



**Third Session — Thirty-First Legislature**  
of the  
**Legislative Assembly of Manitoba**

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**DEBATES**  
and  
**PROCEEDINGS**

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28 Elizabeth II

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**8:00 P.M. Thursday, May 31, 1979**

# LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 31, 1979

TIME: 8:00 p.m.

## SUPPLY — LEGISLATION

**MR. CHAIRMAN:** Committee will come to order. I would direct the honourable members to Page 3 of the Main Estimates, Department Legislation. We are on Resolution No. 2, clause 5, Provincial Auditor's Office, (a) Salaries—pass — the Honourable Member for St. Vital.

**MR. WALDING:** Mr. Chairman, when we broke at 4:30, it was indicated to you that I had a few questions on the role of the Auditor in regard to the Manitoba Agricultural Credit Corporation. I would like to ask the Minister what involvement the Auditor has in the auditing of the books of the Manitoba Agricultural Credit Corporation.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. MCGILL:** Mr. Chairman, I'm advised that the Provincial Auditor does the complete audit of the Manitoba Agricultural Credit Corporation.

**MR. CHAIRMAN:** The Honourable Member for St. Vital.

**MR. WALDING:** Mr. Chairman, I would like to ask the Auditor through the Minister if the Auditor has looked into the procedures involved with the selling of Crown farmland by Manitoba Agricultural Credit Corporation and is he satisfied that the procedures were fair and proper?

**MR. MCGILL:** Mr. Chairman, I'm advised that the Auditor has examined the procedures and is satisfied there's nothing wrong with the procedures being used.

**MR. WALDING:** Mr. Chairman, I do thank the Minister for the answer. I wonder if the Minister could outline to us the system involved or the method of selling those Crown farmlands.

**MR. MCGILL:** Mr. Chairman, I believe that subject was reviewed rather thoroughly in the Estimates of the Department of Agriculture. I ask you whether this is properly part of the subject under discussion, the Estimates of the Provincial Auditor.

**MR. WALDING:** Mr. Chairman, I'm a little puzzled. The Minister seems a little recitent to give me the information. He has already said that the Auditor is satisfied.

**MR. CHAIRMAN:** Order please. I did allow the questioning to proceed. I thought that maybe the honourable member was leading to a point that was going to come back to the Provincial Auditor's Office. I would believe that the item under discussion has been discussed previously under a different department. I would allow the honourable member to proceed. The Honourable Member for St. Vital.

**MR. WALDING:** Thank you, Mr. Chairman. You are indeed so right in reminding us that the item under discussion now is the Provincial Auditor's Office and that I understand includes the Provincial Auditor's Salary. I would gather from that that those matters under the Auditor's responsibility or those for which he can report would be proper subjects for questions. Since we are in Committee of Supply I'm not in a position to ask questions directly of the Auditor. I'm forced to ask them through the Minister who reports for the Auditor.

**MR. CHAIRMAN:** I would just suggest to the honourable members that I am aware that the Provincial Auditor is involved in every department, and I think by allowing you any latitude on this particular discussion, it would just open up the discussion on every department, and I think that, for expediency sake, the other departments have been thoroughly discussed and Item 5 is the

Auditors and I would ask the honourable members to please let us try to stick to the subject a little bit more closely.

The Honourable Member for St. Vital.

**MR. WALDING:** Mr. Chairman, it is not a case of wanting to open every other department, every Crown Corporation. The matter that I was referring to was a matter about which there were questions raised in another department, and we were really not satisfied that the complete system had been explained to us so that we could adequately understand the method involved. And here I'm talking about the method of the sale of particular farm lands.

We asked the Minister concerned, at quite considerable length, to make it clear to us what the procedure was and what the system that was followed. Was it in fact something new, or was it an old established and laid-down practice, and since we did not get a crystal clear answer from the Minister at that particular time, is the reason that I am raising the matter now with the Provincial Auditor, who has audited the Corporation's books and who the Minister assured us has examined those selling practices and procedures and has assured us that they are indeed proper. All that we are asking now is, what were those practices that the Minister assures us were, in fact, proper?

**MR. CHAIRMAN:** The Honourable Minister.

**MR. MCGILL:** Mr. Chairman, in response to the Member for St. Vital, let me make it crystal clear and advise the member that the Auditor is not here to devise the method or the procedure. You asked me whether the Auditor was satisfied on examination of the accounts of the Manitoba Agricultural Credit Corporation, that they were in order. I have given you that answer; you are now attempting to move into method and policy in the Manitoba Agricultural Credit Corporation. I suggest that that is not properly under discussion at this time.

**MR. WALDING:** Mr. Chairman, we were told on this particular instance that the method of proceeding with sales of these farmlands was that the Corporation would accept the higher of the appraised price . . .

**MR. CHAIRMAN:** The Honourable Minister on a point of order.

**MR. MCGILL:** Mr. Chairman, on a point of order. The member is getting into a discussion of policy in the Manitoba Agricultural Credit Corporation. I suggest to you that is clearly out of order.

**MR. CHAIRMAN:** To the honourable members, I would have to rule that the discussion has been out of order. We have left the subject under discussion. I just don't think that at this point we can allow anything more than Provincial Auditor's office without the latitude that I have allowed in the past.

The Honourable Member for Inkster.

**MR. GREEN:** Mr. Speaker, to the point of order, I distinctly recall that because opposition members raised question about some alleged wrongdoing of a company in the north, that the Provincial Auditor invested himself in that Enquiry because he said it was raised by opposition members and had caused quite a bit of publicity and he wanted to check into it. It was a policy question, and he invested himself into checking in whether the procedures were properly handled, and whether any moneys were lost to the Crown by virtue of that.

And when the Auditor was requested to audit the audit of Flyer Coach Industries, he went much further and decided that he had to make recommendations as to whether or not there should be experts hired to see whether the business operates properly; not merely the audit, but whether moneys were being lost to the Crown by virtue of the practices which were engaged in by the Manitoba Agricultural Credit Corporation, by the Communities Economic Development Fund' and by Flyer Coach Industries.

And now we are told that the Auditor will close his eyes to those questions, will close his . . . —(Interjection)— Well, we are asking the Auditor to tell us whether he is satisfied as to whether or not moneys are being lost to the Crown; whether he is satisfied that moneys are lost to the Crown by virtue of the selling practices of the Manitoba Agricultural Credit Corporation, where they say that they can have a valuation of \$100,000, a cost to the Crown of \$50,000, plus interest of \$60,000; they get a bid of \$65,000, and sell it for \$65,000 despite the fact that there's a valuation of \$100,000.00. Now that's what we are told.

And is the Auditor now saying that, despite the fact that these are raised by . . .

**MR. CHAIRMAN:** Order please.

**MR. GREEN:** . . . publicity about it, he will not look into those questions? He is divorced from those questions?

**MR. CHAIRMAN:** I believe that we have entered into a debate, not a discussion on the point of order, and I would have to rule the honourable member out of order.

**MR. GREEN:** Well, Mr. Chairman, I respectfully challenge your ruling that this is not a subject as to whether or not the Auditor has the right to look into such questions, which he looked into between 1966, 1973 and 1977 on a regular basis.

**A MEMBER:** Call in the Speaker.

**MR. GREEN:** That's right, call in the Speaker. Let's check it out.

**MR. CHAIRMAN:** We have a motion before the House that the ruling of the Chair be sustained.

**QUESTION put, MOTION declared carried.**

**MR. GREEN:** Yeas and Nays, Mr. Chairman.

**MR. CHAIRMAN:** Call in the members.

**MR. CHAIRMAN:** The Motion before the House is, shall the ruling of the Chair be sustained.

**A COUNTED VOTE** was taken, the result being as follows:

**MR. CLERK:** Yeas 25, Nays 18.

**MR. CHAIRMAN:** I declare the ruling of the Chair sustained.

The item under discussion is Resolution No. 2, Clause 5.(a) Salaries—pass — the Honourable Member for St. Vital.

**MR. WALDING:** Mr. Chairman, had I known that an hour and 20 minutes of the government's time was going to be wasted this evening, I think I might have phrased my question somewhat differently. —(Interjection)— Thank you for the correction, Mr. Chairman, an hour and 25 minutes.

I did ask a question early on which you allowed as being in order, Mr. Chairman, as to the selling practices and procedures of the corporation, and I would like to ask the Provincial Auditor now, through the Minister, if he can inform me how long this practice has been in effect.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. MCGILL:** Mr. Chairman, we have waited an hour and 20 minutes to make a decision in respect to the policies and methods of the Manitoba Agricultural Credit Corporation and whether or not it was an acceptable subject for debate under this item and I understood your ruling to be that we were dealing with the Provincial Auditor's Office. The earlier question relating was whether or not the Provincial Auditor had examined the books of the Agricultural Credit Corporation and whether he was satisfied with them, and the answer was affirmative.

**MR. WALDING:** Mr. Chairman, as I recall the matter, I don't recall that it was the whole matter that you ruled out of order; I believe it was the one specific question in which I asked the Minister whether he could confirm what the policy was. I believe that you ruled that particular question out of order. The question that I have now for the Minister is how long this particular policy had been in force.

**MR. CHAIRMAN:** To the honourable members, I have ruled the discussion out of order because it was other than sticking to the subject, which was Provincial Auditor's Office. I would hope that the honourable member would be guided by the previous ruling.

The Honourable Member for St. Vital.

**MR. WALDING:** Mr. Chairman, I'll try to follow your admonition on this matter. I'd like to ask the auditor, through the Minister, further to the assurance that the matters having to do with the sale of farmlands were carried out properly, I would like to ask if the auditor can now give us an assurance that the maximum return possible was obtained by the public on the sale of those lands?

**MR. CHAIRMAN:** I would have to advise the honourable members that the questioning has proceeded in the same vein which was ruled out of order previously, and I would ask the honourable member if he's got any other questions pertaining to the provincial auditor's office, please refer only to the provincial auditor's office.

The Honourable Member for St. Vital.

**MR. WALDING:** Mr. Chairman, I thought that my question was very specific, having to do with the role of the auditor and his function as protector of the public purse, and the specific question had to do with seeking an assurance from the auditor that there was a maximum return possible to the public on the sale of those farmlands.

**MR. CHAIRMAN:** Order please. Again, I must advise that if we allow questioning of that nature it goes into all departments, and it opens up the Estimates right to the very beginning, and I would have to advise the honourable members that questioning of that nature would have to be out of order.

The Honourable Member for St. Johns.

**MR. SAUL CHERNIACK:** Mr. Chairman, I've been following the discussion, and I want not to breach your ruling for which you received support of the majority of this House, so I want to be very careful in the way I phrase my question. I want it to be as direct as possible so that you will rule in my favour, and I'd like you to listen to my question. I want to deal with the provincial auditor, his activities, and not government policy or departmental policy or Agricultural Credit Corporation policy. I want to first say to the auditor, and I'm sure he knows it, that the Minister of Agriculture stated, not in regard to policy but in regard to fact, that when land was offered for sale by the Agricultural Credit Corporation there was a reserve bid related only to cost and accrued cost thereon.

Let me finish my question, Mr. Chairman.

**MR. CHAIRMAN:** The Honourable Government House Leader on a point of order.

**MR. MCGILL:** Mr. Chairman, on a point of order, quite clearly the member is simply ignoring the ruling of the Chair and is insistent upon discussing the policy of the Department of Agriculture, and the Agricultural Credit Corporation. Mr. Chairman, if the provincial auditor has any general comments of a nature to make he will make it in his report to the Legislature, but I insist, Mr. Chairman, that the ruling that you made, is again being breached.

**MR. CHAIRMAN:** The Honourable Member for St. Johns on the point of order.

**MR. CHERNIACK:** Mr. Chairman, I stated that I did not wish to discuss policy, I wanted to discuss fact. And I started to pose a question which I didn't complete before the honourable member interrupted me, and I want to make it clear that I want an answer from the Auditor in relation with his work, not only his function but his actual work, to respond to the statement that I made, and which I said he knows, and that is, that the Minister of Agriculture stated that, not a policy but the practice as to reserve bid in regard to the Agricultural Credit Corporation sales was to set a reserve bid on the basis of cost and accruals thereon and not in relation to value or appraisal of the property.

Now, my question to the Auditor is very specific: Has he, or people under his responsibility, investigated whether or not it is correct to say that only the cost was used as a reserve bid, or whether the cost or the appraisal, whichever was higher, was used? Now, that's a very direct question as to his own investigation, Mr. Chairman, and I submit that that is a correct question in line with your previous decision. The Committee never had an opportunity to ask the Provincial Auditor about his own investigation. Mr. Chairman, I know he made an investigation, and therefore I'm asking him, when we're considering his salary, whether he can inform us how the reserve bid was set, not policy, not practice, but actual, and I believe he knows the answer.

**MR. CHAIRMAN:** I would believe that this is not the place to be questioning the Auditor on this type of questioning. That's for Public Accounts when his Annual Report is under interview, under

scrutiny. The Honourable Member for St. Johns.

**MR. CHERNIACK:** Mr. Chairman, I would like to discuss the role of the Auditor and point out that when we are passing on his Item in these Estimates we're dealing with his function; we're dealing with his responsibility; and we are dealing with the fact that he is responsible to the Legislature. He is not accountable to government; he's accountable to the Legislature, as a matter of fact, he's accountable, I believe, to every member of the Legislature. And Mr. Chairman, the reason I was not part of this discussion that took place before you made a ruling because that was a discussion which I thought related to policy.

I am now asking about the Auditor and his function for which he is being paid under this Estimate, and I believe he has the answer to my question, and it is not a question relating to policy; it is a question relating to how well he performed his function, which in this case was to review the nature in which sales were made by the Agricultural Credit Corporation, for which he was paid, for which his department was paid out of this Estimate, Mr. Chairman. And therefore, it is a simple straightforward question, and I believe it will invite a simple straightforward reply if the Auditor is permitted to do so to this Legislature.

Now, if his Minister is denying him the opportunity, I'm not sure, that puts the Auditor in a terrible position, Mr. Chairman, because the Auditor, who's accountable to the Legislature, is now being denied the opportunity to respond, and I think it's foolhardy, Mr. Chairman, because in the end, since I believe it's not a question of opinion, it's a question of investigation and report, and we are dealing with his Estimates just as we deal with various leaders.

And therefore it seems to me —(Interjection)— Mr. Chairman, what I point out to you, Mr. Chairman, that the newly arrived First Minister is now screaming "Order" as if he were running this Chair, and as if he were in control of this meeting. Mr. Chairman, you really must get him to learn his place in this Chamber . . . which is to sit.

**MR. CHAIRMAN:** Order, please. The discussion is even getting further away from what I'd been trying to get the Honourable Members to stick to, which is clause 5. Provincial Auditor's Office. We've been talking on a point of order. I would believe that the Honourable Member for St. Johns is out of order. The Auditor is to be investigated under Public Accounts. I would make that ruling. The Honourable Member for St. Johns.

**MR. CHERNIACK:** Thank you, Mr. Chairman. I asked a question and there was all sorts of yelling from the other side which you may have decided that I was out of order although, Mr. Chairman, you did not rule that my question was out of order. I want to point that out to you. I let that lie and I started to talk about the role and function of the Auditor, the need for him to report to the Legislature. I was no longer on the point of order; maybe I should have made it clear, but I was in the process of discussing, as is my right, the role of the Auditor and the moneys that are being requested on his behalf as a servant of this Legislature for the proper running of his department.

Mr. Chairman, I was making a speech and I propose to proceed with that. I am talking about the fact that the Auditor's role is one which makes him available to Members of the Legislature at all times during the year, Mr. Chairman. We don't have to wait for an annual meeting; we don't have to wait for Public Accounts; we don't really have to wait for him to be seated in front of us in this Chamber to reply to questions. We have a right to go to him and ask him questions, and many of us do, and let me tell you, Mr. Chairman, that I have never been rebuffed by the Provincial Auditor. And let me tell you, Mr. Chairman, I have never felt that the Auditor was not being co-operative, as I think he should have been, but I'm glad that he was; I suppose he didn't have to be, but he, I believe, has taken that as his responsibility.

All right, Mr. Chairman, I will tell you that when I came across a problem about a procedural matter that came up in the Department of Agriculture, I was concerned about what I thought was a very bad practice, and I went to the Auditor and told him what I thought; I said that I felt that it was for him to report back on whether there was a good or bad practice involving the public funds. I was received very nicely by him, Mr. Chairman. he did his job in that respect — he was available to me.

I gave him excerpts of Hansard which I thought were relevant, and I discussed it with him and now, Mr. Chairman, I wonder, this situation. Here we have the Provincial Auditor before us, in effect asking for approval of the funds which are considered to be needed by him to carry out his function. And let me tell you, Mr. Chairman, that some years ago, I think when there was another government in office, this Provincial Auditor said that "If the government does not present on my behalf a budget sufficient enough to provide for the means whereby I can do my job, I will so report it, and I will either report it in my annual report, or I will report it direct to the Legislature without waiting for

my annual report." He said something to that effect and he was right, Mr. Chairman he was ; correct.

So I came to him and I asked him to look into this question. Mr. Chairman, I got an impression that his reply to me was that what had been done was not in accord with the description given by the Minister of Agriculture. Now, I'm not talking about policy; I'm not talking about practice; I'm talking about a specific group of sales and about the manner in which the reserve bid was set.

Now, you know, when you question a minister in Minister's Salary, you are testing the minister's knowledge of his work; you're testing his devotion, dedication, his ability to work; you're testing the functioning of his department; you're seeing to it whether they're delivering the services expected of them. In the same way, we are in effect, discussing with the Auditor the efficiency and the effectiveness of his operation, and that's why, Mr. Chairman — and you did not rule on my question — I feel that the question that I put, and which has not yet been responded to, is a very straightforward question dealing with the manner in which the Auditor accounts to the Legislature in accord with his responsibility to review actual practice. And, Mr. Chairman, I now ask him, through the Minister, to inform the House about what he found, not in practice, not in policy, but in fact was the manner in which reserve bids were set by the sale by the Agricultural Credit Corporation. That's it, and if you consider that I'm testing his response to the House, let that be so. In this way, I'm testing the manner in which he reports to the House on matters that are of concern to MLAs. I believe that he has the answer, and I believe that there's been an awful lot of time spent just trying to get a simple answer from a senior servant of the Legislature.

And I would ask, Mr. Chairman, that the minister who has accepted responsibility of dealing with this item report to us on behalf of the Provincial Auditor.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. MCGILL:** Mr. Chairman, I go back to an earlier question from the Member for St. Vital when he asked if the Provincial Auditor had audited the accounts of Manitoba Agricultural Credit Corporation and whether or not he was satisfied that the accounts were in order. That comment remains; to go beyond that and ask the Auditor now to comment on reserve bids and other matters of the way in which the sales were made is to go back into general policy matters relating to the Corporation. So, Mr. Chairman, I think we cannot go beyond that in Public Accounts. If there are other matters, in the final report of the Auditor to the Public Accounts Committee he may have some general comments; I've no idea, but that could be the appropriate place for them to be made.

**MR. CHERNIACK:** Mr. Chairman, in view of the minister's refusal to respond to my question, may I ask, did the Provincial Auditor accept my request and actually check to see how the reserve bids were set? Did he do that?

**MR. MCGILL:** Mr. Chairman, I'm advised by the Auditor that yes, he did.

**MR. CHERNIACK:** Mr. Chairman, having made that investigation, did the Provincial Auditor report to me that the reserve bid was set, not only on the cost, but also take into account the appraisal and the higher of the two figures was used. Did he report that to me?

**MR. MCGILL:** Mr. Chairman, I fear we are again moving into areas that are the particular areas that were formerly ruled on. The Provincial Auditor has responded and advised that, yes he did make those investigations.

**MR. CHERNIACK:** All right, Mr. Chairman. I'm sorry to have to do this, but I now have to say that the Provincial Auditor is being frustrated in his response and to his service to this Legislature. Mr. Chairman, I now assert that I infer from what the Auditor had told me in the past, that when a certain reserve bid was set, that that reserve bid was based on the higher of the appraisals done within that corporation or the cost. And, Mr. Chairman, the reason I say that is that the Auditor, I believe, told me that, it's what I inferred from what he told me, that the higher of the two was used, and the reason I say that, Mr. Chairman, is that I am satisfied and the record will show that the minister, when he discussed this on more than one occasion, said the cost was used and said that the appraisals were not considered, and justified it in regard to some other practices.

And I find in my mind, that there is a contradiction between what was said by the Minister of Agriculture and what was told to me, and it's not on the record anywhere, by the Provincial Auditor.

Now, Mr. Chairman, what it means to me is one of two things. If, since there is that contradiction, one of these persons is in error. One person has had an opportunity to assert time and again — he was given many opportunities — that a certain reserve bid was established in a certain way. The Auditor, who is accountable to the Legislature, not to government, not to the First Minister, not to Cabinet, but to the Legislature, is now being denied the opportunity to answer me directly as to whether or not I correctly interpreted and reported what he told me. And I say that that's a form of frustration of his role. Now, the minister responsible for telephones can say he needn't answer until we get to Public Accounts, but that denies the Auditor, the Provincial Auditor, the opportunity to publicly respond to this Legislature to questions when we're considering his salary, about a certain item. And if the House Leader, in his wisdom, decides not to call the Public Accounts, when can he report otherwise? He then must create a big issue about it, Mr. Chairman.

**MR. CHAIRMAN:** The Honourable First Minister on a point of privilege.

**HON. STERLING R. LYON (Charleswood):** On a point of privilege, Mr. Chairman, because a statement has been made in this House by a member who should know better, to the effect that the Provincial Auditor is being frustrated in his attempts to give information to the House. That, Mr. Chairman, is an outright lie, and I rise because it effects the privileges of all members of this House for that statement to be made. Now, the honourable member who is playing his little fraudulent game with words tonight knows very, very well, Mr. Chairman, that the Provincial Auditor will appear, as he has already, in Public Accounts Committee, where my honourable friend can try to put whatever words he wants into the Provincial Auditor's mouth. He will not have to ask the minister; he can speak directly to the Provincial Auditor. And let me say, Mr. Chairman, to the honourable member and to the members opposite, that unlike the practice that they used to follow of not calling Public Accounts or cutting it off, we will finish the work of Public Accounts. So, I say that what my honourable friend has said reflects on the privileges of every member of this House. My honourable friend knows full well that he can put the questions directly to the Auditor in Public Accounts, that is the proper place to do it, and he should stop the fraudulent misuse of the House's time, which he has engaged in for the last half hour.

**MR. CHAIRMAN:** I would just like to make a statement. The Honourable Member for St. Johns had a difference of opinion rather than a lie, and I would like to correct the records. It just was a difference of opinion. I've got to agree that the Auditor will appear at Public Accounts, and will be open for questioning at that point, where he can be directly questioned. It is not his position at the Legislation Committee, which we are now on, to answer questions directly. The Honourable Member for St. Johns.

**MR. CHERNIACK:** Mr. Chairman, on the point of privilege. I don't think it's enough for you to withdraw a statement made by the First Minister. Mr. Chairman, I say that it's the First Minister, who wants to be thrown out of this Legislature or make a big issue so that he can look as the great hero. —(Interjection)— Mr. Chairman, I want you to note that the First Minister just said, "You try, buster." Mr. Chairman, therefore I must say, that without taking advantage of the manner in which the First Minister insults people left and right, and every which way, that he has stated, used the word "lie", , and he used the word "fraudulent", and, Mr. Chairman, I don't have to cite anything to tell you that that is unparliamentary and must be withdrawn, or the member who made the statement, if he refuses to withdraw it, should be named. Mr. Chairman, that's my understanding.

**MR. LYON:** Mr. Chairman, on the same question of privilege, which is a non-question of privilege. I said the statement that was being made, that the Auditor was being frustrated was a lie. It is a lie. And, Mr. Chairman, if my honourable friend prefers language, euphemisms that he can better understand, let me put it this way — that my honourable friend's statements and the truth seldom coincide.

**MR. CHERNIACK:** Mr. Chairman, we've just heard a pretty oily, greasy, slippery approach to a parliamentary matter. Mr. Chairman, you notice how much the proceedings have been enlivened since the minister has come back from Europe and is able to take hold of his caucus. Maybe in the future we won't be kept waiting for over an hour to have a vote where they had the majority all the time in which to assert their position. But it's good the minister is back. If he would only turn his back more often to the opposition and control his own group, and they control him, then maybe he could orchestrate a better position in the House.

Mr. Chairman, I am very much concerned about the fact that the Provincial Auditor is accountable



to the Legislature. And when I said that he was being frustrated in being able to report, I didn't say in being denied the opportunity, because I know he can report. He can write a letter to the Legislature, and I think the Speaker will have to read it. There is no question that the Auditor can, if he wishes to, make a report — I thought I spelled it out — under the Public Accounts, by letter, by his own report. But, Mr. Chairman, what I'm saying is frustrated is the opportunity to answer a question was denied him and frustrated; and I say that's so. Mr. Chairman —(Interjection)— you see, Mr. Chairman, this young fellow there is still talking from his seat. —(Interjection)—

**MR. LYON:** On a point of privilege again, my honourable friend is now reflecting on a vote and on a ruling of the Chair. He's reflecting on . . .

**MR. CHAIRMAN:** Order please, order please. For the record, the Honourable First Minister on a point of privilege.

**MR. LYON:** Yes. The point of privilege, Mr. Chairman, was that the Honourable Member for St. Johns is reflecting on a Ruling of the Chair. It was your ruling, Sir, which said that this matter should not be discussed because there was another opportunity, quite proper, and that ruling was upheld by a vote of the House. The honourable member stands up in his place, tries to delude the Press, and everyone else who unfortunately has to listen to him, with his weaving of words and so on, to try to say that your ruling was out of order.

Well, your ruling was not out of order. My honourable friend is out of order, and the rather oily tactics that he customarily uses in this House have just been demonstrated again.

**MR. CHAIRMAN:** The Honourable Member for St. Johns on a point of order.

**MR. CHERNIACK:** On the point of order, Mr. Chairman, I stated and I state again, the frustration was by the Honourable, the Minister, the Member for Brandon West. It was not you, Mr. Chairman. You permitted the question to be asked. The question was asked. And you see them, Mr. Chairman, that First Minister of ours just doesn't know how to control himself. He just finds it impossible to be able to sit in his chair without mouthing orders from all over.

**MR. CHAIRMAN:** Order please. Order please. We are under discussion a point . . . Order please. Order please. —(Interjections)— I would suggest that whoever is speaking at the time that I call Order would please be seated until I've had a chance to make a statement, and I've forgotten what I was going to say. —(Interjection)— Now I remember. I was going to ask the Honourable Member for St. Johns to please get to his point of order rather than the debate that was carried on. The Honourable Member for St. Johns.

**MR. CHERNIACK:** Thank you, Mr. Chairman. I really want to, and it's not a lengthy point of order, but I was interrupted by the First Minister, who made a point of order; then I started to make a point of order, and then he started to jabber from his seat and misdirected me.

Mr. Chairman, on the point of order, I made a direct request that the Provincial Auditor, through the Minister, report on a statement of fact which I believe he made to me. You permitted that question. The Minister then refused to answer for the Auditor; and I then said that the Auditor was being frustrated in any attempt or opportunity to reply to the question. I did not question your ruling because your ruling was related to something else. That's the point I made, Mr. Chairman, and I still think that that's correct. And now I'm speaking, Mr. Chairman. I'm not on the point of order.

I am saying that it makes it extremely difficult for members on this side to be able to sort out facts from —(Interjection)— no, fact from other kinds of interpretation. We were involved, Mr. Chairman, in a really very important issue. We were involved in discussing how the government, through the Minister of Agriculture, set a reserve bid to protect the property of the people of Manitoba, and because we could not work out a proper way in which we could get the answer clear I then went to the Auditor, and I think in the proper way, to ask his report in this regard. And if we do not find out what is the correct thing that happened, Mr. Chairman, what opportunity does opposition have to investigate the practice, procedure, the effectiveness of government? How can we possibly do it if the people who are there to serve us in the Legislature cannot respond to questions being asked of them? And Mr. Chairman, I fully agree that Public Accounts would be an opportunity, but we're not aware of when Public Accounts will be called again, and that's in the control of the House Leader.

So, it's a straightforward question under a straightforward item where we are dealing with the Provincial Auditor and his staff. And Mr. Chairman, when I speak of his staff, there is a person

no doubt in his department who was designated to look into this very question of the Agricultural Credit Corporation. There is an answer. Frankly, I don't know why we've had to be here all this time in order to be able to arrive at a fairly straightforward answer. Mr. Chairman, I don't propose to belabour thi I think the point has been made. If the House Leader is anxious to get to his feet to adjourn the Committee I, for one, would not want to frustrate him. Oh, that's a bad word. I, for one, would not want to make it impossible for him to move that motion. Frankly, I would rather he didn't because I would like to see if we can get an answer to the question which was in order, which you permitted, but I don't have much more to say. So far the record, I think, is quite clear.

I asked a direct question. The question appeared to be in order. The Minister would not answer it, and of course the Auditor can't speak in this Committee, so there we are, Mr. Chairman, that's the position. I think that it's pretty clear that, to my way of thinking, there is a difference of reporting between the Minister and the Auditor, and Mr. Chairman, it would be very unfortunate if I did not correctly interpret what I think the Auditor told me and let it lie there. I would really feel that it would be well if it were done this way, that the Provincial Auditor could respond and then we'll have an answer, whichever it is. Either the Minister of Agriculture's report was correct, or it was wrong. If it was correct, then the practice is bad and we could debate that next year. If he was wrong, then we know he was wrong, and that might be it.

So, Mr. Chairman, I think it's unfortunate that we had to get off on this wrong track. I think it's unfortunate that we couldn't get it dealt with any more, but I, for one, am not at all interested in pushing it any more. I tried, God knows I tried and I didn't succeed, and I'm quilling to let it go like that.

**MR. CHAIRMAN:** The Honourable Government House Leader. The Honourable Minister.

**MR. MCGILL:** Mr. Chairman, the Member for St. Johns asked a question which, in my view, impinged upon the previous ruling of the Chair, and I felt that to begin to deal with such questions was to reopen the general area of policy that was not properly before the House, and therefore I repeated the answer to the question that was made with respect to the Auditor and the Manitoba Agricultural Credit Corporation, and that was that he had reviewed the accounts and that they were in order. And Mr. Chairman, again might I point out to the member that he will have the opportunity to directly question the Provincial Auditor when the Public Accounts Committee next meet. -

**MR. MCGILL:** Mr. Chairman, I move the Committee rise.

**MR. CHAIRMAN:** I have a motion Committee rise. (Agreed)

**A MEMBER:** Yeas and nays, Mr. Chairman.

**MR. CHAIRMAN:** Have you got support? Committee rise. Call in the Speaker.

**MR. SPEAKER(Mr. Einarson):** The Honourable Member for Radisson.

**MR. KOVNATS:** Mr. Speaker, I beg to move, seconded by the Honourable Member for Emerson, that report of Committee be received.

**MOTION presented and carried.**

**MR. SPEAKER:** The Honourable Government House Leader.

**MR. JORGENSON:** I move, seconded by the Member for Rhineland, that the House do now adjourn.

**MOTION presented and carried, and the House adjourned until 10:00 o'clock tomorrow morning (Friday).**