

THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Thursday, June 15, 1972

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

MR. EVANS: . . . just take a couple of minutes to conclude my remarks that I was offering before the adjournment hour at 5:30, and the point I was making, Mr. Chairman, was that we have continual contact in the department with various business groups in the Province of Manitoba, and indeed with business people throughout Canada and in the United States and in other parts of the world, and the name of the game is not to live in an ivory tower as the Honourable Member from Brandon West seems to think we are living in, the name of the game whether we like it or not is to cope with the various challenges of economic development that confront us, and this of course involves automatically dealing with people who are making decisions whether or not to invest in the Province of Manitoba. And I can assure all honourable members that we are doing our utmost to attempt to persuade various businessmen that this is the place to invest. The fact of the matter is that Manitoba at the present time is undergoing a substantial business boom. The fact of the matter is today the Province of Manitoba has never been more prosperous than it is today. And you know in my modesty I was saying to the honourable members at 5:30 -- (Interjection) -- at 5:30, I'm sorry. In a modest moment I was indicating to honourable members that to make my point that even at 5:30 I had a meeting scheduled with a group of businessmen - which I had. I had this meeting. -- (Interjection) -- It started at 5:35, which is the few minutes it took me going from this Chamber up to my office, and I say, Mr. Chairman, that I made a grave error when I said to the honourable members that it looked as though we were on the verge of getting 75 jobs, you know. I'm prepared to admit at any time - when I make a mistake, I'll admit that I've made a mistake. This group is a well established company, and I'm not going to disclose its name, but it's a well established company and it plans to manufacture various recreational and sporting goods material in the Province of Manitoba, and as it turned out they were in the gallery as I was speaking. Mr. Chairman, they advised me that I was wrong and I'm going to admit right now that instead of saying 75 jobs I should have said 125 jobs for the Province of Manitoba, and I'll admit that. In fact that was the first comment this gentleman from Montreal said, and I hope within six to seven weeks there will be a formal announcement. I'm only indicating, Mr. Chairman, for the benefit of my colleague from Brandon, who is interested in economic development I know, that the fact is that the Province of Manitoba is booming. There are more requests today for industrial opportunities; there are more businessmen coming to the department today than ever before. -- (Interjection) -- More corporate income taxes will be paid I can assure my colleague in the -- the Minister of Finance. Incomes are substantially better and will get better. And the fact is although I worked for many years in the field of statistics, and you can use various kinds of statistics to indicate the boom that we are now experiencing in Manitoba, I can tell you just from a personal experience as Minister of Industry since December of 1969, I can tell you in the last several months we've never had as many requests as we are now getting. The fact of the matter is the businessmen of Canada, the businessmen of the United States, the businessmen of the world, know that there is opportunity in Manitoba and they're prepared to put their dollars here, because there is opportunity for growth and for economic expansion.

Now the fact is -- (Interjection) -- and, Mr. Chairman, the fact is we're getting considerable co-operation from businessmen right here in Manitoba. And it's a complete myth when it's suggested that there is no contact, no liaison, no rapport, with businessmen here because the businessmen of Manitoba after all are good Manitobans. I think basically they want the province to prosper as the Schreyer administration wants the province to prosper, as the New Democratic Party wants the province to prosper, and as my friend from Lakeside wants the province to prosper. And I would like to take the opportunity to point out that we have many very good Manitobans who happen to be businessmen who are assisting us in helping to develop Manitoba. And let me take the opportunity to mention them because you know it's very seldom that they get mentioned. And they're doing this voluntarily, Mr. Chairman. They're doing this without pay; they're doing this without remuneration; they're doing it for the good of Manitoba and in co-operation with the New Democratic Government of Manitoba.

Let me refer for example to the Manitoba Export Corporation which is responsible for stimulating the exports of Manitoba-made products and services. Who is the chairman? A good friend of mine, or he's become a good friend of mine in the last two years, Wick Sellers, who is now the President of Spiroll Corporation. He also happens to be on the Canadian

(MR. EVANS cont'd) Development, appointed by the Federal Government, but at the same time he is serving as the Chairman of the Manitoba Export Corporation. We have Hal McKay who was recently Vice-President in Winnipeg -- he's recently retired, but was Vice-President of the Bank of Montreal. We have Max . . . who is Vice-President of Northern Sales Limited. We have Norm Matthews, President of Matthews Limited, Mechanical Limited. We have people like Fred McInnis, Vice-President of the Brandon Sun who my honourable friend from Brandon West will know. We've had other businessmen such as John Ingraham, President of Canadian Manufacturers Association.

I'm not reeling off the complete list of members, Mr. Chairman, I'm just indicating in an attempt to answer my friend from Brandon West, I'm just simply indicating that we have the co-operation of Manitoba businessmen, and it's myth for anyone to suggest that the business community of Manitoba is not trying to help the New Democratic Government in promoting the economic development of Manitoba, because they are, and here is some names to prove it. Look at the Manitoba Design Institute. We have a number of people and I'll just name two or three. J. Curran of J. M. Schneiders (Manitoba) Limited; Dennis Daly of Daly Display; M. Fingold of Fingold Display Limited -- this is on the Manitoba Design Institute which is concerned particularly with the design of products. We've got Stan Short-- maybe some of you know him. Maybe my honourable friend from Riel knows him, or my honourable friend from Lakeside surely knows Stan Short who is the Western Manager of T. Eaton Company Limited, very good man, and he is working with us, for us, for your benefit and for my benefit in developing the Province of Manitoba. There's no conflict. We have a compatibility of interests in this respect.

And then I could go on to the various . . . committees. These are committees designed to make Manitoba the centre of excellence in the various fields of industrial developments and there are many many people, in fact there's so many names I'd be here for the next hour, Mr. Chairman, just naming off the names of the people who are working for us through the Manitoba Department of Industry and Commerce in connection with the Manitoba Department of Industry and Commerce. Building Materials and Systems Committee for example. We've got Mr. Carson Templeton, Chairman of the Templeton Engineering Company; Glen Bruce of BACM Limited; Chris Boden of CFA Prairie Region; T. A. Crozier of Crozier, Greenberg and Partners; A. L. McLellan of Block and Associates; Mr. Larry Morrison of Canada Cement LaFarge Limited; Mr. Oakes, Chief Engineer of Dominion Bridge; E. G. Penner, General Manager of A. K. Penner; Mr. E. J. Smith, senior partner of Smith, Carter and Partners. In the electronics field we have a number of very distinguished local businessmen. Ralph Kingston, President and General Manager of Ingraphics Limited, which unfortunately has had some difficulties but we hope for the sake of Steinbach and other communities will be prosperous in the years to come. We have people from Pioneer Electric in Brandon, Mr. Thorsteinson; we have -- I'm sorry Mr. R. G. Stanford of Electronics Department of CAE Aircraft Limited. In the food products division we've got people from various companies; in the material science division we have people from Manitoba Rolling Mills, from Sherritt-Gordon Mining, from Tantalum Mining, from Bristol Aerospace. We've got people from Canadian Bronze; we've got people from International Nickel, and so on.

And you know the list is here, it's public information, it's available for all to see. And for anyone to suggest that you know the Minister of Industry and Commerce is living in an academic atmosphere, sitting twiddling his thumbs contemplating his navel, or using the ouija, or whatever, is absolute nonsense, because the fact of the matter is, Mr. Chairman, that day after day, week after week, we are in contact with these people. And likewise through the Economic Development Advisory Board which is the item under question, we have a number of businessmen who are assisting us because they know that the present government is attempting to stimulate the economic development of the province to the best of our ability. And I could read off the members of the Economic Development Advisory Board, but I won't. But what I will do, what I will do, Mr. Chairman, is indicate to honourable members some of the areas of concern expressed by the Conference on Economic Development in Manitoba. Mr. Chairman, I can't hear myself speak. I wonder if you could call honourable members to order.

MR. CHAIRMAN: I'm glad that the members are generating some heat in here because it's fairly cool. The Honourable Minister of Industry and Commerce.

MR. EVANS: Thank you very much, Mr. Chairman. The fact is the Honourable Member from Brandon West was very concerned about the functioning of the Economic Development Advisory Board, and I referred just before the dinner hour to the fact that a conference, a very

(MR. EVANS cont'd) important conference was sponsored by the Economic Development Advisory Board entitled "The Challenge". Now my honourable friend from Lakeside probably got a copy because every MLA got a copy. I don't know whether he read it but I would highly recommend it to him because there are some very challenging articles and if you are really concerned with Manitoba's economic growth you should read these articles. Because they refer to some of the very fundamental challenges that we are faced with here in the Province of Manitoba. And you see, Mr. Chairman, by reading this particular document you will see that there is a melding of the theoretician and the practitioner because the theoretician -- somebody has to sit back and look at the statistics, and look at the growth patterns that the province is following. You have to look at the growth path, the growth pattern that the province has had over many decades and where it may lead in future. And the fact is that we have been very fortunate in obtaining the advice of people like Arthur J. R. Smith who was the Chairman of the Economic Council of Canada but who is now the President of the Conference Board of Canada; we've had advice from people like Mr. J. W. Burns, President of the Great West Life Assurance Company, he participated in this conference; we had people such as Mr. Duckworth, President of the University of Winnipeg, assist us, -- (Interjection) -- Dr. Duckworth -- -- (Interjection) -- Dr. Duckworth did you say? Sorry. We've had people such as Dr. Andreas of the Department of Economics at York University. So whether you're talking about businessmen or academicians . . .

MR. CHAIRMAN: The Honourable Minister has four minutes.

MR. EVANS: Thank you. Whether you're talking about business -- I didn't appreciate that I was so long-winded, Mr. Chairman, although I can hardly hear myself I must admit . . .

MR. CHAIRMAN: I wonder if we could have a bit of order.

MR. EVANS: In fact it's extremely distracting on both sides of the House. I'll be prepared to continue when there's a little quietness, Mr. Chairman.

MR. CHAIRMAN: Order, please. The Honourable Minister of Industry and Commerce.

MR. EVANS: In conclusion, Mr. Chairman, I want to state that anyone who tries to imply that there's no room for the theoretician or the academician, the person who takes the long perspective to tell us where we're going, where we've gone wrong, is a yahoo. Anybody -- -- (Interjection -- What's a yahoo? Well you've got to read a certain book and find out what a yahoo is. But anybody who implies that there's no room for the egghead must himself be a blockhead, you know. If you give me a choice between an egghead and a blockhead, I'd rather have an egghead any day. But the fact of the matter is that there is room for the academic; there is room for the Professor of Economics, as there is room for the Federal Minister of Industry, Trade and Commerce, who is a Professor of Political Science, there is room for him in Canada because he's making a contribution as a Federal Minister of Industry, Trade and Commerce, and I say there's room for the theoreticians . . .

MR. CHAIRMAN: Order, please. Order, please. Order. -- (Interjection) -- I might just do that. The Honourable Minister of Industry and Commerce.

MR. EVANS: Thank you, Mr. Chairman. There is room for people like Ted . . . of the Faculty of Commerce of Carlton University who prepared a paper for us on the Canadian scene as it pertains to regional economic planning. There's room for Professor McAllister of Dalhousie University, who talks about the whole question of whether incentives to industry really does pay off or not. It's really worth reading this. I'd highly recommend it to the Minister from Lakeside or the Member from Lakeside. There is an article by Professor Barber, Head of the Department of Economics of the University of Manitoba, which I particularly recommend to the Minister, to the Member for Lakeside. I can't seem to forget about his previous capacity, as on the subject of the Manitoba economy 1980. You know there is room for the people who are prepared to sit down and see where we're going and to give us their advice and their wisdom and for anybody to neglect this or to belittle this, belittles themselves.

MR. SPEAKER: The Honourable Member for Thompson.

MR. BOROWSKI: Thank you, Mr. Chairman, now that the intellectual is finished perhaps this yahoo can say a few words. I had a long -- (Interjection) -- well I don't know - anything that's not a professor is a yahoo. I had a long speech prepared to deal with that department, Mr. Chairman. I've lost it and I think it's a good thing. It would be most inappropriate to make it tonight on the eve of the by-election, and I want to congratulate the Minister on his announcement that there's going to be another industry coming and I know that the by-election has nothing to do with it. I know that because the meeting was set up a long time ago and the

(MR. BOROWSKI cont'd) president of the company came in and it's just pure coincidence that he is in tonight and that the Minister can make that announcement, and I congratulate him for it. For once he has done something and it hasn't cost the taxpayers the money, the taxpayers of Manitoba any money.

Mr. Chairman, we are, I understand, under the Minister's salary which means that there's quite a wide latitude and since I've lost my speech I think it's appropriate that I would deal, I would like to deal with chemicals

MR. ENNS: It's always with reluctance that I correct the Honourable Member from Thompson but we are not on the Minister's salary, we are on Resolution 78, Affiliated Agencies and Activities, and I would expect, Sir, that you would show the same kind of partiality and rulings that would restrict the member to the discussion of that particular matter.

MR. BOROWSKI: Mr. Chairman, I'm glad that the member brought it to my attention because I intend to speak about chemical activity and chemicals, and it's appropriate because the American Government just banned DDT. It's an area that I think should be of concern to all of us because it's only ten years this year, since Rachel Carson wrote her book "The Silent Spring" and in that ten years the use of chemicals has pyramided and the problems have multiplied many times over, and I think that we have reached the point in time in our history that all governments have to take a serious look at the use of chemicals.

Now I know that the Premier indicated that it's a Federal matter. I would like the Premier to know that it's not so. The State of New Jersey has banned chemicals ten years ago. The State of New Jersey has banned chemicals ten years ago. I understand some other states have so it's a provincial and state jurisdiction, and I think that this government has the responsibility to the people in this province to look at the background and the history of DDT, Parathion, Savin, B . . . and all the other poisonous and highly dangerous and toxic chemicals that have been brought in in anticipation of the one day of banning of DDT. The company is certainly well aware that this was going to happen.

MR. CHAIRMAN: The Member for Lakeside on a point of order.

MR. ENNS: On a point of order, and I promise to only raise this once more, because I know, Sir, that from you we'll have the same degree of latitude on other occasions, but this speech that the honourable member is making may be pertinent to the Department of Agriculture, maybe it's pertinent to the Department of Mines and Resources if we're talking about environmental management, it may be pertinent to many other places, but I have some difficulty in relating it's pertinency to affiliated agencies and activities and the No. 1, the (a) thing is the Manitoba Development Corporation, and I would ask you, Sir, because you have been known from occasion to rule rather harshly, and severely, and rule us into order when we are out of order, and if the Member has some specific remarks to make in this direction then I certainly want to hear them, but I ask you to take these remarks from the Opposition into consideration should we perhaps stray from particular points that we are dealing with.

MR. CHAIRMAN: Order, please. Are you speaking to the point of order?

MR. BOROWSKI: . . . particular point of order because MDC, and as a matter of fact under the previous government it funded Brandon Chemicals which are producers, Simplot, I'm sorry, Simplot, which funded this operation, Industry and Commerce is surely responsible for the manufacture and it does fall under that jurisdiction, Mr. Chairman, so I think it's in order, quite in order to speak on this, Dryden Chemicals

MR. CHAIRMAN: Order.

MR. ENNS: . . . I find the reasoning of the member eminently fair and logic and I would apply the same in any future state that I may find myself in. Thank you.

MR. CHAIRMAN: Order, please. The Chair is going to make a ruling. I think the point that the Honourable Member for Lakeside is well taken. I think that the honourable member should confine himself to Resolution 78(a) which is the Manitoba Development Corporation and its functions. The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Chairman, you make it very difficult because I don't want to talk about MDC as such. I understood that there's

MR. CHAIRMAN: Order. It may be that the honourable member does not want to talk about it but Rule 62(4) is what we're dealing with and the item has to be relevant. Now either the honourable member speaks to Manitoba Development Corporation, or I'll have to ask him to sit down.

MR. BOROWSKI: Well, Mr. Chairman, can I get further clarification from you I'm

(MR. BOROWSKI cont'd) rather confused with the points raised. The MDC has funded two chemical firms, and in view of the fact that large sums of public funds are going into firms that manufacture, it seems to me that the government has a responsibility to see to it that they're not manufacturing something that is harmful to Manitoba. It seems to me, Mr. Chairman, that that would be a fair, we could have a fair discussion on that basis.

I'd like to first of all, quote a few statistics from the Prevention Magazine, and this is put out by the father of organic gardening and pollution fighters. He died last year. He died of old age, Mr. Chairman, and in his book he gives us some of the effects of the chemicals that are produced and some of these chemicals are produced by our plants and you know - I'm glad to see that the House is in a jovial mood for a change - but some of the stuff that's produced is going to create nightmares in this province as it has created in the United States. And I'd just like to deal with one of the statements made -- (Interjection) -- Yes, I'd be very happy to and I would recommend that each member of this House be a subscriber because it gives you detailed information and research carried out since 1942. -- (Interjection) -- That's advertising.

Now between 1955 and 65 the tonnage of pesticides sold in the United States is increased by 84 percent. That's 437,000 tons of basic pesticides are produced - I'm sorry, 457 tons were produced in 1965 alone. It has become to be a billion dollar business. Now I know it's good - pesticide and herbicide business is good business for United States, for Canada for various parts of Europe. I understand that the Brandon operation is turning over a large sum of money selling this stuff and I'd just like to read a few more paragraphs to indicate the consequences of the use of this chemical. "Other countries have already taken steps to guard against this slow form of national suicide. In Scandinavia for example, the Swedish Poisons and Pesticide Board has placed a one year ban on the use of 24D, 245T and their relatives. The restriction applies to all places to which the public has access, forests, parks, strips along the roadway." And this is an area, Mr. Chairman, that I tried to ban when I was Minister, and may I say, unsuccessfully. "Despite testimony on April 15, 1970 before a Senate Commerce Sub-Committee by FDA scientist Dr. Jacqueline Lorette that 245T and 24D are more potent and thalidomide in their ability to cause birth defects, 24D is still being used between 500 and 800, in 500 and 800 commercial products." Now I realize that when the American government made this statement they're going to ban it, it's really meaningless, Mr. Chairman, because in the United States and Canada the people who produce this have anticipated this action for years because in Europe they have banned it many years ago, so they have bought out relatives which are just as destructive and they don't have the life span or as bad as DDT. I think DDT residue lasts for 15 years, these other ones will break down in about a year's time. Nevertheless, they are much more dangerous, particularly in the early stages of it. "As recently as March 18, the Federal Environmental Protection Agency ruled there was not enough evidence of imminent hazard to justify a total ban on DDT and 245T at the time."

Now this magazine was written in November of 1971 and today, or yesterday, we understand the American government has finally banned it. But if you listen to the logic, Mr. Chairman, there isn't sufficient evidence to justify banning. Now isn't that incredible. We have heard that same argument made on cigarette smoking and cancer, on detergent soaps, and on various other things that have been banned today. It seems that something drastic has to happen like in the case of mercury poisoning in Japan where 54 men, women and children died. Something drastic had to happen before government woke up and said we will now allow it. And I suggest at the rate we're going at the consumption, increase in consumption and the pesticide pushers that we have, inside and outside the Legislature, it's just a question of time where we're going to be in a very serious situation.

And I'd like to read further, Mr. Chairman, to give you some indication what has happened elsewhere. I think in Alberta two years ago they destroyed the pheasant which was - the pheasants and the pheasant season which was a million dollar tourist industry. The Americans used to come up there for the sole purpose of shooting pheasants. Hawks and birds of prey, which like men are near the top of the food chain, they concentrate DDT a thousandfold in their tissues by eating smaller birds or rodents, which in turn have eaten thousands of insects. A predatory bird can build up fantastic stores of DDT in its body, and even small amounts can have dramatic effects, just seven parts per million reduces the thickness of eggshells by more than 20 percent. And I think we know that some birds are near extinction, and will be within a few years, because the pesticides have changed them chemically inside where the eggs are just - there's a sac on them, and I've seen these eggs myself, Mr. Chairman, where the egg

(MR. BOROWSKI cont'd) is simply a sac, and at the rate we're going it will be a matter of a very few years before a lot of the game birds that are not only food for us but are also a sport bird are going to disappear. And in addition to that we eat wild geese, ducks, turkeys, partridges, and various other birds; these birds by eating some of the bugs that are being sprayed - and it's not surprising, Mr. Chairman, that the City of Winnipeg was in a crisis a couple of weeks ago when the worms were eating off all the leaves. They've killed off over the years of spraying with DDT, they've killed off the natural enemy, so there is nobody to fight the canker worm or the army worm or any of these other ones. And not only that, these bugs it has been shown through very careful research, it has been shown that like VD it has built up a tremendous immunity. At one time I understand it took a few international units to kill VD. Today it takes a million units. The scientists tell us that at the rate we're going that within the next two decades there is no known chemical, even on the horizon, that'll be able to kill these bugs because every year they are developing an immunity to it. Rather than do that they suggest that we should do what has been done in New York, is to bring in natural, the natural enemy. They brought in about a million ladybugs, half a million praying mantis, and another wasp, I think it's called They released them in the park in New York and without spraying one ounce of pesticide they destroyed all the bugs that were eating up the trees as was happening here in Winnipeg. And, Mr. Chairman, I am amazed that an intelligent government, and I'm not talking about this government, I'm talking about all governments -- (Interjection) -- I'm talking about all governments, that they are so blind that all they can see is pesticides, pesticides, and more pesticides.

I phoned up the university a couple of weeks ago to ask if I could buy some of these bugs to release in my garden because my trees are being eaten and they said, sorry we don't have any. We recommend you spray Malathion, which is just as dangerous, and a kissing cousin to DDT, just as dangerous. That's all they could recommend. If I want to bring in bugs, or if anybody wanted to bring in bugs they have to fly them in from the United States. Now that's incredible. Here we have a university that we give \$52 million a year, these people haven't got the intelligence to look into some of the natural predators or any of the things that we have -- (Interjection) -- that's probably what they do. If they didn't they would know that there is problems -- (Interjection) --

I'd like to quote further from Page 119 on that same issue, Mr. Chairman. "By now you may be beginning to see that suicide is too high a cost for any growth in income. If the desirability of economic growth is the only answer seriously being put forward by the Department of Agriculture" - they're talking about the American Department - "another bureaucrat could justify spraying of food crops with chemicals that are literally killing us. Ever increasing production demand it, they say, and just how costly in health such a policy may prove to this nation was recently pointed up by the findings which indicate persistent insecticides and weed killer such as DDT, Aldrin and 24D may be even more lethal than previously supposed." Now they keep telling us that we must have this to feed the people. Now, Mr. Chairman, everybody knows that our problem has not been the production of food, it has been to pay farmers enough not to grow it. And isn't that amazing, that they can get away with the type of a hoax by - in the name of food production they can peddle this stuff here and the farmer and the government is put to tremendous expense to cut production and to build tremendous storage capacity to hold the grain because they can't get rid of it. Obviously our country and the American country is not prepared to give it away to the starving nations, so what are we raising this grain for? What are we poisoning our atmosphere for? So we can fill up more grain bins? In Europe where the game bird population has been rapidly dying off, scientists have long suspected that widely used potent herbicides were to blame. They were suspicious enough to investigate and what they found comes as no surprise to environmentalists everywhere. And an experimental study reported in the New Science Journal, March 18, 1971, French Research Yvonne Lutz-Astertag and Herbert Lutz sprayed the eggs of game birds with a commercial solution of 24D. Even using levels well below those commonly used in Britain's cereal fields, for instance they found that the compound accelerates the death rate and causes physical and sexual abnormalities in the birds. Their conclusion, phenoxyherbicides 24D, 245T, etc., are apparently much more dangerous than previously suspected and the laboratory at the Faculty of Science in Cézaus Puy-de-Dôme the French scientist sprayed the eggs of pheasants, red-legged and gray partridge with 24D. The eggs in the second control group were sprayed with pure water. By the 19th day of incubation 155 of the 201 grey partridge embryos sprayed with the herbicide had

(MR. BOROWSKI cont'd) died. The mortality rate among the exposed pheasant were equally high, 77 percent. Forty-three percent of the red-legged partridge embryos died as well and most of the birds that survived were partly or totally paralyzed."

One further quote I would like to give, Mr. Chairman, for the record, and this is a September 1971 issue of Prevention where Mr. Rodale the founder of this organization, and may I say, Mr. Chairman, as an aside that this is probably one of the most brilliant men in that field, not only was he an expert on pollution but he was also an expert in organic gardening, I understand, and he taught the Israelis how to grow crops on the hot desert sands.

Back in 1942 when everybody was telling us that DDT was going to be the saviour of mankind, here's what he had to say: "Before a generation is out that we will be cursing the scientists and the politicians that allowed this chemical to be foisted on the public." And he talks about the ocean, and I think we know what happened at Churchill where the fish and the bears and the white whale have DDT in them and it comes as quite a shock to this government. Well it didn't come as a shock to him because the ocean has become a giant septic tank and according to this man a quarter of all DDT manufactured to date is now in the ocean. And this report is issued by the National Academy of Science, National Research Council Ocean Affairs Board, reported in New York Times June 16, 1971. "Marine fish were almost universally contaminated with chlorinated hydrocarbon residues and sadly so are we." Well, Mr. Chairman, normally discussing a subject like this you couldn't get much response and it seems that we have built up an immunity. We are almost the unshockable society that something disastrous has to happen to wake us up but the evidence is mounting throughout the world not just in North America, which is the biggest user of herbicides and pesticides. But the evidence is mounting and it's so overwhelming that I simply cannot understand how any government cannot act on the evidence present. If a scientist got up today and said that in 10 years half of the babies are going to be deformed, maybe that kind of a shock statement will galvanize governments to do something, and maybe somebody should make that statement because you know we have the statistics that are available to all of us, we show more and more children being born with abnormalities and some say it's VD, some say it's drugs, and no doubt that this is a contributing factor. But if you look at the tremendous increase living in a world with the highest standard of living, in a country with the highest standard of living, surely one should pause and ask himself the question, why are we having so many mental and physical defects born? Shouldn't we examine that and shouldn't the Minister of Industry and Commerce and the Minister of Health, and the Federal Government, sit down and look into this area very carefully and if they find that these chemicals are dangerous then we may have to tell the farmer to hell with your crops, let the worms eat them, we may have to tell them and pay them, and pay them for that, because the farmer has to live. The alternative may be chemical national disaster and I ask this government, and as serious as I can, to sit down and look into this area and take some action before it's too late. Thank you.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: I'm going to speak. . .

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MRS. TRUEMAN: If the previous speaker would submit to a question. Did the author of the article from which he was reading mention any substitutes that might be available for controlling yellow fever, malaria, and perhaps sleeping sickness, all of which use insects as a medium of carrying the disease. They bite the infected person and then carry it.

MR. BOROWSKI: Mr. Chairman, I know what the member is getting at and in this particular article he did not mention. He has been putting out the magazine since 1940, I believe, and he deals with the various other problems that she mentioned, and may I say he does not have the answer to deal with every disease, there is no question about it, but he has documented very carefully through research and through joint research with various governments. So even he might not have the answer, like we don't have the answer to cancer, we don't have the cure, but we know what causes it. Surely that in itself is enough for us to pause. Just because we do not have the answer does not say that we should stop. But as we search, look for the answer, but if we know that this thing is causing 10,000 cancer cases, isn't that sufficient reason to say, we will stop it and look for something else.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, we're dealing with the Manitoba Development Corporation and as such I would like to make some comments. I came on to an article this afternoon carried in the Winnipeg Tribune and the item is, "CFI Cash Removed in Suitcase - Witness", and the

(MR. FROESE cont'd) article is written by Richard P I would like to read a couple of the paragraphs because I think that it has a bearing on what I want to say. It starts off: "A Swiss contractor for the Forest Industry Complex at The Pas collected a large sum of project money from Swiss bank accounts and hid it in his suitcase. The Commission of Enquiry into the project was told Wednesday. Paul J. Demare, a chartered accountant investigating the Complex's tangled financial affairs for the Manitoba government, said the money was withdrawn last October 25th by A. R. Zingre, General Manager of Bertram Verhaufs AG, turnkey for contractor for Churchill Forest Industries (Manitoba) Limited, and two of the other companies involved in the project."

Then the article goes on and lists the various accounts, and he continues "They were variously in Canadian dollars, U.S. dollars, West German deutschemarks, Dutch and British pounds. The suitcase episode was revealed when Mr. Demare was discussing the more than 100 bank accounts he has uncovered in North America and Europe, among which Manitoba Development Fund loan money to the owner companies was circulated. The Swiss bank accounts on his list no longer exist he said. The money went away in a suitcase. Are you speaking facetiously asked Councillor D'Arcy McCaffrey? He was not, Mr. Demare assured the Commission. He said he was in Zurich on his investigation at the time and discovered that on October 25th all the money in this Swiss account had been converted into Swiss francs and had disappeared. Mr. Zingre upon enquiry, told him that he had been advised from the Swiss Capital of Berne that "someone from Canada was trying to get at the accounts so he went to the bank with his suitcase, converted the accounts into cash, put the money in the suitcase and hid it." This is very interesting as to what has gone on and further on there is much more said as to what proceeded.

But then a little later on in the article it mentions Demare once more. And I certainly didn't know who Demare was but apparently from this article it's being explained. And it says here, "Mr. Demare, who is on leave from regular duties with the Manitoba Development Corporation, successor to the MDF, stressed that the pattern of multiple bank accounts did not exist in connection with any loan of the MDF, MDC, except those to The Pas project. Other borrowers had one, or at most two accounts, one for payroll and one for paying bills." Then, "Can you see any logic for this network of accounts?" asked Commission Chairman C. Rhodes Smith. He replied, "I have my own opinion as to why they did this," said Mr. Demare, suggesting that the commission draw its own conclusions. "It proved fantastically expensive to the companies", he said. And then he goes on and lists the various amounts held by these various different companies.

It goes on to say, "Figures provided by Mr. Demare showed that the total indebtedness of the borrowing companies to MDC at the time of receivership was \$95,925,884.00. This was broken down: CFI, 40,757,000, including a chartered bank loan of 2.3 million guaranteed by the MDC; MTI with 33,972,000 - I'm using wrong figures - JBSC, 10,350,000; and River Sawmills with 10,145,000."

It's very interesting then also to read one further paragraph, which in my opinion shows up something that I feel is drastically wrong, and he says here: "At one point CFI loaned 3,450,000 to MTI. Chairman Smith asked what right one borrower had to lend MDF monies to another. Mr. Demare said, 'inter-company loans among the borrowers at The Pas were not rare. There were many instances' he added, 'of loans from project companies to other companies not connected with The Pas at all'."

Mr. Speaker, the article is very interesting, and I think it's very revealing, and I would certainly like to know from the Minister what controls have been exercised, and what precautions have been taken since this whole deal came about, and shouldn't we have had an Auditor-General long before this, and wouldn't that have curtailed some of these things happening? I feel that if we had had these precautions taken that certainly some of the things would not have happened. Because we know that the Minister of Finance who comes to this House and asks for appropriations for financing these various corporations, he also asks for allocations to the MDC, and what precautions, or what scrutiny does the Minister of Finance take to assure himself that the funds are properly being used? What assurances does he get that the monies are spent for the purposes intended? Did we as a government borrow the deutschemarks that these people took down there and deposited in those banks. And now we are borrowing them back from them at interest rates. I just wonder what took place and what has happened.

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. CHERNIAK: . . . moment would permit me to interrupt. I think we have general agreement that we propose to move into Committee of Ways and Means and I'm wondering if the honourable member will be completing soon, or whether he'd rather stop now and continue the next time we're in Estimates.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: Well I've one final question, then I can continue the next time.

There was mention made in the article that a certain person from Canada, someone from Canada was trying to get at the accounts. Maybe the Minister could tell us who this someone was, if he knows this someone that is being referred to. I'd certainly be interested to know and I'd like to discuss this matter much further and in more detail, but I'll accede to the Minister to stop at this time.

MR. CHERNIAK: Mr. Chairman, before I move that the Committee rise I'm just wondering the extent to which the CFI Inquiry Commission evidence is to be discussed in the House or Committee. I'm under the impression that it's sub judice and should not be discussed. But in any event that something that you as Chairman might want to consider next time we go into Supply.

I move that committee rise and report.

MR. CHAIRMAN: Committee rise. Call in the Speaker.

Mr. Speaker, the Committee of Supply has directed me to report progress and begs leave to sit again.

IN SESSION

MR. SPEAKER: The Honourable Member for Logan.

MR. JENKINS: Mr. Speaker, I beg to move, seconded by the Honourable Member for Point Douglas, that the report of the Committee be received.

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

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I beg to move, seconded by the Honourable the Attorney-General, that the Resolution reported from the Committee of Supply be read a second time and concurred in.

MR. SPEAKER presented the motion.

MR. CLERK: Resolved that there be granted to Her Majesty a sum not exceeding \$250,000 for Urban Affairs, grants and other special support conditional tax base equalization payments in the City of Winnipeg.

Resolved that there be granted to Her Majesty a sum not exceeding \$30 million for capital expenditures in Manitoba Hospital Capital Financing Authority.

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

MR. SPEAKER: The Honourable Minister of Finance.

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

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

COMMITTEE OF WAYS AND MEANS

MR. CHAIRMAN: Resolved that towards making good certain further sums of money granted to Her Majesty for the public service for the Province for the fiscal year ending the 31st day of March 1973, the sum of \$250,000 be granted out of the Consolidated Fund.

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

MR. CHAIRMAN: Resolved that toward making good certain sums of money for capital purposes the sum of \$30 million be granted out of the Consolidated Fund.

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

MR. CHAIRMAN: Committee rise. Call in the Speaker.

Mr. Speaker, the Committee of Supply has directed me to report progress and asks leave to sit again.

IN SESSION

MR. SPEAKER: The Honourable Member for Logan.

MR. JENKINS: Mr. Speaker, I'd like to move, seconded by the Honourable Member for Ste. Rose, that the report of the Committee be received.

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

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I beg to move, seconded by the Honourable Minister of Highways that the Resolution reported from the Committee of Ways and Means be read a second time and concurred in.

MR. SPEAKER presented the motion.

MR. CLERK: Resolved that towards making good certain sums of money granted to Her Majesty for the Public Service for the Province for the fiscal year ending the 31st day of March 1973, the sum of \$250,000 be granted out of the Consolidated Fund.

Resolved that towards making good certain sums of money for Capital purposes the sum of \$30 million be granted out of the Consolidated Fund.

MR. SPEAKER: Is it the pleasure of the House to concur on the motion? Agreed. So ordered.

We are three minutes to the Private Members' Hour -- is it the desire to go into Private Members' Hour now?

MR. ENNS: Mr. Speaker, I don't believe the hour has quite reached that moment of Private Members' Hour and I would . . . No, I was going to discuss the Highways Richardson Report.

MR. CHERNIACK: Mr. Speaker, would you call Bill No. 65. Mr. Speaker, I think we could proceed with the -- the government waives its portion of the Order Paper for today.

PRIVATE MEMBERS' HOUR

MR. SPEAKER: On Thursday, the Private Members' Hour, first item is Public Bills for Private Members. This is on the Order Paper on Page . . . Order, please. This is on the Order Paper on Page 5. The first item is Bill No. 41, the proposed motion of the Honourable Member for Rupertsland -- the Honourable Member for Radisson. -- (Interjection) -- I wasn't aware we were in a thumping mood today. The Honourable Member for Radisson.

MR. HARRY SHAFRANSKY (Radisson): Mr. Speaker, I beg the indulgence of the House to have the matter stand.

MR. SPEAKER: Very well. The next item is Bill No. 64, the proposed motion of the Honourable Member for Assiniboia. The Honourable Member for Morris. The Honourable Member for Brandon West.

MR. MCGILL: Mr. Speaker, if this matter could stand in the name of the Honourable Member for Morris, I am sure anyone else who wishes to speak at this time would . . .

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, that's not an order. The Honourable Member for Morris was in the midst of speaking and I don't think it's acceptable that someone speaks. It should stand in his name until he is here.

MR. SPEAKER: True. Next item is Public Bills. Proposed motion No. 61 -- the Honourable Member for St. Vital.

MR. JAMES WALDING (St. Vital) presented Bill No. 61, an Act to amend an Act to incorporate the Association for Retarded Children in Manitoba, for second reading.

MR. SPEAKER presented the motion.

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

MR. WALDING: Mr. Chairman, this is a rather simple and straightforward bill but it is of some importance to the Association. The bill is basically in two parts; the first part simply asks that the name of the Association be changed from The Association for Retarded Children in Manitoba to the Canadian Association for the Mentally Retarded (Manitoba Division). This reflects the changed emphasis of the Association in that it now deals with retarded persons generally rather than simply retarded children. The second reason for the change is to bring the name change in line with the Canadian National Association.

The second part of the bill, and here I should explain the way the Association is set up in Manitoba at the moment, in that there are a number of Chapters of the Association set up in different towns and municipalities in the Province, and these are set up by means of a

(MR. WALDING cont'd) Certificate of Incorporation issued by the Association for Retarded Children in Manitoba. The second part of this bill would enable those Chapters if they so wished to change their own name in line with the Provincial Association and with the National Association. Mr. Speaker, this is I feel a non-contentious bill and I recommend it to the Members of the House.

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

MR. SPEAKER: The next item is the proposed motion of Bill No. 76, the Honourable Member for Roblin. Stand?

MR. J. R. FERGUSON (Gladstone): Mr. Speaker, I think we'll try and locate the Member for Roblin. I think we can have him very shortly. Could we bypass this and go back to it?

MR. SPEAKER: Proposed motion -- Bill No. 80. The proposed motion by the Honourable Member for Rupertsland. The Honourable Member for Rupertsland. Absent. Is it agreeable? The Honourable Minister of Finance -- we go back to 76.

MR. CHERNIACK: Mr. Speaker, I'm wondering if by unanimous consent -- and I think we need unanimous consent -- you could revert back to Bill No. 76.

MR. SPEAKER: Agreed? So ordered. The Honourable Member for Roblin. Bill No. 76 -- introduction.

MR. J. WALLY McKENZIE (Roblin) presented Bill No. 76, An Act respecting The Town of Grandview, for second reading.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Member for Roblin.

MR. McKENZIE: Well, Mr. Speaker, this bill deals with the provisions of the Liquor Control Act. A vote was held in the Town of Grandview in 1970 -- a petition for extended privileges under the Liquor Control Act; and the vote was turned down, and the petitioners in the area now have petitioned and asked for extension of the terms of the Municipal Act whereby a referendum can be held again this fall for the cocktail room licence.

MR. SPEAKER put the question.

MR. SPEAKER: The Honourable Member for Radisson.

MR. SHAFRANSKY: Mr. Speaker, I move, seconded by the Honourable Member for Winnipeg Centre that debate be adjourned.

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

MR. SPEAKER: On Page 6, the proposed motion -- Bill No. 26. The Honourable Member for Inkster. (Stand) Adjourned reading, Private Bill -- Proposed motion of the Honourable Member for Crescentwood. The Honourable Member for Radisson. Bill No. 74. The Honourable Member for . . .

MR. FROESE: The bill that was just called has been standing there for time and again. Is it ever going to be moved at all during this Session?

MR. SPEAKER: There is nothing in the procedure says a member has to move it. The Honourable Member for Inkster on the same point of order?

MR. GREEN: Mr. Speaker, yes, on the point of order -- I think that the honourable member could if he wishes get an explanation which, if the House will permit me to give I will give it. I did before but apparently the honourable member wasn't here.

MR. SPEAKER: There is nothing . . . there is nothing before the House at the present time. The Bill has not been introduced and it cannot be debated.

MR. GREEN: Well, Mr. Speaker, the honourable member -- I appreciate that. The honourable member has asked clarification as to why a bill continues to stand. I am prepared to give that clarification -- if the Speaker says that that will be my debating time I will sit down and not give the clarification.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: On the same point of order I choose now, Sir, to rise and support your indicated ruling on the matter. Really we've stretched the rules considerably tonight already on matters I choose not to refer to -- and I would ask you that -- as you indicated, Sir, there is no calling of any bill before the House nor need for an explanation why a bill is not called before the House.

MR. SPEAKER: Proposed motion of the Honourable Member for Crescentwood. The Honourable Member for Radisson. Bill No. 72.

MR. SHAFRANSKY: Mr. Speaker, I beg to have the matter stand.

PRIVATE MEMBERS' RESOLUTIONS

MR. SPEAKER: Agreed. Private Members' Resolutions. Resolution No. 28. The Honourable Member for Portage la Prairie's Resolution. One moment please. It's not been introduced. The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, I beg to move, seconded by the Member for Assiniboia:

WHEREAS with the rapid increase in government expenditures of this province it has become increasingly difficult for members of the Executive Council to scrutinize and administer in an efficient manner the money voted by the Legislature;

AND WHEREAS the appointment of an Auditor-General in other jurisdictions has proved of great benefit in controlling waste in government and has provided savings to the taxpayer;

THEREFORE BE IT RESOLVED that this House continue to press for the establishment of an officer known as the Auditor-General of Manitoba and that he be empowered to make independent spot inspections and running audits of all government departments, boards, commissions and utilities and to report to the Legislature;

AND BE IT FURTHER RESOLVED the Auditor-General should be appointed by the Legislature, be responsible only to the Legislature, be removed from office only by a two-thirds majority votes in the Legislature.

MR. SPEAKER presented the Resolution.

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

MR. G. JOHNSTON: Mr. Speaker, at the very outset of this resolution I want to make it very clear that the resolution in no way is an indication that I have not faith in the present officials of the department in any case be it the Deputy Provincial Treasurer or any of those under him; or the Comptroller-General which I realize we have here in the province, and have had for some time. In fact the Comptroller-General performs some of the functions at the moment that I would recommend for the Auditor-General -- but does not perform all of them, nor is it his responsibility to do so. And this is the purpose of my resolution. But I want to make it very, very clear that this is by no means an inference that there is not someone performing the functions, that they are appointed to do, or that I have any misgivings about the qualifications or the work that they are presently doing. The Comptroller-General has been here for some time. He was appointed I believe when the Liberals were in office, which is many years ago. We see him every year in Public Accounts, and certainly to the best of my knowledge he is performing a very good job in the bounds of responsibilities that are laid out for him. So far as our own systems are concerned the oldest Auditor-General is that of England. In Britain the office was established in 1866 and there the officer is appointed by Letters Patent, and he is responsible only to the House of Commons. He enjoys an independent status similar to that of a high court judge. His salary is charged on the Consolidated Fund and he cannot be removed from office except on an Address of both Houses of Parliament. Now he conducts the audits of all the government accounts and in particular one of his responsibilities is to check for waste and weakness of the systems.

I think some of the members will recall one of the cases that arose just after the war, in England that is, and it was with regard to some land that had been taken over -- I think it was Churchill Downs -- for an airport construction. And there, after a great deal of investigation by the Auditor-General it was found that in fact there had been improper practices. There as well the Auditor-General has investigated such Crown corporations as the airline companies and found that the British National Airlines were not operating on an effective basis as some of their competition, and had a number of recommendations to make and substantial savings were effected.

Turning now to the Canadian scene under the revised Statutes of Canada, there are two offices established. One is the Comptroller of the Treasury; he is appointed by the Governor-in-Council, and his functions are somewhat similar to our own comptroller here. But in addition to this Comptroller of the Treasury in Ottawa, whose counterpart we have in Manitoba, there is as well an Auditor-General. Now he is appointed by the Governor-in-Council. He holds office during good behaviour until 65 years of age and is removable only by the Governor-General on an Address of the Senate and the House of Commons.

Now this is a practice with which we are somewhat familiar. It applies to some of our present officials. The Auditor-General in Ottawa can employ such employees and officers as he feels he requires. He has free access to all governmental files, documents and records.

(MR. G. JOHNSTON cont'd) He may require from members of the public service such information and reports and explanations as he requires for his investigation. His terms of reference are broader than those of the Comptroller-General here. Among other things . .

MR. SPEAKER: Order, please. The Honourable Minister of Finance on a point of order.

MR. CHERNIACK: Mr. Speaker, on several occasions the honourable member who's speaking has referred to the Provincial Comptroller-General, I imagine he should be aware of the fact that there is no such appointee. There is the Provincial Auditor; and there used to be a Comptroller, but there isn't one now -- and I just wondered if he's really referring to the Provincial Auditor.

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

MR. G. JOHNSTON: Mr. Speaker, it's true that in recent years the term and the title and some of the duties have been changed. Now I recognize that, and I thank the Minister of Finance for pointing this out to me -- but I am speaking of the Provincial Auditor who used to be known as the Comptroller-General. Also he ascertains that the accounts have been faithfully and properly checked. Then he checks that all monies have been fully accounted for and has been an effective check on the assessment, collection and proper allocations of the revenues. Then he checks if the money has been expended for the purpose for which it was appropriated. Now here -- now that is done here, I know, by our auditor. Then he ascertains that the proper records of procedures to safeguard and control public property are maintained. Every year the Auditor-General at Ottawa reports to the House and reports on anything he feels is of importance, in particular, neglect or omissions or neglect to receive money; any public money not duly accounted for; any appropriations that were exceeded or used in a manner not authorized, and any type of fraud. In addition to these particular responsibilities to which he is charged, he may of course at the request of the Treasury at any time investigate any of their financial operations of any of the boards or corporations or departments of the government; and he may on his own decision proceed to investigate that whichever he feels to be the case he is entitled to investigate by law.

Mr. Speaker, once you reach the size of the staff and the size of the expenditure that the Provincial Government now has -- and I'm now talking about \$575 million -- then it is important that we do have an independent check on what is going on. May I refer members to recent statements that have appeared in the National Press by Mr. Henderson in Ottawa, the Auditor-General, where he is highly critical -- and I would expect with just cause -- of government spending where monies have not been accounted for; where there have been overpayments; where there has not been money collected that has been owing to the government. I need only refer in closing, Mr. Speaker, to the sad situation that is confronting the taxpayers of Manitoba, and I refer now to the CFI investigation. While it's true that this whole operation is before an enquiry which has the power of the court -- I believe that anything that I am saying at this time is common knowledge, it's reported in the newspapers -- but had there been an Auditor-General in Manitoba with the powers that I just described, then I am sure that the \$95 million of taxpayers' money which is being looked for now -- and by today's press we find that somebody stuffed a suitcase full of money in Switzerland of Manitoba taxpayers' money. This never would have happened had we had an Auditor-General in this province.

MR. SPEAKER: Is it the pleasure of the House to adopt the motion? The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I somehow get a feeling that we are replaying an old record because I am absolutely sure in my own mind that I have debated this resolution at least twice in this session. I assume once it may have been under the Estimates of the Executive Council -- or the Legislative Session of the Estimates -- the other may have been under my own department's Estimates, but I know that I've debated it twice. I'm also under the impression that the Member for Portage la Prairie was not present during the debate, as I seem to recall the Member for Assiniboia carrying the Liberal ball at the time.

Mr. Speaker, I don't want to repeat all that was discussed during the previous occasions when we debated it. I am happy now -- and I say that quite sincerely -- that the Member for Portage la Prairie has made it clear that there is complete satisfaction on his part with the practice and the integrity of the Provincial Auditor of Manitoba. And I mention that only because I feel that he made a statement during the time of the Throne Speech -- and his leader made it publicly -- so that on two occasions there was definite criticism in my mind of the

(MR. CHERNIACK cont'd) method in which the Provincial Auditor was operating. As a matter of fact I had occasion to refer to the fact that his leader was reported to have made some statement: well, if he's independent, he's not really independent because the government controls the nature or age of the car which he operates at government expense -- and some suggestion clearly made by the Leader of the Liberal Party that there is still a measure of control over the Provincial Auditor that does impinge against his autonomous rights and responsibilities. Well what was said today by the Honourable Member for Portage la Prairie is I believe completely contrary to what has been said previously by his Leader, and I'm glad that he made the statement that he did.

I'm also interested in the history that he gave us about the British procedures and some accounting of what happens in the Federal scene, which is very much like what happens right in this province. I can recall times back when the Liberal Party was demanding a Provincial Auditor when I was in the House sitting on the same side and practically in the same corner as the Liberal Party now sits. There was talk then about a Provincial Auditor -- and it was after that that there was a change made in the Act and the Comptroller-General became the Provincial Auditor, and I believe some of the powers may have been extended and possibly his integrity and autonomy was more firmly established. So let's make it absolutely clear that he does have an independence which no one can take away from him except this Legislature. And not just a majority of the Legislature, but a greater number than a majority.

But let's get back to some of the things that were said by the member today. And let's look at the resolution. It is the opinion of the Member for Portage that it has become increasingly difficult for the members of the Executive Council to scrutinize and administer in an efficient manner the money voted by the Legislature. Now, I think that he may not be aware as I was not aware when we were first elected to government that the procedures within government involving the Management Committee and his Secretariat makes it very difficult for any department to spend money without having been screened through the Management Committee process, and without having the budget reviewed again and gone back to see whether any expenditure is in line with the budget as it was approved by Cabinet and indeed by this very House and this kind of review is done by a Secretariat, civil service of course, subject to control by the government -- but people who are not in any department but are direct servants of the cabinet committee, and they have no axe to grind for any particular department but are charged with the responsibility of reporting objectively on the proposed expenditures of the proposed program of any department as they relate to the estimates approved by cabinet and eventually by this House. So that I believe that regardless of what may have existed prior to the establishment of a Management Committee, there is a pretty good check right now -- and I can inform members who don't know just how Cabinet operates that when matters come before Cabinet involving expenditure of monies then it is required that the Management Committee has reviewed it and has reported to Cabinet, so that if there is any difference of opinion it's settled at the highest managerial level.

Then the resolution deals with the suggestion that the Auditor General be empowered to make independent spot inspections and running audits of all government departments. What does the Member for Portage la Prairie think that the Auditor-General says if not that very thing? That he deal with boards, commissions and utilities. And there, Mr. Speaker, I can be corrected very quickly by the member for Portage or the other two members of his party who are in this House, that when we -- and I suppose I -- decided that I should exercise the powers given to me and instructed that the Provincial Auditor shall be the auditor for Manitoba Hydro, Manitoba Telephones, Manitoba Development Corporation and some others which were formerly served by outside independent auditors -- I would criticize. And I don't know but I have sort of a feeling that I was criticized by members on that side of the House, including members of the Liberal Party; and if I was not I want to be corrected, but that is my recollection. I was criticized for giving to the Provincial Auditor the responsibility to do the audit for a Crown corporation -- and I was told you should not have done that, you've taken it away from outside auditors and have hurt their business, and damaged the integrity of the system. Well that is my recollection but now we are being told by the Member for Portage that we should be doing exactly what we did do, and indeed we are doing it; and indeed the Member for Portage should be interested to know that it was when I instructed the Provincial Auditor to look into what was happening in CFI as things started to come to light, he should know that. It was only when I instructed him to look into the affairs of CFI and the Provincial Auditor himself took that

(MR. CHERNIACK cont'd) trip down to New Jersey which ended fatally in connection with Alistair Stewart who went with him, that it was there that we started to get information that was concealed from us until that time.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: I hate to interrupt, but I wish to direct this question to the Finance Minister. He says there is no difference between the Provincial Auditor and the General Auditor in Ottawa. And if there isn't any difference, why didn't the Provincial Auditor report to the House the discrepancies that he found in two departments, and tell the House -- tell all the members -- what were the discrepancies instead of just bringing it to the attention of the two ministers . . .

MR. SPEAKER: Order, please. The honourable member is debating the point. He may ask a question. The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Chairman, I said there was no real difference between the functions of the Auditor-General of Canada and the Provincial Auditor of Manitoba -- that's the functions. Now we have discussed them -- we've discussed in this very Chamber just what it is and what is the procedure followed by the Provincial Auditor, and that is the one difference and the only difference that the Provincial Auditor reports -- now I'm jumping ahead to answer the Member for Assiniboia -- reports those matters which he feels he wishes to bring to the attention of the Legislature. And I explained earlier that his practice has been and members opposite who have been in the previous Cabinet confirm that there were occasions that the Provincial Auditor would find something which needs correcting or which needs questioning. He then addresses himself to the department pointing these matters out, and if he is not satisfied with the answers then he reports it to the House in his annual report -- and indeed he has done so. And the members know that in the last report of the Provincial Auditor there were several points which they themselves raised and now I recall one of the debates we had. It was a debate where the same people who presenting this motion asked for copies of all correspondence between the Provincial Auditor and the various departments, and this House turned it down by a very substantial majority -- like there may have been three or four people voting in favour of the motion and all the rest against it. Now maybe I'm wrong in numbers -- certainly under ten voted in favour of it, because the people opposite most of them, knew the way it was operated and were satisfied with the manner in which the Provincial Auditor carried out his functions. So he does have the responsibility and indeed he does report to the Legislature in his annual report those matters where he has not received a satisfactory response. One of them I'll just remind members -- was his recommendation about the preparing to set up a reserve for expected losses in interest in I think he mentioned the Agricultural Credit Corporation and the Manitoba Development Corporation. These were matters which he had discussed with me and possibly with other members where we said no, we do not believe that this is the time to do exactly what you say, what you're recommending. So what did he do, he reported to the House. He had recommended it and still did. And I was accountable and I think I did in the House explain our reasons for the position we took. And that is responsible, and that is the way he did it and that is the way it ought to be done.

Now let me recall to honourable members -- oh yes, the resolution then says: that the Auditor-General should be appointed by the Legislature. Well, Mr. Speaker, that's not the case in Ottawa. The Auditor-General there as far as I know, is not appointed by the Legislature, he's appointed by the Governor-General in Council. But the important thing there -- but more important because we're talking about the Provincial Auditor -- is, and I know I've read this before in this House, Section 3, subsection 2: the salary of the Provincial Auditor shall not be reduced except on resolution of the Assembly. So that there can be no threat to the Provincial Auditor once his salary is established; and it is established by Order-in-Council, and presumably he is satisfied with the salary that has been established for him by the Order-in-Council -- it shall not be reduced except on resolution of this House. Then it says; he holds office during good behaviour and -- Section 4, subsection 2, -- the Lieutenant-Governor-in-Council on a resolution of the Assembly carried by a vote of two-thirds of the members of the Assembly voting thereon may remove the Provincial Auditor from office or suspend him. -- (Interjection) -- Pardon? Fair enough, the Member for Swan River says -- and I think fair enough. This Act was passed -- I think by this very Legislature. I think it was passed during -- yes 1969 second Session -- no, that's not fair to say because that was an amendment then and possibly this was in the law before that. But the point I'm making is clearly that this Legislature controls the independence of the Provincial Auditor; and any suggestion

(MR. CHERNIACK cont'd) to the contrary as I've said previously does damage to the image of the Provincial Auditor; and I think it's very important that he have a good, respected image and I think he deserves it in the way he carries out his functions.

Now, I know I have read to this Legislature the responsibilities of the Auditor-General and of the Provincial Auditor. The Member for Portage la Prairie read the responsibilities of the Auditor-General of Canada, so let me read the responsibilities of the Provincial Auditor. He shall make an Annual Report to the Assembly respecting the fiscal year of the Government then closed: (a) as to the examination of accounts of receipts and payments of public monies; (b) as to examination of a balance sheet and related schedules shown in the Public Accounts, in which he shall state whether they were compared with the books of account and financial records; and whether he has obtained all the information and explanations he has required; and whether in his opinion they are properly drawn up so as to present fairly the financial position of the government; (c) as to all special warrants; (d) as to all cheques for the issue of which he has refused to certify, citing the date and the amount of any expenditure incurred in consequence thereof; (e) as to any important change in the extent or character of any examinations made by him; and (f) as to such matters as he desires to bring to the attention of the Assembly.

Mr. Speaker, I don't want to keep on as because I keep feeling that I'm repeating myself. May I point out that this year we met in Public Accounts; we meet in Public Accounts every session. To my recollection the Member for Portage la Prairie and I entered this House at the same time -- for many years Public Accounts took barely a half day and were completed. This year, I believe, there were three separate meetings of Public Accounts where many matters were gone into. The Provincial Auditor was there -- well first let me say my staff was there; there must have been six or seven people from the Department of Finance. The Provincial Auditor was there, his deputy was there, two others were there from his department. They were available to be asked any question at all; not one question was asked to my recollection, to which the Provincial Auditor did not give a satisfactory answer -- nor was there any suggestion made to him and he was there ready to answer anything, that he was not able to carry out a complete and independent review of the functions of his office. And I think therefore that the one opportunity that members of the Liberal party had and which they did not take advantage of was to raise the very questions which they were trying to get by Address for Papers in this House and which was refused by the House. But they were told then that he would be available; he was available -- nothing was said. Frankly, I think, that whoever originally drafted this resolution was copying one that was prepared by Mr. Molgat some years back and that the same matter has been debated again and again, but is out of time now and is not relevant now. And I would suggest that we reject this suggestion as being one that is either a complete repeat of which is actually the situation -- and in the only respect is that he should be appointed by the Legislature, and I don't believe that any person whose appointment -- full time job -- is going to be on the line, should be discussed openly in a session such as this. We did not do that with the Ombudsman. Members ought to remember that when the Ombudsman was appointed he was appointed by the Legislature, but only after considerable consultation but never public debate. In the end the majority of the House can appoint the Provincial Auditor as suggested here. In the end he would be appointed by the party in power actually, but as far as any threats to his salary or to his job itself, to his removal it would be exactly as is set out in the resolution. And one wonders whether this resolution was prepared in the absence of any knowledge of the actual situation as it exists.

MR. SPEAKER: The Honourable Member will be closing debate.

MR. G. JOHNSTON: Will the Minister permit a question?

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

MR. G. JOHNSTON: The Minister stated that because a Management Committee of Cabinet and also the Auditor of the Province had considered beforehand how the money was going to be spent, my question is, does the auditor -- is he required to inquire into and publish a report after the money has been spent as to how effective that spending was?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, the Provincial Auditor reports on whether or not the money was spent in accordance with the wishes of this Legislature. He does not impose his personal opinion as to whether or not a program was worth undertaking. That is a function I believe, which is in this House and should remain in this House -- and I don't know any

(MR. CHERNIACK cont'd) Provincial Auditor or any chartered accountant anywhere who is in a position to be debating whether monies ought to be spent on certain programs or not. The point I made was that in order to scrutinize and administer -- and I'm reading the resolution: the proper efficient manner of expenditure of money, that that is done by the Management Committee Secretariat, the Management Committee -- and indeed the Provincial Auditor who's involved in the pre-audit procedure as well, which does not apply in the Federal Government.

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

MR. G. JOHNSTON: A further question, Mr. Speaker.

MR. SPEAKER: I'm sorry, the Honourable Minister's time is up. It would have to be by unanimous agreement. Agreed? The Honourable Member for Portage.

MR. G. JOHNSTON: Would the Minister then not agree that if there were waste or inefficient spending of the monies that the Auditor as he is presently set up in Manitoba has no say or has no right to make a comment on the matter?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I would not agree, because I know very well that in his pre-audit process he has held back issuing authority for the payment of cheques until he has satisfied himself in that regard. But he has done so, and once satisfied has accepted it and reserves the right and always reserves the right -- and has the power, and indeed the obligation to report it in his Annual Report if there is something that is not done in accordance with what he believes is correct policy and practice.

MR. SPEAKER: The Honourable Member for Portage.

MR. G. JOHNSTON: Then I take it by the Minister's defence of the present system that he is inferring that the Auditor General is completely satisfied with the method with which the monies were dispensed with respect to the Churchill Forest industries.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I made the point much earlier that the accountants for the Manitoba Development Corporation were not the Provincial Auditor's accountants -- and that they -- well I can't speak for them, but I would say that it's only when we brought in the Provincial Auditor; not only then, but concurrently with that, that we started to trace through and find out what was happening there.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, when a resolution was brought in earlier in the session by the Member for Portage, I spoke on it at that time -- because I felt that the resolution and what had preceded it, particularly outside the House, had in fact cast aspersions on the Provincial Auditor whom all of us have had a great deal of respect for over the years -- and at that time I voted against the resolution because of that reason. I said at the same time that if a proper resolution was brought into the House which would lay out some of the provisions for a Provincial Auditor, and Auditor-General, a Provincial Auditor-General that we may well support such a resolution. And although I don't consider it to be a major issue, I think that there have been some changes take place in the responsibilities of the provincial auditor and the Provincial Treasurer, the Minister of Finance has pointed this up.

When the Provincial Government, when this government took power and did go to provincial auditing of the Utilities' books; and the private auditors that had done that previously were put out of the picture, many of us did express doubt in the wisdom of the move -- primarily because we felt that it left too many of the responsibilities in the one spot, in the Provincial Auditor's office. So there has been a significant difference in the situation that existed from some time back when the Provincial Auditor did the books of the province and outside independent auditors were doing the books of the Crown corporations. So I think that there is a major change, Mr. Speaker, in that respect. I think there is also another change though and that is that the provincial expenditures are becoming a much larger part of the total dollars in circulation in the province and in Canada, that it is becoming increasingly more important that these be brought to light if there are any deficiencies that exist in the way that the money is handled. And I have no reason to say that there are any particular ones that are glaring examples that could be pointed out at this time. However I feel that with this growing amount of importance of the public sector in the money flow that takes place, that it is going to be increasingly important that these items be dealt with in as objective and arms' length manner as possible.

So therefore, Mr. Speaker, I suppose what I'm saying is that as an individual at least I support the resolution at this time and I don't feel that it has been a matter or is a matter now that is pointed up because any particular emergency exists. However, I don't think it's a bad

(MR. CRAIK cont'd) policy to embrace what is put forth in this resolution. I think that the Auditor-General of Canada -- his efforts are appreciated by the public, and I don't think that I should necessarily stand here and present a political argument because of a position taken now or in the past as an individual -- I think that the Auditor-General of Canada is appreciated by the public. He's probably not appreciated by the government in power in Ottawa, but he is appreciated by the public. And he may not well be appreciated by any other government in power in Ottawa either, which points up the fact only I think that the machine, the federal machine is so big that it's impossible for the political system to keep up with it. And we know from experience in this Legislature, it's impossible for a member of the Legislature to do adequately the amount of homework which he should do if he wants to be abreast of all the issues, particularly in the financial field, that he should be.

So we can't stand here and say that the Auditor-General of Canada is not performing a service. It may be one that's -- as I say -- that's not appreciated by government in power but is certainly -- I think if you asked the average citizen whether the Auditor-General of Canada is doing a good job, they would have no reservations on the average in saying that they think he is doing a good job. And they would say that he's doing it because he's pointing up these major things such as the Bonaventure and these other matters where the horses end up on payrolls, and so on -- that the average member of parliament or MLA would not possibly discover and bring forth with the same effectiveness as the Auditor-General is.

So I think that, Mr. Speaker, then it's not very difficult to support this particular resolution from the point of view that I think that the public would in general favour a greater amount of public examination of the books. I would point out one other thing, that I felt that in Public Accounts that it was fairly evident that the real massive knowledge of the accounts lay in the department of the Minister of Finance more so than in the office of the Provincial Auditor -- and this is probably a necessary requirement because they deal with these items in the accounts on a day-to-day basis all through the year and the auditor examines them after. Therefore they have to be -- I suppose by virtue of their immersion in them -- more knowledgeable about the accounts, but I felt that this was one thing that came out of the Public Accounts examination this year; was just a general observation that the questions were nearly totally answered by the members of the Minister's department. And the auditors by and large audited the proceedings of the Public Accounts -- and so I suppose this is usual, but I think it was more than evident that this was taking place. And I feel that providing the Provincial Auditor or the Auditor General of Manitoba in a position, supporting him in a position where at his will can bring forth items that he feels should be brought forth into the public eye--that he can assist members of the Legislature in pointing these out to the citizens of the Province. And for that reason -- and I would say primarily on the basis of that there has been a significant change in the amount of money that has fallen into the public sector; and also the fact that the government has done away with the independent auditors that were used at least on the Crown corporations -- that I think it's probably time that a review of this sort was done and that the Auditor-General's terms of reference were changed, as can be spelled out further and in more complete detail than in this resolution. Therefore I would support the resolution at this time.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, would the honourable member permit a question? Can he point out any one act or authority proposed in the resolution which is not today within the responsibility of the Provincial Auditor? Any one -- in the resolution which he is supporting.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Well, Mr. Speaker, I would like to have seen more clauses in the resolution, and I can't honestly tell him that this resolution itself spells out in detail those items that would make it significantly different -- but the intent certainly is in the resolution and it being spoken to by the Member for Portage, it's appreciated that it's intended here that the Provincial Auditor have terms of reference that can be spelled out more closely along the lines of that of the federal.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, in addressing myself to the resolution before us, I too feel that there is room for improvement. We know that the Manitoba Hydro Electric Board, the report as of 1971 is audited by the Provincial Auditor, and what does he say in his report? This is what he says to the members of the Manitoba Hydro Electric Board, "We have examined the consolidated balance sheet of the Manitoba Hydro Electric Board and subsidiary Winnipeg Electric Company as of March 31st 1971, and the consolidated statements of operations and contingencies and general reserve, rate stabilization reserve and source and application of funds for the year ended. Our examination included a general review of the accounting procedures and such tasks of accounting records and other supporting evidence as we considered necessary in the circumstances. In our opinions these consolidated financial statements should present fairly the financial position of the companies as of March 31st, 1971." --(Interjection)-- It says, yes, "present fairly the financial position. And the results of their operation and the source and application of their funds for the year ended. In accordance with generally accepted accounting principles applied on a base consistent with that of the preceding year."

Mr. Speaker, I have been in other organization, in financial organization, and I received financial reports from our auditors, and they are very different from what these two paragraphs say on the front page. I am sure that if the auditors made a good examination that there must have been many things brought to the attention of the Hydro Board, and should also have brought these attention to the Minister in charge of the utility. I'm sure there must have been many points that these people raised because in a big company, and a big concern, and a big Crown corporation such as Manitoba Hydro and Manitoba Telephone Services, I am sure that there are many points that have to be ironed out and would come to the attention of the Board and also to the attention of the Minister. This is what we as members of this House are not getting. We're getting a perfected statement otherwise, if you could call it that, drawn in very general terms, and as I just pointed out - is there a point of order?

MR. SPEAKER: The Honourable Member for Radisson.

MR. SHAFRANSKY (Radisson): The Honourable Member for Rhineland is casting doubt on the integrity of the Provincial Auditor General. He is stating that he is sure that there are things which are not right within that report.

MR. SPEAKER: The Honourable Member for Morris on the same point of order.

MR. JORGENSON: I think that the quality of the debate would be considerably improved if there was some way of subduing the stentorian ejaculation of the Member for Radisson. He has not a point of order.

MR. SPEAKER: Order please. The Honourable Member for Radisson.

MR. SHAFRANSKY: If that red chicken rooster from Morris . . .

MR. SPEAKER: Order please, order. It is 5 minutes to 10. I am not going to get myself involved in a particular hassle as to whether there is a point of order. I would only caution the Honourable Member for Rhineland that the Auditor General cannot defend himself in this Chamber so he should be cautious as to how he proceeds.

The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I was talking of the Manitoba Hydro Electric Board which in my opinion is a well run organization, a well run Crown corporation, and we have other Crown corporations which I feel are not run as well as this particular corporation, and I think when you talk of the development corporation I think there are a number of questions in members' minds as to just what their operations entail and just how much real work went into auditing those statements. In fact we have a report now from the First Minister tabled in the House, and I appreciate getting a report, or being able to scrutinize it, but I am sure that the resolution which states in the first to whereas, and I think I should read the first whereas once more because I think that's very important. It says, "Whereas with the rapid increase in government expenditure in this province it has become increasingly difficult for members of the Executive Council to scrutinize and administer in an efficient manner the money voted by the Legislature." And this is very true of the monies that we have voted for the Manitoba Development Corporation. Time and again we voted large amounts and we voted another large amount at this session that we are just experiencing now, and we as members are accountable to the people of this province that the monies that are voted are spent in a proper manner and that they can be accounted for, and what did we read in today's newspaper where we find that people go to banks and collect monies that apparently came at one time, came from the Development Corporation

(MR. FROESE cont'd.) --(Interjection)-- Yeah, with a suitcase. They packed suitcases full

MR. SPEAKER: Order please. The Honourable First Minister on a point of order.

MR. SCHREYER: Mr. Speaker --(Interjection)-- Well the Member for Lakeside will hardly know what the point of order is until I have an opportunity to express it. My point of order, Mr. Speaker, is that the Member for Rhineland is making reference twice in the same evening to a matter which was not connected to the subject matter earlier this evening and is not connected either to the subject matter that is before us now. What is before us now is the matter of the advisability of appointing an Auditor General for Manitoba, as though we don't have one now, and the Honourable Member is digressing to speak about Churchill Forest Industries, which is all right with me but I don't believe it's germane to the resolution at hand.

MR. SPEAKER: Order please. I would suggest that I do have to allow a certain amount of latitude in regards to relevancy and I was trying to establish what logic there was in regards to reference the honourable member was making to the suitcase and money. But I would also like to suggest to the Honourable Member for Rhineland that in my opinion the matter is actually subjudice because it's before a commission, and I have cautioned members in this regards previously, and I was just waiting to do that when the Honourable First Minister rose on the point. There is one minute left. The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I have been given to understand, and is this not the highest court of this province right now this Assembly, and I think we have every right to discuss it. The subject matter is being discussed through the Press and all the people of this province get to hear of it, get to read of it, but I don't necessarily have to go into the details of that, but what I'm discussing is the point

MR. SPEAKER: Order please. The Honourable Member will have an opportunity to discuss it at our next meeting. The hour being 10:00 o'clock, the House is adjourned and stands adjourned until 10:00 a.m. tomorrow morning.