question of -- asking a question or a point of order in order to debate. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Speaker, as I was saying, there was some things that have been brought to my attention which I think are equally as great or probably more important that are occurring in this province, which I think we have to take a very serious look at. And I refer, Mr. Speaker, to some of the things that are going on in the Department of Agriculture and the Agricultural Credit Corporation. Mr. Speaker, I have before me a financial statement of one of the northern co-operatives which indicates in that a loan of 41 thousand and some odd dollars, which is a deferred liability, and the loan is from the Manitoba Agricultural Credit Corporation. Mr. Speaker, I checked the Manitoba Agricultural Credit Corporation Act, and I see in there where it refers to various farm organizations, farm operations; and it spells out quite definitely in the definitions what a farmer means, what a guaranteed loans means, what farming means - and at no place does it indicate, to me anyway, any indication of the fishing industry.

And I just would like to ask the Minister of Finance just what authority is used under the Agricultural Credit Corporation Act to make loans to the various northern fishing co-ops. I know they have ample facilities open to them under the Manitoba Development Corporation, under the Communities Economic Development Fund, to apply for loans, but I was just curious as to why they would use the Manitoba Agricultural Credit Corporation to apply for loans. There is one section in the Act which could possibly be construed as a vehicle by which they could make loans and this is Section 18(1), Mr. Speaker, of which I refer to. It says: "to the extent permitted by any Act of the Legislature, the Lieutenant-Governor-in-Council may authorize the raising by way of loan in the manner provided in the Financial Administration Act of such sums as the Lieutenant-Governor-in-Council may deem requisite for any of the purposes of the corporation under this Act." But at the same time it still has to be consistent with the Act, and I see nothing in the Act which involves the fishing industry. So if the Minister at some time or in this debate could give me the information as to under what authority they do use the Agricultural Credit Corporation for loans of this nature, I would certainly appreciate the information.

One of the other points that bothered me about this, Mr. Speaker, is that when people take a look at financial statements - say, a financial statement of the Agricultural Credit Corporation - they could get a wrong impression of the amount of money which is actually lent to farmers, or money that is owing from the farming industry, because anyone that looks at the financial statement of the Agricultural Credit Corporation would naturally assume that all the loans that are outstanding from that Corporation would be from the farming industry. And I would like it pointed out now that such is not the case. This Agricultural Credit Corporation has been used for loans other than to the farming industry, and I would like to know what authority was used for those types of loans to be made.

Mr. Speaker, there is very little time left on this, and I know that other members on our party want to make contributions tonight, so without any further adieu I think I would defer to other members of the House at this time.

MR. SPEAKER: The Honourable Member for Swan River.

MR. BILTON: Mr. Speaker, I know that the Minister is asking for a good deal of money, but I feel that I have a problem and I would be remiss if I didn't take advantage of this opportunity to again reiterate the problem which is confronting many of my people in the Cowan area. My colleague from Roblin spoke of the matter this afternoon, and I appreciate the opinion he gave into, everything he said was right to the point, Mr. Speaker. And the reason he spoke about it was the fact that he and I meet in that particular area insofar as our

BILL 28

(MR. BILTON cont'd) . . . constituencies are concerned. But in my hand, Mr. Speaker, I hold a document which was mentioned this afternoon, and I say it again - and I have no feeling of doubt, have no feeling of regret in speaking on behalf of those people that have suffered so much, which this government has decided for some reason or other to ignore. I know that I'm going to get the answer, that the farmers in that area did not take out proper insurance. That is very true, many of them didn't. But at the same time, Mr. Speaker, this was a run-off from the Duck Mountain over which they have no control; which is a responsibility of the provincial government, who in turn should have taken care of the situation to have avoided this situation. I have an indication wherein . . . through . . . , and I realize this has nothing at all to do with the Province of Manitoba, but when I see \$46,000, Mr. Speaker, given to that area where there are only 14 families in that settlement to buy snowmobiles and traps to go out trapping - this government hasn't got a nickel for the people that suffered.

Mr. Speaker, I wrote to the Premier on October 8th, and I'll read one paragraph which I think is pertinent to the subject: "Insofar as damage is concerned, I am told that the seeded land in the path of the flood was completely wiped out and the water-saturated land could not for the most part be seeded to provide a crop for this year. This factor is of great concern and is causing a dilemma in the economy and the well-being of the people concerned. They have noted with interest that the report quotes" - that is the report of the task force - "that the estimated damage sustained by 30-odd farmers" - who signed this petition, Mr. Speaker - "is some \$130,000, but to date no official opinion has been given as to whether or not some relief will be forthcoming to cover this loss." That was to the Premier. I must give credit to the Premier that in June of last year we set him a wire, he sent in a task force and, Sir, they examined it minutely and they submitted a report to the government. And I hesitate to say this, Sir, but somehow or other along the line the Premier - he may have said it off-the-cuff, and I don't hold him to it, but he said: We will endeavour to rectify this problem. And certainly the candidate that opposed me said that it will be fixed. In the meantime I write the Minister of Agriculture, Mr. Speaker, and he in turn takes it up with Ottawa, and I'll read in part a letter from Mr. Whalen in which he says: "In this particular situation the Manitoba Government has not seen fit to declare this a disaster area, and I therefore cannot recommend federal assistance." So the ball, Mr. Speaker, was right in their park. And my purpose in rising tonight, Mr. Speaker, is that I wrote the Minister of Agriculture on January 15th - and I'm not going to bore the House with what I had to say, but I was very pertinent and to the point and the Minister of Agriculture, Mr. Speaker, replied to that letter on February 14th, and this is what he said. And I'm just going to read one sentence: "It would be wrong in principle to pay compensation to those farmers who had the opportunity to take out insurance but chose not to do so." What an asinine reply at this late date. Those people, Mr. Speaker, chose to call their damages \$120,000 at last year's price of grain, not this year's price, and this government hasn't chosen as I understand it - as of last weekend, the Minister of Agriculture has written me this letter but he hasn't replied to that petition. Why? Those people deserve a reply. Either the government's going to do something or they're going to do nothing at all. But I remind you, Mr. Premier, that if you do nothing at all - you know the area as well as I do, it's a marginal farming area, and surely somewhere in these Estimates, surely somewhere in these billions of dollars that you're asking for, some consolation or some assistance can be given to those 30-odd farmers whose homes were flooded out, who fought the battle to hold that and protect their crops but were unable to do so. But not a red nickel not a word from this government as to whether or not they're going to do something or not. And, Sir, Mr. Speaker, for eight months it's been no fault of mine that I haven't brought it to their attention. I pleaded with the Premier, I pleaded with the Minister of Agriculture, and we've had meetings and nothing has happened. Why? I ask you why? And I'm appealing to the Minister of Finance, will he use his influence to look over the records - and there's a file that thick, there it is, look it over and see in your heart if you can ask us in all confidence why I for one should approve this when you can't do something for those poor unfortunate people that are struggling for an existence. You should and you must. Thank you Mr. Speaker

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

MR. MARION: Thank you, Mr. Speaker. I would like to start my intervention in this debate by reading the last paragraph of a letter that was just received by my colleague the Member for Fort Rouge, and I read it verbatim: "Perhaps what annoys me most is that we got

BILL 28

(MR. MARION cont'd) . . . a reply back from the MHRC saying that our application had been accepted and that we could expect to hear from them in about a year. In a year my husband will be a graduate engineer and hopefully making about \$9,000 a year, then we can get into low rental housing." Really, Mr. Speaker, I . . .

MR. SPEAKER: Order please. The Honourable Minister of Labour.

MR. PAULLEY: I wonder if the honourable member would table the letter he referred to in accordance with the rules of parliamentary procedure?

MR. SPEAKER: The Honourable Member for St. Boniface. On a point of order, the Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I'd be very pleased to table the letter from a constituent of mine so that the Minister of Labour may have an opportunity to read it -- (Interjection)-- I'd be very pleased to table it so that you can read it.

MR. PAULLEY: I don't care whether you're pleased or not, the request was made and you have to accede to it whether you like it or whether you don't.

MR. AXWORTHY: Well, I'm not so sure that's the case, but I'd be very pleased to nonetheless.

MR. PAULLEY: Oh yes he does.

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

MR. MARION: We now have the permission, Mr. Speaker, to table the document, which should please the Minister of Labour. I think that I started my intervention in this debate by quoting that letter, because this afternoon I was taken aback and I agree that I am now participating in a negative debate, and that's unfortunate. But I was really taken aback by the intervention first of all by the Member for St. Matthews, and then the hue and cry from my honourable friend the Minister of Mines and Natural Resources as the House recessed was one that I could hardly let pass without at least making some comment and setting the record straight.

I think that I would like to go back and point by point analyze some of the comments that were made by the Member for St. Matthews to start with. In his outburst, he mentioned that there had been a meeting, a meeting at which among others, Mr. Earl Levin on behalf of the City of Winnipeg had participated and at which meeting there had been concurrence by both governments that there could be co-operation between the two groups. Mr. Speaker, there was not one meeting but there were two meetings, and there was a great deal of dialogue, went on, and I thought that not only was there dialogue, but there was communication. You can dialogue till you're blue in the face but if neither of the parties understands what the other is saying you're really not communicating. Well I thought that at these two meetings there had been good communication; we understood what MHRC was trying to do and MHRC understood what the city was driving at. And with those two points in mind, that same Mr. Levin among other administrators from the City Planning Department and with administrative representation by MHRC were to sit down and set parameters under which the city and MHRC were to co-operate. Now these parameters were set down, Mr. Speaker, they were set down, and the vast majority of the work was done by the same Mr. Levin, and the committee on environment did accede and did support these parameters that were set down and agreed upon by both administrative bodies. This in essence then meant that we knew what the city wanted - everybody knew - and we also knew, the city knew what MHRC wanted to accomplish. And there was no doubt that some of the points that the city made at this juncture was that it had to know in plenty of time what - it had to know in plenty of time, I'm repeating for the Honourable the Attorney-General - what areas were contemplated on so that all of the very vital services could be incorporated.

Now I notice that in your contribution to the debate, I am not aware of this - and you mentioned a year to 16 months or something like that - and I am not aware of the further dialogue that you referred to with where the inventory of all of the land owned by the province was made aware to the committee on environment and to the Executive Policy Committee. I'm not aware of this. As a matter of fact this afternoon, or at the supper hour I checked to find out if the inventory of all lands owned by MHRC had been properly inventoried and notice had been given of this inventory to the City of Winnipeg, and I was not able to ascertain this. But I think that there were differences surely in the approach on how best we could incorporate public housing in the plans of the City of Winnipeg. I recall that there was an offer made by the City of

BILL 28

(MR. MARION cont'd) . . . Winnipeg whereby it would talk to the builders, talk to the developers and try to arrange for a 10 percent set aside, whereby public housing or low cost housing would be incorporated in these plans. Now I know that this was a forward step that was taken. Unfortunately, at the time all of the developments that were onstream had proceeded to the point where it was not possible to incorporate this and there should have been follow-up to it. There has not been any follow-up to this worthwhile endeavour, and I think it's worthwhile because you're also - if you incorporate 10 percent in a development, there are therapeutic values there. And I won't go any further, but we know what we're talking about, there are therapeutic values that should be incorporated in any low public housing or low cost housing schemes.

I think, Mr. Speaker, that there has been a great deal of dialogue and I don't know if there has really been communication. There seems to be two levels of government bent on accomplishing the same things, but this afternoon I heard nothing but recrimination from two members at least against the City of Winnipeg and its aims and objectives, and I feel that they're totally unfounded and unfair. I had the pleasure of talking to my honourable friend, and I appreciated this opportunity with respect to some of the goings on . . .

. . . continued on next page

PRIVATE MEMBERS' RESOLUTIONS - RESOLUTION 14

MR. SPEAKER: Order please. The honourable gentleman will have an opportunity to continue another time.

The hour being 9 o'clock, we go to Private Members' Hour, and the first item is Resolution 14. The Honourable Member for Riel. The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, if I may just on this, I believe it was recorded previously that this resolution had been arrived at and went to the bottom of the Order Paper. It's now back - it had been as I understand it, Sir, entered into for the first time. I wonder, Sir, whether it may not be advisable for you to take under consideration the wording of the various sections in Section 22 of our Act. It seems to me that there's a bit of an ambiguity by reference to "first time", using the terms "first time" and resolutions being not proceeded with, allowed to stand and going down to the bottom of the order paper. There doesn't seem to me to be any indication of what happens to resolutions after that. Should they climb up to the top and then go down again because of the reference in our rule, Mr. Speaker, and it may be the fault of the Rules Committee but there doesn't seem to be any clear-cut indication as to what happens afterward. So I'm not suggesting that the Honourable Member for Riel may not be able to proceed with his resolution, but I think some time we'll have to take a close look at that as to the intent of the section in our rules.

MR. SPEAKER: Well, I believe if I can have the co-operation of the House Leaders we could discuss this matter and try to clarify it. In the meantime for today I think we may proceed with the Honourable Member for Riel's resolution.

MR. PAULLEY: Mr. Speaker, there is no objection, as the Acting House Leader, for that to be done, but I do suggest and I appreciate your acceptance of the suggestion, Mr. Speaker, and deal with the party whips of the various party house leaders to get this point cleared up.

MR. SPEAKER: Of course let me add one caveat, that since this motion has been dropped twice and we are proceeding with it, that in essence we are not creating a precedent, we're just allowing a courtesy to carry on. The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I think on the point of order, so I'd like to raise the point of order, the last time that I in effect stood the resolution, the request to you, Mr. Speaker, was not that it dropped to the bottom of the Order Paper but that it go back into rotation. Now whether that's the proper terminology or not, it was accepted at the time that I requested it.

MR. PAULLEY: If I may, just further to that, Mr. Speaker, I think you've indicated or we have indicated willingness to proceed at this stage but that a precedence is not being created by this, because under our Rule 22 (3) "No request shall be made by a member to allow a matter to stand and no motion to adjourn will be entertained." And then matters not proceeded with reached for the first time - and this is where the confusion enters in. In section 4 that "Where a resolution of a member is reached for the first time on the Order Paper during Private Members' Hour, if the member is not present or does not proceed, the resolution shall be placed at the bottom of the Order Paper." That refers to the first time, not the second or third, and this is where the confusion is entered into, Mr. Speaker. I'm sure my honourable friend will appreciate that.

MR. SPEAKER: Well the chronology of it is that the first time it appeared the Honourable Member for Riel wasn't here, and in accordance with the rules it dropped to the bottom. And the second time when it did appear, the Honourable Member for Riel said, "I would ask that this resolution be dropped to the bottom of the Order Paper." So it's been up twice and gone down twice and, as I say, if the House is agreeable I'm ready to proceed, but the caveat is that this is not a precedent for the future. The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I move, seconded by the Member for Souris-Killarney, WHEREAS the constant increase in costs of government and the constant increase in taxes are of major concern to the people of Manitoba; and

WHEREAS the need for closer examination of government expenditures becomes apparent as these expenditures rise; and

WHEREAS the appointment of an independent Auditor-General in other jurisdictions has uncovered waste and inefficiencies in government that has resulted in savings to the taxpayer;

THEREFORE BE IT RESOLVED that this House consider the advisability of establishing the office of an independent Auditor-General to be appointed by and responsible to the Manitoba Legislature.

MOTION presented.

RESOLUTION 14

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

MR. CRAIK: Mr. Speaker, I've deliberately let this resolution go into rotation twice around until we had an opportunity to hear the Auditor-General in his presentation to the Public Accounts Committee, so that we might in fact be able to determine whether the Provincial Auditor was able to act in a fashion that was satisfactory to the Legislature and therefore it would have an effect, I'm sure, on what all of us would say on this resolution.

Mr. Speaker, I want to refer to some of the experience of the Public Accounts Committee with respect to the role of the Provincial Auditor. I want to say in preface to that that the present act under which the Provincial Auditor performs was brought into the Legislature in 1969, in the first session after the present government took power. Prior to that, Mr. Speaker, there were resolutions as far back as I can recall in the Legislature, which is three years prior to 1969, where there was a request for a bill that would give powers to the Provincial Auditor that were similar to those obtained by the Auditor-General of Canada. That motion generally, as I recall, was sponsored by the Liberal party which was the Official Opposition at the time, and were brought in with their substantiating arguments at each time, and the bill was presented, I think initially drafted perhaps by the former government, and brought into the House in the fall session of 1969, and was passed by the Legislature with the general concurrence of the entire House. And the Member for Ste. Rose at the time, which was the former Leader of the Liberal Party, in reading the bill, evidently thought that the act actually provided what he had been advocating for many years, which were powers to the Provincial Auditor that were now in fact going to be those that were available to the Auditor-General of Canada.

In the debate at that time he was very laudatory of the government for having brought this bill in and concurred in it 100 percent and finally said, you know, "The day has finally arrived when we have in Manitoba a Provincial Auditor, which now has the autonomy, objectivity in powers, that we wish to see in an auditor that resemble those of the Auditor-General of Canada." And I think it's little wonder that the Member for Ste. Rose, the now Senator Molgat, who probably believed that in fact this was true, because in speaking to it the Minister of Finance, the present Minister of Finance, made some comments in that debate that day, in which he said and I can quote in part and I think reflect what he said to the House: "It occurs to me that the Auditor will be the servant of the Legislature. He will be that person who must report to the Legislature and to the members of the Legislature." And with those remarks, Mr. Speaker, there was very little debate in the House and everybody joyously welcomed the evolution of a role for the Provincial Auditor that would indeed make him responsible to and responsive to the members of the Legislature, and presumably to the requests that those people would bring forth to the Public Accounts Committee when they examined the previous year's accounts, and presumably, Mr. Speaker, I think, to their requests to investigate or undertake investigations of matters that they felt were important to the well-being of Manitoba and its people and the economic affairs that surround the activity of the government.

Well, Mr. Speaker, I would have to say that I think that most members of the Committee of the Public Accounts Committee this year would at least have to agree that they were probably under some misconception if they thought in fact that the Provincial Auditor had the powers of the Auditor-General of Canada, and I want to cite some specific examples.

First of all, if I can work in the most recent events and go backwards, at the last Public Accounts meeting we had a request that the Provincial Auditor undertake a specific investigation because we felt that it was--I shouldn't say "we", it was a motion before the last Public Accounts to have him investigate the operations of the northern co-operatives to determine whether they were operating on a financially sound basis, which was quite apart from the investigations that might be undertaken by the Attorney-General to determine whether there were any criminal activities involved. We asked that he undertake those investigations to determine whether the operations and conduct of the northern co-operatives were set up on a sound basis. And that's about as far as the request went. That was the main thrust of the request - to ask him to make that determination.

Mr. Speaker, the government, to show its true colors in that particular case, would not allow that request to come to a vote. They in fact, Mr. Speaker, ruled out the request, ruled down the Chairman of the Committee so that he could not put the motion to the Public Accounts Committee. Now I ask you first of all, and I go back to the comments made by the Minister of Finance when this bill was brought into the House in 1969, when he says, "It occurs to me,

RESOLUTION 14

(MR. CRAIK cont'd): . . . however, that the auditor will be the servant of the Legislature. He will be that person who must report to the Legislature and to the members of the Legislature." Well, Mr. Speaker, it looks to me . . .

A MEMBER: The Minister of Finance?

MR. CRAIK: The Minister of Finance.

A MEMBER: Is it the same one?

MR. CRAIK: The Minister of Finance who hides behind his desk at the present time. Mind you, mind you he's not making any noises this evening, Mr. Speaker. He's quiet this evening. He was making a lot of noises this afternoon but he's quiet this evening.

A MEMBER: He's thinking about those poor old widows.

MR. CRAIK: I'm sure he's thinking about those little old ladies in Rock Lake that wear tennis shoes. But, Mr. Speaker, these are the words of the Minister when this bill was brought before the Legislature in 1969, and I must say that I think that most members of the committee that were present at the last sitting of the Public Accounts will admit that the person who moved that the Chairman's ruling be overruled, in putting the question to the committee, was none other than the Minister of Finance. Same person, Mr. Speaker. That endorsed the powers of the Provincial Auditor presented to this Legislature in the fall of 1969 and said that he is that person who must report to the Legislature and to the members of the Legislature.

Well, Mr. Speaker, in actual fact the Minister knows very well that the Provincial Auditor does not report to the Legislature in this province. His assignments are made only by the Minister or by the Legislature in total, with the approval of none other than the Executive Council, and his reports, Mr. Speaker, are not back to the Legislature, his reports are back to the Minister in charge. And let's go back to the other revelation, Mr. Speaker, of the Public Accounts Committee.

We asked on the first day whether there had been any cases that were referred to, alluded to in the Provincial Auditor's Report, of specific cases where he had reported, not to the Legislative Committee - in fact he's reported nothing to the Legislative Committee - but any other reports. And we asked specifically, are there any cases? We asked about a specific case. Any cases of double billing of employees of the government who should be reported to the Legislature. And I presume from the reaction we received from the Provincial Auditor that there were in fact cases or such a case where that took place. And the Minister of Finance stepped into the picture and he said, "Under no condition was I to allow a person's name to be defamed over a case such as that." And he said, "I", Mr. Speaker. It wasn't the Provincial Auditor who said it, it was the Minister of Finance. "Under no case would I allow . . ."

MR. CHERNIACK: . . . wouldn't stoop to do it.

MR. CRAIK: That's right, he would not stoop to do it. But nevertheless, Mr. Speaker, it was a subject of decision on the Minister's part and not on the part of the Provincial Auditor. The case may be any other case, Mr. Speaker, is simply a sample case, a case where it was stated on the record in the Hansards of the Committee, where the Minister said "I would not allow this to happen." Mr. Speaker, again I come back to the request here, the statement, the undertaking given by the Minister of Finance in 1969. He will be that person who will report, must report to the Legislature and to the members of the Legislature. No way, Mr. Speaker.

Now I ask, I want to point out one other very important thing that happened at the Public Accounts Committee, Mr. Speaker, and it was brought up by another Minister of the Crown, the Minister of Consumer and Corporate Affairs, who said among other things, "When we asked to give the Provincial Auditor a chance to reply to the discussion under way at the time, as to what he felt his role was, because, Mr. Speaker, the report of the Provincial Auditor is to some extent a plea on the Provincial Auditor's part to see a greater participation by the members of the Legislature in the examination of the Public Accounts and in the financial affairs, the spending of the taxpayers' money. And this is documented pretty evidently through all pages of his report. So we asked him, Mr. Speaker: would you like to now give us your comments? And the Provincial Auditor, about to speak, was suddenly moved in upon by another Minister of the Crown, the Minister of Consumer and Corporate Affairs, who said, "The Provincial Auditor after all is a civil servant. He cannot be expected to comment on these things." The Provincial Auditor is a civil servant.

So the Provincial Auditor, Mr. Speaker, has now been put in the same classification by a Minister of the Crown as being another civil servant. So we have him smitten down to being

RESOLUTION 14

(MR. CRAIK cont'd). . . basically none other than the act that existed prior to 1969. What other powers does he have? What powers does he have that are elementary, that are similar to the powers of the Auditor-General of Canada who speaks to the people of Canada, who speaks to the Members of Parliament, but does not feel restricted to being put into the categorization of the restrictions put on by the job limitations of any civil servant, according to a Minister of the Crown and I assume he speaks for the government because most Ministers are supposed to when they speak. What other restrictions does he have, Mr. Speaker, alluded to by the Minister of Finance when he says "I would not allow, I would not allow him to reply. . ."

MR. SPEAKER: Order, please. The Honourable Minister of Consumer Affairs state his matter of privilege.

HON. IAN TURNBULL (Minister of Consumer, Corporate and Internal Services) (Osborne): Mr. Speaker, I think that the Member for Riel well knows, as I explained the point in Public Accounts, that my reference to the Provincial Auditor was in a sense that the auditor is paid out of the Consolidated Fund, he's paid out of provincial revenues, and in that sense, Sir, he is a public servant just as everyone in this Legislature is a public servant.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: I must say that the Minister of Consumer Affairs shows the most unmitigated ignorance of his job of any Minister that sits on that side of the House. Section 6 (2) of the Provincial Auditor's Act says, Mr. Speaker, "The Provincial Auditor is not subject to the Civil Service Act except Section 43 and 44 thereof which apply to him."

MR. SPEAKER: Order, please. Order, please.

MR. CRAIK: Mr. Speaker, it's always been our understanding, you know, in parliamentary democracy that when a Minister speaks he speaks government policy, and I suggest that if the Minister does not speak government policy and does not know what government policy is, he is not qualified to be a Minister of the Crown. And until a Minister goes to the Committee table and knows what government policy is and what the acts are that govern them, he be best qualified to stay away from that table. So I think, then, the Minister has either to say he did not know what he was talking about and to retract what he said, either that or come back and explain to us that in fact he does know what the act is but he's not prepared to let the Provincial Auditor fulfill the responsibility that was created for him in the act that was passed in 1969.

So, Mr. Speaker, I realize that--my point is here that I wanted to make a definite attempt to demonstrate that the act that was passed in 1969 was in fact a thing that was welcomed at the time by not only the earlier proposers for that, but by the opposition and by the government of the day, but what we have now in the Provincial Auditor is something that is a very far cry from that of the Auditor-General, and we therefore propose to you that the act is not sufficient to give him those powers and should be changed, and that an Auditor-General type of act is the only one that is going to provide to the Provincial Auditor those powers that should be given to him in these times when the government is occupying, out of the Manitoba economy, \$800 million and more, Mr. Speaker, because a large chunk of the construction that is going on in this province is construction that is financed by government through the borrowing of the likes of Manitoba Hydro a large segment of the heavy construction in Manitoba, I would say a very, possibly a minority but a very significant portion of it, is construction that is financed by the Provincial Government. Our total economy right now is dependent on provincial expenditures, probably to the extent of 30 percent of the cash flow of this province. And we have here a Provincial Auditor that is really not empowered to report either to the Legislature, as indicated, nor directly to the people of Manitoba in the same fashion as the Auditor-General of Canada, and I think it should be changed particularly since it seems unlikely that that trend of provincial involvement in the cash flow of the province is going to reduce. It's going to on the other hand increase, and what I'm recommending, or what we're recommending - and I think that the opposition in general will support this and perhaps the government too - is not only what is being suggested from an opposition point of view, but to some extent, not entirely but perhaps to some extent, what the Auditor is asking for himself in his own report.

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

MR. WALLY JOHANNSON (St. Matthews): Thank you Mr. Chairman - Mr. Speaker, pardon me. The Member for Riel, the Honourable Member for Riel I think gave a very very feeble defence of his resolution, and I won't use the superlatives he used to describe the Minister for Consumer and Corporate Affairs but . . .

RESOLUTION 14

A MEMBER: Inaccurate.

MR. JOHANNSON: . . . inaccurate superlatives as I'm coached here. But this resolution very much reminds me of a quote from Ecclesiastes, "And there is no new thing under the sun." The honourable member did point out the fact that the Liberal party, time after time during the Conservative period in office, did introduce such a resolution, and he also mentioned, I'm not--perhaps he did, perhaps he didn't - that repeatedly the Conservative party defeated those resolutions during his day in office. --(Interjection)-- You did? In 1968 the Liberals did introduce a resolution. It was introduced by Mr. Dawson, the Honourable Member for Hamiota, and that '68 resolution of the Liberal party is virtually identical with the resolution today presented by the Member for Riel. One can almost draw the assumption that he copied it or used it as a model. But I understand that the Conservatives do not copy things from the Liberals so I guess this didn't happen. However, in 1968 when this Liberal resolution was--1968. . .

A MEMBER: Wasn't it '69?

MR. JOHANNSON: . . . okay. This Liberal resolution was presented, it was amended by the then Member for Brandon, Mr. Lissaman, and it's interesting to look back at his amendment. Perhaps the Member for Riel would be interested in hearing it. "WHEREAS"--this was the amendment to the Liberal resolution--"WHEREAS the office of the Comptroller-General in Manitoba has had and has at present the same degrees of independence as have the Auditors-General, Comptrollers-General and Provincial Auditors in the Federal and Provincial Jurisdictions throughout Canada." And then he proceeds to say that they would accept this resolution as part of a review of government, of the present functions of the Comptroller-General.

Now the Conservatives must be given credit. They did bring in in 1969 a bill to set up the office of the Provincial Auditor. Unfortunately, that bill died on the order paper when gentlemen opposite went to the people a bit early and suffered the consequences. However, they did draft the bill and in the subsequent fall session of 1969 we passed the bill that they drafted. And they have to be given full marks for having introduced that bill, because I think it was a good bill. Not only do I think it was a good bill, but the former Leader of the Liberal Party thought it was a good bill.

Now the Member for Riel thought that the former Leader of the Liberal party was misled. Now he may have been misled in some cases but in this case I don't think he was. And Mr. Molgat, then the Leader of the Liberal party, on September 3rd, 1969 said about that bill: "By and large, Mr. Speaker, it seems to me that the bill does establish the position of a Provincial Auditor in the same independent capacity as the Auditor-General in Ottawa," which was really the position that I was seeking to have established in Manitoba in the resolutions that have been introduced in the House in past years." And, Mr. Speaker, the former Leader of the Conservative Party also agrees with me that it was a good bill. Mr. Weir, speaking on the bill, the former Leader, former Premier and former Leader of the Conservative Party, who is no longer their leader, said about the bill: "Mr. Speaker, I think the bill is a good one. I compliment my honourable members, "--pardon me, my mistake. Mr. Weir said, "Be that as it may, I just want to stand to say that the bill has the support of our group in the House." Now the Member for Riel did say that his group supported it in 1969, but he makes the argument that what was good in 1969 isn't good today, and I'd like to look at that argument. Our legislation is very similar to the Audit Act of Ontario, which is a Conservative province, and it's very similar to the Financial Administration Act which is applicable to the position of the--to the office of the Auditor-General at the federal level. And in the view of our group and in view of our caucus, we feel that the Auditor-General is fully independent as a result of that legislation, that good legislation, drafted by the previous Conservative Government. It rankles me to have to say that, but I think that that was a piece of good legislation which we passed.

Now the members opposite would have to agree that the government has already indicated that it is willing to re-examine the procedure whereby the province presents its financial statements, and those of you who are members of the Public Accounts Committee went through the exercise in the last meeting of the Public Accounts Committee, of looking at two alternative ways of presenting the estimates of a provincial department one alternative used in the province of Quebec, one in Ontario. And the Minister of Finance has indicated that he is willing to, he is receptive to ideas in this area.

RESOLUTION 14

(MR. JOHANNSON cont'd)

The Member for Riel, the Honourable Member for Riel makes the point that somehow what was good in 1969 isn't good today, and he also tries to make the point that our Provincial Auditor has far less power, significantly less power than the Federal Auditor-General. And I'd like to examine that position in the light of statements made at Public Accounts Committee by the Provincial Auditor. And the members opposite who were present can verify whether what I say is accurate or not. The auditor said at the first meeting of Public Accounts Committee that first of all the powers responsibilities and independence of provincial auditors and auditors-general are pretty well the same for most provinces. Secondly, he said that audit techniques are similar across the country. Third, he said that our Provincial Auditor has one significant powers that is not exercised by the Federal Auditor-General, and that is the power of a pre-audit. Apparently in Ottawa this is exercised within departments whereas here the pre-audit function is carried out by the auditor-general. So this is a significant additional power exercised by our Auditor-General which is not exercised by the Federal--by our Provincial Auditor which is not exercised by the Federal Auditor-General.

The one point of difference indicated by the Provincial Auditor was in style of reporting, and he did indicate that the former Auditor-General, Mr. Henderson in Ottawa, reported on what he considered to be non-productive accounts, and he felt that he had a mandate from the Federal Public Accounts Committee to do this. The Provincial Auditor here felt that if he were to exercise this function he would require more staff and also he would require instructions from the Public Accounts Committee. And when he was asked if he felt he had staff and the power that he required today, he said that he felt he did have the staff and the power he required. And let's just examine that in the light of what the Member for Riel has just said. The Member for Riel said that the thing that prompted him to bring this resolution to introduce this resolution in the House, was the failure of the last meeting of the Public Accounts Committee to deal with a resolution he presented, the resolution which would have requested the auditor to investigate the financial dealings between the Department of Co-operative Development and the Northern Fishing Co-ops. And if I interpret him incorrectly, I'd like him to correct me. But this is the point he made, saying that this is what prompted him to bring this resolution before the House. Now he's not listening but perhaps the other members can relay this to him at some future time.

Let's just look at that statement. He says that because of the failure of the committee to pass that resolution, it makes it necessary for this House to consider this resolution. Now, Mr. Speaker, I spoke to the Provincial Auditor today because I had to speak on this resolution and I thought that I could use the information, and I find that the Provincial Auditor, before that resolution was ever brought before Public Accounts Committee, had already begun investigating the alleged improprieties, financial improprieties, that were connected with the northern fishing co-ops, and he has already proceeded to investigate the allegations in Wabowden. Now he did this without prompting from the Member for Riel; because this issue, these two issues were raised, he proceeded on his own to investigate allegations in both cases. And he has the power under the present act to do this and the fact that he's done this proves that the present act gives him that power. Yes, the fact that the Provincial Auditor has proceeded, without prodding from the opposition, to investigate the allegations in these two cases, proves that he has that power under the present act. He has the power to report, under the present act, to the House, to the members of the Legislature. So I think really the Member for Riel has very sadly failed to prove the need to amend this act.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Speaker, I'm going to be very brief. I usually enjoy the history lesson from the Member from St. Matthews, and he goes back into the history of what happens from day to day or year to year or a hundred years from now or fifty years from now. But when I spoke on Friday on another debate, Mr. Speaker, I was mentioning to the Members of the House that they should probably thank the opposition for bringing things to their attention. So, Mr. Speaker, I would only like to bring to the attention of the House exactly what my colleague the Member from Riel was saying. He was saying that in the Public Works or the--not the Public Accounts - the Public Utilities meeting, that there was an effort made to stop the Provincial Auditor from investigating some irregularities that had been brought to the attention of the government, and of course one of the reasons for that, Mr. Speaker, is that we have been

RESOLUTION 14

(MR. F. JOHNSTON cont'd). . . continually bringing them to the attention of the government. We had continually brought them to the attention of the Minister of Agriculture and the Minister of Northern Affairs and they kept saying, "Well, prove it; you're making accusations; you're muckraking." And they said prove it, so naturally we did give some proof that was worth investigating and we thought that the Provincial Auditor should be given the permission or be even recommended or told to go in and investigate the irregularities in these co-ops.

Now I say that I'm going to be brief because I don't want to go as far back in history as the Member from St. Matthews. I just want to go back to last Friday after I finished speaking and the Honourable Minister of Finance started to speak after I, and he said, "Mr. Speaker, I welcome the opportunity to tell the Honourable Member from Sturgeon Creek and anybody else, that if I learn of wrong-doing in government I appreciate being told about it and I would be an assistant in attempting to make the proper heads roll and do it in such a way that it is clearly, known." Now, Mr. Speaker, last Friday the Minister of Finance said that he would welcome, welcome information where there might be some wrong-doing and certainly take steps to change the whole situation, clean it up, have heads roll, as he suggests here. Now, Mr. Speaker, we are presenting this resolution tonight and the Member from St. Matthews says, what was good then wasn't good enough now. Well, maybe it isn't good enough now, maybe it isn't good enough now. Maybe we need a situation where the Provincial Auditor is completely free, completely free, because even though the Minister of Finance appreciates getting information about irregularities and he would do anything to make them roll, those steps have not been taken and it was proved in Public Utilities the other day.

Now, Mr. Speaker, I would . . .

MR. CHERNIACK: . . . the honourable member a question?

MR. F. JOHNSTON: I would submit to a question when I'm finished, Mr. Speaker.

MR. CHERNIACK: Well then on a point of order.

MR. SPEAKER: Would the Honourable Minister of Finance state his point of order?

MR. CHERNIACK: I'm sure the honourable member would appreciate having it drawn to his attention that it's wrong about the committee he keeps naming, at which I was not present and I don't believe the Provincial Auditor was there.

MR. F. JOHNSTON: Well, Mr. Speaker, we're now back to playing Philadelphia lawyer again. It was Public Accounts, then, if that's the way you want it. Fine. I know, and the Minister enjoys the opportunity to smilingly cross-examine the people and I stand corrected and apologize to him and say Public Accounts, Mr. Speaker. So, Mr. Speaker, the Minister will carry on through this speech which is basically saying that "I will investigate, I will do something about it." He does, through the speech, take concern as to how the information came to him, you know. I could just visualize him, if we were government, walking down the hall with that file saying, "Mr. First Minister, I'd like you to examine this before it's brought to the House, " but I can't imagine him doing that when we have spent two weeks or, at least, three telling him about irregularities and getting told by the Minister of Agriculture and the Minister of Northern Affairs that everything's all right. Why, he'd wonder why we wouldn't present it in the House. So, Mr. Speaker, just last Friday - and I think that was after the Public Accounts meeting at which time the Minister did not want the Provincial Auditor to investigate further into some allegations, as late as last Friday, Mr. Speaker, the Minister of Finance said he would appreciate being told of irregularities and be part of having heads roll. So, Mr. Speaker, I can't see why or how they could not agree, agree with the resolution to have an Auditor-General that has no responsibilities to the government other than to go about his way examining Public Accounts and reporting back to the Legislature.

MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, it will come as no surprise to the House that the Liberal Party endorses the resolution and will vote for it. Mr. Speaker, it will also come as no surprise to the House that this was part of a package of political reform that our party has long stood for and long advocated in Manitoba. In fact, earlier in this Session a resolution of our party which contained as I believe sub-paragraph 2 or 3, a provision for an independent Auditor-General, and I stress "independent" Auditor-General, was ruled out of order for other reasons as anticipatory of things in the Speech from the Throne. But that is not the first event or occasion on which our party has stood for this kind of political reform.

RESOLUTION 14

(MR. ASPER cont'd)

In 1972 the Liberal Party presented this resolution as a motion by the House Leader, the Honourable Member from Portage la Prairie. In 1966, in 1968, in 1964, our party has made a proposal to this House calling for an independent Auditor-General, and as the Conservative Party has chosen to adopt that view, I will take no political delight in pointing out that it's taken them almost a decade to reach that point other than to say that we welcome the change of position of the Conservative Party and make no mockery of the fact that they have adopted this view. We thank them for having come to this conclusion, the conclusion that we reached some decades, or at least a decade ago.

But, Mr. Speaker, some of the contributions which have been made in this House on comparable kinds of debate by members opposite on the government side, have a very hollow ring to them and they're difficult to respect because in those days, Mr. Speaker - and this is part of the thing that most of us I think in public life have to be concerned about - the loss of respect for the process - when the public, especially the young, witness opposition members taking positions in opposition and then reversing those positions or not implementing them when they become government. The New Democratic Party record on this issue is particularly unfortunate, and we have an opportunity through this resolution for the party in power to change its position. If you consult the Journals of 1966 when the Liberals again, for I believe at that point the third or fourth time, proposed an independent Auditor-General, you will find even the Honourable the present Minister of Finance voting with us in favour of establishing an independent Auditor-General, and those were the words - not Provincial Auditor, but an independent Auditor-General.

And so, Mr. Speaker, I call on the Minister of Finance to remember what he said in opposition, because if he doesn't we'll have to take the time of the House to read it to him over the years. And so, Mr. Speaker, what is the record of the government on this issue? Well the first thing that happened in 1969 was they brought in what they tried to pass off, and perhaps many members were led to believe the statement of good intent from the government, that this would result, this Act, the Provincial Auditor's Act, would result in the establishment of an independent Auditor-General. Well, Mr. Speaker, it has not. But worse, what the government then set out to do, through acts and omissions, was to then destroy any vestige of independent auditing in this province. And let me demonstrate how that very unfortunate set of circumstances has been deliberately brought about by government.

One of the first acts this government did, having brought in its auditor legislation, was to fire all - if not all, most but I believe all - independent auditors who up to that moment had been auditing Crown operations. The Manitoba Development Corporation is a classic case had been historically audited, not by anybody who was answerable to government, or who could be squeezed by government, or who could be starved by government or who could be influenced by the fact that he still had to have the support of government in what he was doing, but by independent, objective auditors. Firms that were not connected with the government. Well, the Minister of Finance set out systematically, one by one, to rid us of that terrible system so that we had no further outside auditing in our significant Crown operations.

Now, Mr. Speaker, this became the first badge of the hypocrisy of the open government claims of the present government, and we could trace this - and we don't have the time - but we could trace this moment by moment to the events of the last six weeks, which epitomized and symbolized why we want this resolution passed and we ask the government to act on it. Because even the government, those members of the government who have some profession of commitment to the science of politics and the evolution of the political process, and even assuming that they were all wrong when we enacted the 1969 bill, and we hoped something would happen that didn't happen, there was a chance to begin anew, Mr. Speaker, I am unable to conceive, having spent my adult life in financial affairs through my profession and my training, of a circumstance that has been allowed to happen in the last six weeks, which has not been reported by an auditor.

Mr. Speaker, serious proof of financial mismanagement and allegations of impropriety have been made in the last six weeks, not a single one of which was reported to this House, in this by the Auditor-General, the Provincial Auditor, or by the Provincial Auditor in committee, but only by the opposition. Mr. Speaker, we are not the auditors, we are not the Auditor-General and we have been forced to perform that function because it is not being performed, because

RESOLUTION 14

(MR. ASPER cont'd). . . there is no legislative authority for it being performed. We have the issue of the northern co-ops, Mr. Speaker. Did you, did we, did anybody in Manitoba hear about this from the auditor in spite of the fact that these events occurred within the period of audit we're studying. And did we, did we hear some suggestions in the auditor's report? Nothing. And, Mr. Speaker, that says quite a great deal and I ask honourable members opposite to reflect on it.

Mr. Speaker, tomorrow morning the height of ludicrousness in the whole system will be enacted. The Standing Committee on Economic Affairs will meet and it will be considering the audited report of the Manitoba Development Corporation. Well, Mr. Speaker, that is a hollow joke, that is a mockery of audit, because we will be, in March 1974, analyzing a financial statement which relates to the year March 1973, a statement which in the main is irrelevant, and obsolete at the time we study it. And we go through this incredible charade, grown men, pretending to look at an audited statement that we think and we allow the public to think we give it the credibility that it means something because we take the time to do it. And, Mr. Speaker we're torn. Those of us who have any experience in this field are torn. Should we walk out of that committee? Would that be misinterpreted by the public? Is that how we should show our contempt for the system? And I don't blame the present government particularly. I just say, for heaven's sake, let's grow up; let's mature our system.

There's a rule of accounting, Mr. Speaker, it's called the Sound Accounting Principle. It says this: That "notwithstanding" - and this is I believe Rule 1501, if the Minister of Finance wants I'll give him the citation from the Canadian Institute of Chartered Accountants Handbook - and says this: "No auditor shall permit a report to go out dated, referring to a fiscal period, when he knows that events have occurred after the period that materially affect that statement, without putting a note to the statement and saying since the date of this statement these events have happened to change the relevance of that statement." That's the rule, Mr. Speaker, and we'll look at a statement tomorrow that says, "We, the public, have 24 percent of the equity of William Clare (Manitoba) Limited," and that's a joke, Mr. Speaker. If directors of a public company did that, Mr. Speaker, they would go to jail. That's the law. They would go to jail. We'll look at a statement tomorrow and grown men will debate this statement, not a word from the Auditor-General, the Provincial Auditor, telling us that it's an irrelevant statement, telling us that we don't have \$600,000 invested in William Clare but if you browse through a whole bunch of records you'll find, is it 600, is it a million two, is it a million two-fifty, is a million three? Because the other night Mr. Clare himself wasn't sure. And we'll debate that.

Mr. Speaker, I don't remember the Auditor-General, the Provincial Auditor is what they call him, as we call him, coming to this Legislature and any piece of paper, and saying, "There is a little waste, five cents, a dollar, \$300,000." There's no waste, Mr. Speaker. So the six bridges that were built two years ago in the winter roads system, which were just a bit of a mistake for several hundred thousand dollars, which were not used, which were obsolete. Mr. Speaker, I don't remember the Provincial Auditor reporting that to us. I only remember the opposition having to say to this House, "There was waste. Let's debate it." And that's not our job, Mr. Speaker, that's the job of audit, and we didn't get that information from any auditor, and that's wrong and that makes a mockery of what we do here.

Mr. Speaker, there has been an allegation that there are people on the payroll of this province whose prime function is to politically organize for the party in office and, Mr. Speaker there is evidence that that's been true to some extent at least. Now, Mr. Speaker, the Provincial Auditor didn't tell us that. It was the Auditor-General that found the horses on the payroll at Petawawa but we have no such auditor who tells us about some of the very funny things that are on the payroll in Manitoba. Mr. Speaker, that is the job of audit, and we don't have that information. And whatever we bring out, we bring it out; the Opposition brings it out; and that's wrong and that holds the system into contempt.

Mr. Speaker, I can document the absolute bankruptcy of our audit system in this province, and anybody, ask anybody, I dare the Minister of Finance to bring to the Public Accounts Committee the Canadian Chairman of the Canadian Institute of Chartered Accountants, or the Manitoba Chairman. I dare him. And let us ask him what value he places on these statements. How honest are they? Would he sign them? - because he wouldn't. He wouldn't sign them because he too would be under serious challenge and charge by accounting standards if he signed

RESOLUTION 14

(MR. ASPER cont'd). . . those statements. Mr. Speaker, there are suggestions that there are what we call in the business "sweetheart loans" - loans by government agencies to friends of the government. Mr. Speaker, the Provincial Auditor didn't tell us that. No report makes reference to that, whether it's the loans in Thompson or the loans in farm credit. The opposition, who does not have the staff, the research, the facility, and in most cases the experience to audit, the opposition had to raise this issue.

Mr. Speaker, there is a thing called expense account living going on in this province and the Provincial Auditor has not had the power or the authority or the inclination or the legislative machinery to reveal it to this House. We revealed it. The opposition is doing the job of what an Auditor-General ought to do and, Mr. Speaker, we are not equipped to do it. We must, we who represent whether it's 30 percent or 20 percent or in the aggregate 60 percent of the people in Manitoba in popular support, are entitled to better audit and we will not have it under the system where the auditor is shielded, insulated from genuine independence, and that's what we seek.

Mr. Speaker, can you believe, can any reasonable human being in this province believe that in four years or five years or ten years after billions of dollars of expenditure, one billion this year, a billion three this year after you take in the capital accounts, not a dime of waste, no extravagance, no mismanagement, none. Mr. Speaker, I ask that you read, that members opposite read the Manitoba Companies Act and find out what an auditor is required to do, what an auditor independent is required to say to the shareholders of a company, and to read the Institute of Chartered Accountancy Bulletins which describe what an auditor for private companies must do for the shareholders, not the public, and the public trust is far greater, Sir.

Mr. Speaker, in Public Accounts the other day I asked the Provincial Auditor how he could account or could possibly explain that he never reported waste in some of the expense account areas. Mr. Speaker, I'll just review some of them because I think if anything should send off skyrocket, red flags, this is where it comes. We have air charter services in the last year - that's the '72 to '73 period - rising by 39 percent even though government expenditures, according to the First Minister because he was then the Minister of Finance, only rose by 15 percent. That's a 39 percent rise in air charter, and over the four years of this administration it's a 284 percent rise. Now, did the average Manitoba revenue go up by 284 percent? It did not. So, Mr. Speaker, when somebody tells me that something's gone up by 284 percent but there's no waste, I'm afraid the audit procedures leave something to be desired. Mr. Speaker, another figure I quoted to committee - 24 percent, 24 percent rise in the cost of housing everyone in the Winnipeg hotels in the cocktail rooms in those hotels, in one year. Mr. Speaker, to plan all this travel, the travel agency cost in one year is up 70 percent - 274 percent in four years. And, Mr. Speaker, if I may, I'll just leave off by saying, it is not credible that there was no waste, no extravagance to report, and for these reasons and more which when I am able to take the floor again I will elucidate on we call for support for the resolution.

MR. SPEAKER: I'd like to indicate to the House the honourable member has just two minutes left till next time. If the House is willing he can finish his two minutes now, if not. . .

MR. PAULLEY: Well we might get into difficulty. I'm sure after the theatrical display our friend gave he needs two minutes rest.

MR. SPEAKER: Very well. The hour being 10:00 o'clock, the House is now adjourned and stands adjourned until 2:30 tomorrow afternoon. (Tuesday)