

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2:30 o'clock, Wednesday, May 3, 1972

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 70 students of Grade 9 standing of the Glenwood School. These students are under the directions of Mrs. Joyce Miller. This school is located in the constituency of the Honourable Member for St. Vital.

We also have 35 students of Grade 5 standing of the William Russell School. These students are under the direction of Miss Agnes Proteau. This school is located in the constituency of the Honourable Member for Radisson.

On behalf of all the Honourable Members of the Legislative Assembly I welcome you here today.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports.

MINISTERIAL STATEMENT

MR. SPEAKER: The Honourable Minister of Tourism and Recreation.

HON. LAURENT J. DESJARDINS (Minister of Tourism and Recreation)(St. Boniface): Mr. Speaker, Manitoba's parks, recreation areas and camping grounds will be open for the 1972 season on Friday, May 12th. Park entrance fees will be in effect from May 12. Daily permits are \$1.00 and seasonal park entrance permits are \$5.00. Daily camping fees are on service sites, \$1.50; with electricity \$2.00; with sewer, water and electricity \$2.50. On a weekly basis the fees are \$9.00, \$12.00 and \$15.00 depending on the type of service required.

Throughout Manitoba the park system consists of approximately three million acres including 10 major parks, 44 recreational areas, and 80 miscellaneous sites such as roadside camp grounds. Major additions to the park system this year will be the facilities in Asessippi Provincial Park adjacent to the Shellmouth Reservoir on the Assiniboine River west of the Riding Mountains; Turtle Mountain Provincial Park in southwestern Manitoba near the International Boundary; the new recreation area under construction at Stephenfield near Carman, and a new camp ground on the Trans Canada Highway seven miles west of Hadashville. These facilities are scheduled for official opening this summer. There are 27 other developments such as beach sites which have facilities in use this summer. Some are in existing areas and some are in completely new sites.

MR. SPEAKER: Order, please. I would suggest that there can be no pictures taken in this Gallery. Would the guides look after that. The Honourable Minister.

MR. DESJARDINS: Manitoba Vacation Handbook for 1972 is a guide for all outdoor recreation establishments in the Province, both provincially operated and privately operated, listing the facilities, highway accesses and the type of accommodation available. Manitoba 1972 Highway Map is also a handy guide to outdoor recreational facilities and how to get there. Although the official opening day for the parks, recreational areas, and camping sites is Friday, May 12th, certain facilities will be available to campers ahead of season - this coming weekend of May 5th in Birds Hill Park. 90 camping sites in the chipping, vesper and song bays at the Birds Hill camping area will be available to campers, free of charge during the full week in advance of official park opening. Also available free of charge for the week will be the wash-room and shower facilities in the area.

It is interesting to note that Manitoba parks attracted some 3,060,000 visitors in 1971, an increase of 40,000 over 1970 Centennial Year. There were 361,000 campers who used the government camp sites in 1971, an increase of about 9,000 over 1970. In 1971 a total of 97,600 camping permits were issued, up 14,100 from the Centennial Year. These figures serve to indicate the growing demand for park and outdoor recreational facilities and emphasize the continuing effort being made by the Department of Tourism, Recreation and Cultural Affairs to meet the demand for these facilities in all areas of the Province; not merely to serve the tourist trade, but to provide a growing demand for outdoor recreational facilities for Manitobans themselves. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. R. (BUD) SHERMAN (Fort Garry): Thank you, Mr. Speaker. We welcome the Minister's statement with respect to the recreation areas and parks and camping grounds of the province, and commend the emphasis that the department, under the Minister, is placing on the increased expansion, and increased availability of recreational areas. Certainly recreation areas of a camp ground and camping nature are among the most prominent features for enjoyment that we in Manitoba have to offer. We probably have a richer supply and source of that kind of facility than many many other parts of Canada and the United States, and it's gratifying to see the government emphasizing development of that area of the tourist field.

We would hope that the statement that the Minister has made today is an indication of a continuing emphasis of this kind with continuing growth in development of our parks, camp grounds and recreation areas.

MR. SPEAKER: The Honourable Attorney-General. Ministerial Statement or Tabling of Report?

HON. A. H. MACKLING, Q. C. (Attorney-General)(St. James): Mr. Speaker, I wish to Table the Annual Report of the Land Value Appraisal Commission.

MR. SPEAKER: Any other ministerial statements or reports? Notices of Motion, Introduction of Bills, Oral Questions. The Honourable Member for Brandon West.

#### MATTERS OF URGENCY AND GRIEVANCES

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, I move that the business of the House be set aside for the purpose of discussing a matter of urgent public importance, namely that the announcement of the Federal Government regarding foreign investment in Canada (Foreign Takeovers Review Act) will have far-reaching implications with regard to matters coming under provincial jurisdiction. It is therefore urgent that the Provincial Government make its position known to Ottawa on the need for consultation with the Government of Manitoba before any final decision is made which would affect the economic development of our province.

MR. SPEAKER: Under our rule we are now entitled to have five minutes discussion in regards to admissibility of this question. The floor is open to the Honourable Member for Brandon West first.

MR. MCGILL: Mr. Speaker, I submit that the matter which I brought to the attention of the House in my motion to suspend the ordinary business, is one that meets all the criteria laid down in the rules of this House in respect to acceptability as of urgent public importance.

Sir, it is in my view an urgent matter because it involves a proposal by the Federal Government to present a bill to the House of Commons tomorrow, according to press reports, which, if passed, would give the Federal Cabinet authority to act in matters relating to foreign investments or takeovers of Canadian businesses. It is of general concern and public importance to all Manitobans because it proposes a policy of federal control over economic matters which will undoubtedly . . .

MR. SPEAKER: Order, please. I should like to indicate the honourable member is debating the substance of the motion and not the reasons why we should entertain it. The Honourable Member for Brandon West.

MR. MCGILL: Mr. Speaker, I'm attempting to describe the urgency of the matter in respect to the control which the Federal Government now proposes to place upon economic matters which will affect the future of our Province of Manitoba. --(Interjection)-- It is an urgent matter because of its far-reaching implications and it demands in my view, Mr. Speaker, an immediate response from the Government of Manitoba, in order that an effective method of bringing the provincial point of view, and the regional interests of our Province, directly to bear on the decision-making process which Ottawa now proposes to vest in the Federal Cabinet.

We are advised in the Press today that while provincial premiers will be consulted, no formal mechanism for this purpose is contemplated. And it is therefore submitted, Sir, that a debate at this time is not only urgent but necessary in order that the Government of Manitoba may be apprised of the views of other parties in this Legislature, and on the matter of provincial participation in the decision-making process at Ottawa. This decision-making process affects us urgently and immediately because of its effect on foreign investments in our province

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier)(Rossmere): Mr. Speaker, under Standing Order 27 as I understand it in our Rules, the important matter for the Chair to determine is not whether the subject matter is important but whether it is urgent and whether also it is urgent that there be debate. And since it can be said that legislation will be introduced in the Federal House by the Government of Canada, it is assumed that there will be ample opportunity for expression of views on the subject matter by all persons in the House of Commons, all groups represented in the House of Commons, representing Canadian people. Given that fact and given the fact that the Prime Minister indicated in a letter to all Premiers yesterday that there would be consultation with the provinces, that the Federal Minister that has been responsible for the drafting of the report will be consulting with provincial representatives, it would seem, Sir, that the point which seems to concern the Honourable Member for Brandon West is being taken care of in the sense that there will be opportunity for discussion and consultation in the normal course of the proceedings of the House of Commons, and also in the normal course of the proceedings of this Assembly, in that there is nothing to preclude honourable members from dealing with the same subject matter during consideration of the Estimates, Department of Industry and Commerce, during consideration of the Estimates of the Department of Mines and Resources, during that period of the day known as Private Members Hour, it is open to my honourable friends to move quickly to get a Resolution on the Order Paper if they so wish; and in fact, Mr. Speaker, on any Motion to go into Supply, it's open to my honourable friends here -- I'm not so sure of Friday for such procedure, but I should think it might be possible to even deal with the same subject matter on a Motion to go into Supply. Certainly all of the other examples I have given I submit are valid, so there is opportunity for debate; the debates can take place realistically before any definitive legislation action is concluded by the Parliament of Canada.

MR. SPEAKER: I thank the Honourable Member for Brandon West for giving me notice as indicated under our Rule 27. I should also like to thank the honourable member and the First Minister for their contribution in respect to procedure on this question. The primary question the Chair has to consider in respect to discussion on a matter of urgent public importance is whether the question involves the administrative responsibility of the government which is one of the basic parameters as indicated in Beauchesne's 4th Edition, Citation 100.

From the information provided by the Honourable Member for Brandon West's resolution, the Chair is of the opinion the question is anticipatory in that it asks this House to discuss a matter relative to policy, a policy which when decided by this House will then be transmitted to the House of Commons so it will be aware and act accordingly in passing legislation, which then may or may not be binding on the province, and as a consequence may or may not affect administrative responsibilities. In view of the foregoing I must rule the resolution is inadmissible at this time, but this does not preclude the subject being proceeded with by the various alternative procedures offered under our rule.

#### ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q. C. (Leader of the Opposition)(River Heights): Mr. Speaker, my question is for the First Minister. Just a few moments ago he made reference to a letter that he received from the Prime Minister which I gather has been sent to all Premiers in connection with the proposed legislation. I wonder whether he can indicate -- I wonder first, if he would be prepared to table that letter, and further whether he could indicate whether the letter contains any indication from the Government that they would be prepared to act on any recommendations that the Premiers may bring forth by way of consultation?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, insofar as I am concerned I would see no difficulty in tabling the letter although as the Honourable Leader of the Opposition knows well, it will be necessary to obtain the concurrence of the other party to the correspondence, that is the Prime Minister himself. This can be undertaken.

Insofar as the other part of his question is concerned, I would advise the honourable gentleman that the letter makes reference to the desirability of consultation and, its much more specific than that.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: A further question to the First Minister. I wonder whether he could indicate to the House whether it would be the government's intention to ask that the Prairie Economic Council meet prior to the consultation by all Premiers with the Prime Minister and his officials?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, that suggestion can be taken under advisement and I rather suspect that at the next meeting of the Prairie Premiers that this subject matter would be discussed. It was discussed to some limited extent at the last meeting of Prairie Premiers; however, as I say, the matter can be taken under advisement.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: A supplementary question to the First Minister. I wonder whether he can indicate the timing of the next meeting of the Prairie Economic Council?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, it's a matter of weeks now rather than months, I would think sometime around mid-July at the latest.

MR. SPEAKER: The Honourable Leader of the Opposition has had two supplementaries on that.

MR. SPIVAK: I think this is the first supplementary, Mr. Speaker.

MR. SPEAKER: He's had three questions on this subject. Does the Honourable Leader of the Opposition wish to place another question?

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: I wonder if the First Minister can indicate to the House whether he does not feel it urgent enough to ask and request the Prairie Economic Council?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, there are three Premiers involved in the Prairie Premier's group, and I should think that it will be a test of sense of relative urgency as to who asks whom first for a meeting.

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

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, my question is also for the First Minister. Will the First Minister give an undertaking to place the government's proposed position with respect to this matter of foreign investment in Canada before the House for debate before attending the Conference?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, the suggestion implicit in that question will be taken under consideration. I don't think it would be desirable or prudent to give an answer to that question just offhand.

MR. SPEAKER: The Honourable Minister of Recreation and Tourism. Oh, sorry. A supplementary by the Member for Portage la Prairie.

MR. G. JOHNSTON: My supplementary is: Will the Minister take the question as notice then and give us a reply?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well yes, Mr. Speaker, I said that I would consider the proposal that is implicit in the question and my honourable friend is free to ask a follow-up question on this at some reasonable early date. In the meantime it's also open to him to initiate discussion by way of a private members' resolution.

MR. SPEAKER: The Honourable Minister of Tourism and Recreation.

MR. DESJARDINS: Mr. Speaker, I'd like to table a Return to an Order of the House No. 26, as requested by the Honourable Member for Roblin.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is for the First Minister. I wonder whether the First Minister could indicate whether there will be a meeting of the Minister of Industry and Commerce, or the officials of his department, prior to the meeting proposed by the Prime Minister dealing with specifically the request for consultation on the new proposed federal legislation.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, the departments of government that might be involved in any preliminary discussions prior to a meeting with a Federal Minister is a matter of judgment and decision to be taken by the Executive Council, by the Cabinet.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: I have another question for the First Minister, for the Minister of Industry and Commerce. Has there been any discussion by the Federal Government with the Government of Manitoba concerning proposed changes in the Autopac arrangement with the United States?

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

HON. LEONARD S. EVANS (Minister of Industry and Commerce)(Brandon East): Mr. Speaker, although I had the pleasure of meeting the Federal Minister of Industry, Trade and Commerce along with the other nine provincial Ministers of Industry and Commerce recently, there was never any discussion of that particular topic.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: . . . question, Mr. Speaker, to the Minister of Industry and Commerce. I wonder whether he can indicate, were there any discussions about the DISC program in the United States at the time.

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

MR. EVANS: Yes, Mr. Speaker, there were some discussions on the DISC program and its possible effects. I might add, Mr. Speaker, as I indicated to the House yesterday in answer to a question posed by one of the honourable members, the Department of Industry and Commerce will be monitoring as closely as we can any possible effects of the DISC program on Manitoba industry.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: A supplementary question to the Minister of Industry and Commerce. I wonder whether he can indicate whether the Federal Government has forwarded memorandums with respect to the DISC and its likely effect on the economy in Canada.

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

MR. EVANS: Mr. Speaker, there is no precise up-to-date information of that nature received from the Federal Government.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. JEAN ALLARD (Rupertsland): Mr. Speaker, I have a question for the Minister of Municipal Affairs, I believe. It's on the question of housing in South Indian Lake. Could he advise the House whether after the failure to get any housing into South Indian Lake last winter, there will be any housing built by the province this summer?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs)(Selkirk): Mr. Speaker, the issue of whether or not there will be housing in South Indian Lake specifically under the remote housing program depends upon the decisions that will be arrived at by the Remote Housing Committee which consists of representatives of the Metis Federation, the Northern Association of Community Councils and provincial representatives. Insofar as the Minister's reaction to housing at South Indian Lake, there is no objection to the development of a program at South Indian Lake.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. ALLARD: Could the Minister advise the House - a supplementary on the same subject - whether the Provincial Government has entered into an agreement that would permit the building of housing in South Indian Lake?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Speaker, I am unaware of what agreement could possibly be involved with respect to the building of housing at South Indian Lake. There is no prohibition to my knowledge whatsoever to the province developing a program with the community of South Indian Lake and upon the recommendation of the Remote Housing Committee, then the Manitoba Housing Renewal Corporation would be quite prepared to proceed with housing at South Indian Lake.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. ALLARD: Well, I don't know how to place this, Mr. Speaker, but I don't know whether the Minister is aware that that recommendation has been made . . .

MR. SPEAKER: Order, please. Order, please. I'm sure the honourable member is aware this is a question period. The Honourable Member for Roblin. The Honourable Member for Rupertsland on his last supplementary.

MR. ALLARD: Is the Minister aware that the Northern Housing Committee has been made as . . .

MR. SPEAKER: Order, please. Order, please. Awareness is not the necessary procedure. The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, on a point of order, the Order for Return which I just received from the Honourable Minister of Tourism and Recreation, I thank him very much, but the one point, No. 5, was the figures regarding Turtle Mountain Provincial Park were approved by the House that day and they are not included in the Return.

MR. SPEAKER: The Honourable Minister of Tourism and Recreation.

MR. DESJARDINS: I'll have to check this, Mr. Speaker. I thought the Order was complete.

MR. SPEAKER: The Honourable Attorney-General.

MR. MACKLING: Mr. Speaker, when I was absent from the House some days ago, the Premier took as notice a question from the Honourable Member for Thompson (a) Are bus drivers to be penalized for obeying the Highway Traffic Act with regard to overloading? and (b) What action is the government prepared to take with regard to those firms dismissing bus drivers for obeying the Highway Traffic Act re overloading? In answer to question (a), I'm not aware of any bus drivers that have been subjected to any penalty arising out of an offence charged, arising from the Highway Traffic Act. I believe that there has been some difficulty but that does not directly involve a prosecution, or a penalty, imposed under the Highway Traffic Act, and I think that matter has been dealt with by my colleague, the Minister of Labour in answer to questions earlier.

The second question: What action is contemplated with regard to those firms dismissing bus drivers? I'm not aware of any complaints. If there are any they would be with my colleague the Minister of Labour and I think we have both indicated in the House that to our knowledge no action has been taken along these lines, and we have indicated that any suggestion that a variation, or at least some change in attitude other than what is the law in Manitoba respecting the operation of motor vehicles, would not be in accordance with sound bargaining and I think both, my colleague the Minister of Labour have indicated that already.

MR. SPEAKER: The Honourable Member for Thompson.

MR. JOSEPH P. BOROWSKI (Thompson): Mr. Speaker, I have a question to the Attorney-General as a result of that answer. The penalty I had referred to in a question was a suspension by the department . . .

MR. SPEAKER: I should like to indicate to the honourable member that he's supplying information and not asking a question but under the circumstances since the Attorney-General raised a question, which is also improper, I must allow it since it's on the floor.

MR. MACKLING: Mr. Speaker, I wasn't aware of anything improper having been done. However in answer to the question, if there has been an action taken and I think I know what the honourable member refers to, that is the subject matter for the Department of Labour and my colleague the Minister of Labour, if a complaint is tendered to his department in connection with an unfair labour practice, it would be handled in the normal way.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I have a question to the Minister of Industry and Commerce. On Monday he took as notice a question regarding the name of the consulting firm from Montreal for whom Mr. Cockerton works. Is he unable to provide the name?

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

MR. EVANS: Mr. Speaker, I do not have that information as of today.

While I'm on my feet, Mr. Speaker, the Honourable Member for Roblin the other day asked me a question as to who owns the Shellmouth Dam and I can advise him that at the present time the Dam is owned by the Federal Government although arrangements will be made for the transference of the ownership from the Federal to the Provincial Government in the not too distant future. At the present time - his second question I believe referred to the operation of the Shellmouth Dam - the operation is under federal jurisdiction but the federal jurisdiction in this case takes guidance from the Provincial Water Control Branch.

With regard to the problem of flooding potential and awareness of flooding in this particular area that the honourable member is concerned about, I can advise members of the House that the Shellmouth Dam was never designed to protect those farmers in the lowlands along the river. As a matter of fact a meeting was held with three rural municipal councils last December and the staff of Water Resources went into great detail to show that although a considerable amount of flooding could be alleviated, no guarantee could ever be given that flooding would not occur in the natural flood plain. It's impossible to give a guarantee that

(MR. EVANS cont'd) . . . flooding would not occur in the lowlands or the natural flood plain area.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I have a question which is supplementary, or related, to the previous question I asked. Could the Minister confirm whether the consulting fee of Mr. Cockerton for the one day psycho-intensive course for the MDF girls was \$1,000.00?

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

MR. EVANS: Mr. Speaker, I reject the particular description that the honourable member chooses to utilize in this connection. I have no detailed information before me but if there is any fee, it would be at least one-tenth of that figure.

MR. SPEAKER: The Honourable Member for Churchill.

MR. GORDON W. BEARD (Churchill): I'd like to address a question to the Minister of Education. I asked him some time ago about somebody taking adult training in the City of Winnipeg having to pay from 600 to \$750 for a Grade 12 class. He took it under consideration. Would he have an answer at this time?

MR. SPEAKER: The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education)(Burrows): Yes, Mr. Speaker. The Adult Education Centre that is in operation in Winnipeg is under the auspices and control and the jurisdiction of the Winnipeg School Division and they charge a non-resident tuition fee for all students there in much the same manner as any school division may charge a non-resident tuition fee of any student attending a school within its system with the exceptions that presently are written into the Public Schools Act.

MR. SPEAKER: The Honourable Member for Churchill.

MR. BEARD: Is there any way in which somebody can take a Grade 12 adult education program without having to pay \$750 a year that doesn't live within the city limits - the City of Winnipeg limits?

MR. SPEAKER: The Honourable Minister of Education.

MR. HANUSCHAK: I am not aware at the moment, Mr. Speaker - well I do know this that there are adults enrolled in high school courses in the regular high schools and in that case they are of course not being charged a tuition fee and of course many school divisions in Metropolitan Winnipeg and outside it offer an Evening School Program where high school courses are offered, and under the auspices of Manpower there is an upgrading program offered which is not -- it's not a high school program as such because it does not give you standing at any grade level but it gives you a certificate which is in a sense an equivalent of a certain grade level in a public school system, depending upon the level of achievement of the student.

MR. SPEAKER: The Honourable Member for Churchill.

MR. BEARD: A last supplementary question, then. Would it be possible or is the department considering allowing Grade 12 courses at the Red River College for those who have to take that course before they can enter into Red River Community College?

MR. SPEAKER: The Honourable Minister of Education.

MR. HANUSCHAK: Is the department considering offering Grade 12 at Red River Community College? I am advised, although it is not in my department, I am advised that the answer is no.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): My question is to the Honourable Minister of Industry and Commerce. Can the Minister confirm that a large farm equipment manufacturing contract will be announced shortly by Versatile and will be manufactured in North Dakota?

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

MR. EVANS: Mr. Speaker, I cannot confirm or deny that.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: A supplementary, Mr. Speaker. Can the Minister --(Interjection)--

HON. RUSSELL PAULLEY (Minister of Labour)(Transcona): Mr. Speaker, on a point of Order.

MR. SPEAKER: The Honourable Minister of Labour on a point of order.

MR. PAULLEY: Is the question a proper one when it is dealing with a state of the United States of America and not this province? --(Interjection)-- It is not.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, on a point of order. Versatile has a head office in

(MR. PATRICK cont'd) . . . . Manitoba, not in the States.

A supplementary. Has the Minister had any negotiations with Versatile in respect to a contract signed with Russia - Versatile and Russia - exporting machinery to Russia?

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

MR. EVANS: Mr. Speaker, I suggest the honourable member ask the company.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: A supplementary. Can the Minister give any indication to the House what will be the economic loss to Manitoba by the firm moving from Manitoba to North Dakota?

MR. SPEAKER: Order, please. The question was asked yesterday. The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, I direct a question to the Honourable Minister of Industry and Commerce. My question arises out of the statement that he made, or which I understood him to make on TV the other night, that he was prepared to sue Versatile if they moved out of the Province of Manitoba with \$6 million of Manitoba . . .

MR. SPEAKER: Order, please. Order, please. I would like to indicate - Order, please - I would like to indicate to the honourable member that I cannot fathom where the question relates to the procedures of this House. Would the honourable member like to rephrase his question?

MR. WATT: I'm asking a question that's related to a statement that was made by the Minister of Industry and Commerce over the news media the night before last.

MR. SPEAKER: Order, please. According to our rules in regards to questions of statement within or without -- outside the House is not relevant. It can be asked in -- (Interjection)-- Does someone else wish to take the Chair? The Honourable Member for Arthur.

MR. WATT: Is the intention then - I direct a question to the Minister of Industry and Commerce if he is going to sue Versatile when they move out of Manitoba with allegedly \$6 million of the taxpayers' money?

MR. SPEAKER: Order please. I still have no guidance from anyone including the honourable member who asked the question what relevance the question has to the procedures of this House. Whether the honourable member wishes to do something outside of this House has no relevance to the procedure that we are following. It doesn't refer to a motion or a resolution, or to anything else. I'd like to indicate that to all honourable members.

The Honourable Member for Rupertsland.

MR. ALLARD: Mr. Speaker, I have a question for the Minister of Municipal Affairs. Could he advise the House whether Remote Housing has signed a contract with CMHC for the provision of housing in South Indian Lake?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Speaker, not to my knowledge. I will take the question as notice.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I'd like to direct a question to the Minister of Education. In view of the decision by the Winnipeg School Board regarding Sacred Heart School, is the government reconsidering the grant structure for purposes of financial support for the Francophone schools in Division 1?

MR. SPEAKER: The Honourable Minister of Education.

MR. HANUSCHAK: No, Mr. Speaker.

MR. CRAIK: Mr. Speaker, I wonder if the Minister - a supplementary question. I wonder if the Minister could advise whether there will be any Francophone schools operating in Division No. 1?

MR. HANUSCHAK: There may be classes operating, I'm not aware of schools as such, however, I'm not in day to day contact with the planning that might be going on in the Winnipeg School Division, Mr. Speaker.

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

MR. G. JOHNSTON: Mr. Speaker, my question is for the Minister of Education. Has the government invited tender by competitive bid for possibly 113 school buses this year?

MR. SPEAKER: Orders of the Day. The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Speaker, I'd like to direct a question to the Honourable the Minister of Tourism and Recreation. I thank him for the statement that he made to the House today. I wonder when he could give the official dates that's suggested for the opening of these



(MR. McKENZIE Cont'd) . . . parks, when those dates will be announced?

MR. SPEAKER: The Honourable Minister of Tourism and Recreation.

MR. DESJARDINS: Mr. Speaker, as soon as we can be relatively sure.

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

MR. G. JOHNSTON: I have a question for the Minister of Education, Mr. Speaker. Will the Minister give this House the reasons as to why competitive bids were not taken for 113 school buses this year?

MR. SPEAKER: The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Speaker, I have a question for the Minister of Highways. Would he table the report this week that was commissioned by the Premier dealing with the departmental review of the Highways Department that was commissioned by the Premier and conducted by the Deputy Minister of James Richardson.

MR. SPEAKER: The Honourable Minister of Transportation.

HON. PETER BURTNIAK (Minister of Transportation) (Dauphin): Mr. Speaker, I must admit I did announce in the House some time ago that that report will be tabled. I was hoping that perhaps after the Bill 21 would be completed and we would be able to - then we'd go into Estimates and we'd probably would be able to table it then. It could be this week or perhaps next week. I don't always agree with my Honourable colleague from Thompson but this time I will agree with him.

MR. SPEAKER: The Honourable Member from Rhineland. Order, please.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I'd like to direct a question to the Honourable the Minister of Agriculture. Could he inform the House whether the government has made any effort, or is making an effort to provide the Manitoba farmer who is on a 4 bushel quota, to that of Saskatchewan and Alberta having a 14 bushel quota for wheat.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): I have been in consultation with the Canadian Wheat Board on that question, Mr. Speaker, and they have advised me that it will not be long until we have caught up with other points in the prairies.

MR. FROESE: A supplementary. Could he confirm that this is as a result of the new protein grading or the request for higher protein wheat in certain areas.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Not to my knowledge, Mr. Speaker, that that is the problem I don't think that is the problem.

MR. FROESE: A further supplementary. Will the farmer of Manitoba be penalized in the new crop year for having lower protein wheat in Manitoba?

MR. USKIW: Well, Mr. Speaker, I don't know what the honourable member means because there is demand for all grades of wheat throughout the world. High protein, low protein, otherwise, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, my question is to the Minister of Industry and Commerce. Is Mr. Ault of Western Flyer Coach receiving a salary of \$125,000 a year?

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

MR. EVANS: No.

MR. PATRICK: Will the Minister tell us what is his salary at the present time?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I have indicated on many occasions in the past, while we provide information relative to the loans made by the MDC that matters that pertain to internal management, matters that are determined by Boards of Directors of subsidiary operations, do not come within the purview of that which is provided for during the question period.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: A supplementary question, then to the First Minister. I wonder if he can indicate whether Mr. Ault's salary has in fact been determined by the Board of Directors of Manitoba Development Corporation?

MR. SPEAKER: Orders of the Day. The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, my question is for the Honourable the Minister of Industry and Commerce. Just after the House opened some weeks ago, I asked a question whether the Leaf Rapids Agreement had been signed and whether the Minister would table it, and he took at that time the questions as notice. Could he give the answers now please?

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

MR. EVANS: Mr. Speaker, I'll look into the matter.

MR. SPEAKER: The Honourable Leader of the Opposition. The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Will the Minister give an undertaking to this House to answer the questions this session?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: I don't know if the Member for Portage is more concerned about the date or as to whether or not the agreement will be tabled. I can assure him the agreement will be tabled.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the First Minister. I wonder whether the government would be prepared to table the construction agreements made between the Leaf Rapids Corporation and private contractors with respect to the building and commitments made under the agreement between the mining company and the government.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: The Honourable Leader of the Opposition may file an Order for Return if he wishes.

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

MR. G. JOHNSTON: Mr. Speaker, I have a question for the Honourable the Minister of Industry and Commerce. Has the Minister or any of his officials had discussions with the President of Canadian Tool and Die Works leading to this company leaving the province.

MR. SPEAKER: Orders of the Day. The Honourable Minister of Industry and Commerce.

MR. EVANS: Mr. Speaker, I have had no discussions myself but I can say that my staff is in constant communication with all sectors of the business community in Manitoba.

MR. SPEAKER: The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Speaker, I have a question for the Minister of Industry and Commerce. Could he indicate when a grocery store will be established at Ruttan Lake so the people don't have to travel 70 miles to Lynn Lake to do their shopping?

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

MR. EVANS: I'll look into this matter, Mr. Speaker.

MR. SPEAKER: The Honourable Minister of Tourism and Recreation.

MR. DESJARDINS: Mr. Speaker, I'd like to remain on the good side of the Honourable Member from Roblin the critic of my department, so I'd like to tell him that the Asessippi Provincial Park will be open sometime in July.

MR. SPEAKER: The Honourable Member for Emerson.

MR. GABRIEL GIRARD (Emerson): I'd like to direct a question to the Honourable the First Minister. I wonder if he could advise the House as to whether or not the government intends to take legal action against GNC with regards to Columbia Forest agreement, and if so, when?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, in order to be sure that I have understood the question, may I repeat it Sir? The question: whether the government intends to take legal action against Great Northern Capital? Is that basically the question? The answer is that the matter has been considered and we have been given legal advice that it would be in the public interest to proceed with litigation. Yes, affirmative.

MR. GIRARD: A supplementary question, then, Mr. Speaker. I wonder if the Premier could advise us as to when the action will first be filed.

MR. SCHREYER: Mr. Speaker, that will be determined by events.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the First Minister. I wonder whether he can inform the House whether the government still believes that the shares of Columbia Forest Products Limited, as the solicitor for the Corporation, are held in suspended animation.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, we have a very clear interpretation as to who has responsibility for the continued operation of that particular manufacturing facility and in accordance with the rather peculiar agreement entered into by the government in 1967, the time when the Leader of the Opposition was Minister of Industry and Commerce, we find that it is difficult

(MR. SCHREYER Cont'd) . . . to protect the public interest but we are adamant to do so.

MR. SPIVAK: Mr. Speaker, my question is to the First Minister. I wonder whether he'd be prepared to table the documentation where the solicitor for the Manitoba Development Corporation stated that in his opinion the shares are being held in suspended animation.

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

MR. SCHREYER: Mr. Speaker, governments have difficulty from time to time both federally and provincially with respect to certain documents coming into possession of those really have no right to them. However, the sense of ethics, or lack of it, involved here in the case of the Leader of the Opposition doesn't surprise me.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I rise on a point of privilege. The government has an obligation to account. The suggestion of imputing a lack of . . .

MR. SPEAKER: Order, please. Would the honourable member state his question of privilege. The Honourable Leader of the Opposition.

MR. SPIVAK: Yes, Mr. Speaker, I believe that the First Minister must withdraw the remarks of the question of ethics. He is imputing a motive, and imputing an action on my part and --(Interjection)--, Mr. Speaker, on that basis, I may say that on the question of ethics the First Minister has held back and continues to hold information in connection with . . . .

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

MR. SCHREYER: Mr. Speaker, I am quite prepared of course, as I must be in any case, to leave myself in your hands as to whether or not my comment in reply to the honourable member's question constitutes a breach of privilege of the honourable member. However, I am satisfied that my comment was with respect to the ethics on the part of those who would use privileged documents, and I believe the matter rests there.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN, Q.C. (Inkster): Mr. Speaker, on a point of privilege raised by the Honourable the Leader of the Opposition, I would think that the Leader of the Opposition would be aware that a letter as between a solicitor and a client is privileged both on the basis of the solicitor and on the basis of the client. Apparently when formulating these doctrines of legal privilege, the law profession wasn't aware that somebody in the profession would break that privilege as between the solicitor and client and vice versa. -- (Interjection) --

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

MR. SPIVAK: On the question of privilege. Privilege does not exist in this Legislature. Privilege does exist in this Legislature and documents are tabled by the government that are in fact are privileged and they are tabled here on the actions of government. I suggest to the Honourable First Minister that the ethical thing was for the government to . .

MR. SPEAKER: Order, please. Order please. The Honourable member is debating it. I believe all honourable members are starting to debate the matter. The question of privilege as I view it didn't arise. The Honourable Member for Emerson. The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): . . . say that the question of privilege does not arise, then are we to conclude that the imputation of motives in the . . . permitted in this . . .

MR. SPEAKER: Order, please. Order, please. I should like to indicate to the Honourable Member for Morris who has a lengthy experience in procedural matters that he should not question the decision of the Chair. He has the proper procedure to follow. He's welcome to it. The Honourable Member for Emerson.

MR. GIRARD: I'd like to direct a question to the Honourable Minister of Education. I wonder if he could advise the House, and especially the Administrators of Schools in Manitoba as to when the administrative handbook will be published to schools. It's terribly important that this material comes out early in view of administrative changes in the schools.

MR. SPEAKER: The Honourable Minister of Education.

MR. HANUSCHAK: The administrative handbook will be in the hands of the administrators soon, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Crescentwood.

MR. CY GONICK (Crescentwood): I have a question for the First Minister. Does the First Minister have a statement to make with regard to the petition from the workers in Gillam with respect to establishing a judicial enquiry into the Manitoba Hydro Council.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I have no statement to make as such. It is still my intention to return a communication to the person who addressed the petition to my office in the first place. I was hopeful it could be done very soon. I am still hopeful it can be done this week.

MR. SPEAKER: The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Speaker, I have a question for the Minister of Industry and Commerce. Could he indicate to the House how many jobs would have been lost at Western Flyer Coach had the school bus contract gone to Ontario?

MR. SPEAKER: Order, please. The question is hypothetical. The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, my question is really for the Minister of Public Works, and I don't think we've been advised who the Acting Minister is, so I'll direct a question to the First Minister. Were public tenders called for the construction of the Autopac buildings?

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: I believe that I am the Acting Minister in the absence of the Honourable the Minister for Public Works. It is my understanding, Mr. Speaker, if they haven't been, they will be. I'm not quite sure but I would be glad, Mr. Speaker, to find out the precise information for my honourable friend.

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

MR. G. JOHNSTON: A second question to the Minister. In view of the fact that the buildings are under construction, the Autopac buildings are under construction will the Minister let this House know whether the competitive bids have been let or not? In view of the fact that Autopac buildings are under construction will the Minister let this House know when the competitive bids will be let?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Speaker, I am a little surprised that the Honourable Member for Portage la Prairie didn't direct the question at myself due to the fact that the Manitoba Public Insurance Corporation is a Crown Corporation. Insofar as the buildings referred to, the reference is to the drive-in claims centres, and I will be quite happy to deal with that in detail in my Estimates. The buildings in question were awarded under a contract in the most expeditious way that was possible in order to commence the construction of the buildings in question and they were awarded by Autopac, and they were not awarded by tender due to the fact that in order to have done so would have delayed the finalization of the first building until sometime the first part of this year.

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

MR. G. JOHNSTON: Mr. Speaker, I would like to direct a question to the Minister of Municipal Affairs. Does Autopac not lease their buildings from the Department of Public Works?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: I wonder if the Honourable Member would repeat his question, please?

MR. G. JOHNSTON: Does Autopac not lease all or some of the buildings they require from the Department of Public Works?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: No. The only - certainly not insofar as the drive-in claims centres are concerned. They fall purely and solely under the auspices of Autopac. The Honourable Member is I think relating his question to the future use by Autopac of buildings in the office building in the City of Brandon which would be rented through the Department of Public Works.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I wonder if I could address a question to the Minister of Municipal Affairs. Is the head of Autopac, Mr. Dutton, still working part time for the Saskatchewan -- (Interjection) -- Is the head of Autopac still working part time in the Province of Saskatchewan for the counterpart there and is he still drawing some income from Saskatchewan.

MR. SPEAKER: The Honourable Minister of Municipal - Order please. The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Speaker, as I have indicated on two occasions previously in the House, the General Manager of Autopac is on leave from the Saskatchewan Government Insurance office. He still retains a position with that corporation. He is not paid by that corporation. He is working full time for Manitoba Public Insurance Corporation. He still has

(MR. PAWLEY Cont'd) . . . a tie with SGIO until one year has lapsed then there will be consideration as to whether or not he continues his work in Manitoba or with the SGIO.

MR. SPEAKER: The Honourable Member for Emerson.

MR. GIRARD: I would like to address a question to the Honourable Minister of Education. Will school divisions be given some choice as to the chassis concerned in the buses that will be provided for those divisions by Western Flyer Coach?

MR. SPEAKER: The Honourable Minister of Education.

MR. HANUSCHAK: It is the school division that advises the Department of Education on its needs insofar as vehicles for transportation of their students in terms of size, rather passenger capacity, and with that information the Department of Education finances the purchase of the most economical and best bus that is available on the market to meet that particular need.

MR. SPEAKER: The Honourable Member for Emerson.

MR. GIRARD: A supplementary question, Mr. Speaker. Will the school divisions have any authority, or will it be within their power to suggest that they would like a Chevrolet, or a Chrysler, or an International truck, and that is quite important in some areas?

MR. SPEAKER: Orders of the Day. The Honourable Minister of Education.

MR. HANUSCHAK: I believe the Department is well aware of the maintenance problems and maintenance costs which may arise from having a variety of vehicles on the road, but keeping those factors in mind an attempt is made to provide those chassis which can be not only be purchased most economically, but operated most economically.

MR. SPEAKER: The Honourable Minister for Rhineland.

MR. FROESE: Yes, Mr. Speaker, I would like to address a question to the Minister of Education. Will he make the same grants that are available to Hutterite schools in this province available to school districts and multi-district divisions?

A MEMBER: Mr. Speaker, on a point of order, I think that this is a matter of policy.

MR. SPEAKER: The point is well taken.

MR. FROESE: On a point of order, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: The question is quite in order.

MR. PAULLEY: . . . point of order. I think it is clearly delineated in Beauchesne that matters of policy which is, in effect, the question raised by my honourable friend from Rhineland is out of order in the question period.

#### ORDERS OF THE DAY

MR. SPEAKER: The Honourable Minister of Finance.

HON. SAUL CHERNIACK, Q.C. (Minister of Finance) (St. Johns): Well, 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 of the Whole to consider the following Bills: No. 21. An Act to amend the Revenue Tax Act, the Tobacco Tax Act, and the Amusements Act.

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

#### COMMITTEE OF THE WHOLE HOUSE

MR. CHAIRMAN: Clause 12 -- The Honourable Member for Souris-Killarney.

MR. EARL McKELLAR (Souris-Killarney): I just got a few more -- Mr. Chairman, I would like to say a few more words. I was talking last night at nine o'clock on this Bill 21, on this Section 12 which appeals this section 4, sub-section 3. I thought it would be a good idea maybe to revise my memory of what happened in 1967. That I would just look up some of the speeches that were made at that particular time. Mr. Chairman, I think that some of the statements that were made at that particular time on this debate really bring home to bear I think, and I would like to read some of the statements here, one particular statement here which refers to production machinery that's financed for a particular individual whose financed, has to pay tax not only on the article but on the interest rate and the finance. And I would like to read the statement made by the Honourable Minister of Finance, March 9, 1967, Page 1504. I read this paragraph, "The man who buys on time generally speaking is the man who does not have money in the bank," -- (Interjection) -- The Honourable Minister of Finance. "I think

(MR. McKELLAR (Cont'd) . . . that's a statement we can pretty well accept and he is the man who is being asked to pay a sales tax, not only on the sales price of the product but also on the interest which he has to pay, on the financing charges which he has to pay because he is buying on time. Where is the element of recognition of hardship when this government is prepared to tax the financing costs for time purchases. Can it be that this government in drafting this legislation - and it has all sorts of time to do it - was not aware of this deliberate decision which it must have made to tax people on interest charges which they had to pay on goods which they purchased on time. Is this the recognition of the need to provide for the necessities of living and to relief of hardships to the people involved? This to me is possibly the most outstanding example of an approach by a government by paying lip service to certain principles and overlooking, or deliberately involving people when it hurts them hardest."

Well, Mr. Chairman, that's a fantastic statement, fantastic statement. . . . was made on March 9, 1967 by the Honourable Minister of Finance when he was in the seat right here debating the Revenue Tax Bill which was brought in by the Conservative Government of that day. Mr. Chairman, this comes home to haunt you usually as a speech he made in this House, and I've had many that haunted me. This always comes home to haunt you. So what is the Honourable Minister of Finance doing on production machinery that is financed by individuals in the Province of Manitoba, he is doing the very same thing as he told our present government of our day not to do. It is hard to believe, Mr. Chairman, that a person's memory would become so short. It is hard to believe that the Honourable Minister would not go back and read the speeches he made five years ago because this is the facts of life, they are here in the records of the Province of Manitoba.

I would like to read a little more here. I've got a few dandy statements here I would like to read. Oh yes here it is. "So it may be just an empty gesture to talk about reciprocal arrangements but the fact is that in Manitoba after this Act is brought into being, there will be double taxation of sales tax from the federal-provincial level. There will be sales tax on top of the federal sales tax. There will be sales tax on top of the Customs and Excise Tax of the Federal Government. There will be triple taxation in the case of extra provincial purchases . . . when a purchase is made in another province where tax is paid and brought here" and so on. Mr. Speaker, this is likely right, but what did the Minister of Finance do to correct it? Not only is he not correcting it, he is adding another tax.

There is some more statements in this particular speech he made. Page 1505. "I wonder about the concept of seeds and farm implements in recognition of a basic industry and exemption of that. And I am wondering if a farm implement is exempt whether tools of trade should not be exempt. I wonder if the baker who is using his tools in baking other food processors will be given the same consideration in the great desire to keep down the cost of food to the consumer." Chairman, that is one statement. And here in the same paragraph I would like to continue this. "And of course the question of dry cleaning and laundry comes up as well. That's a matter of cleanliness, and I doubt if it is proper to tax cleanliness in that fashion, and that recognition ought to be given to this need." Mr. Speaker, Chairman, I understand the dry cleaning plants will have to pay tax on their equipment. I imagine the bakers who operate bakeries in the City of Winnipeg and all over Manitoba will have to do the same.

There is one other statement here. Page 1510 and the same Minister of Finance at that time, sitting in opposition. "I say that we must know the regulations in advance, Mr. Speaker, we cannot leave it to the Cabinet. We must hear much more about the impact on the individual. We must learn much more about the Provincial Treasurer's philosophy and his approach to these tax measures before we can entrust him to legislate by way of regulations. We support the amendment" - that meaning the Liberal amendment of the day - and he went on to give this particular Bill a six months hoist which would kill this Revenue Tax Bill of the day.

-- (Interjection) -- The Honourable Member for Assiniboia says he knows that. This is right this is quite right; Mr. Chairman. The philosophy of the Minister of Finance of that particular day was to renew the Revenue Tax Bill completely.

So what have we now, Mr. Chairman, we not only have the taxes that were imposed of that day but we have the Honourable Minister of Finance going ahead with his tax on production machinery, not only on the purchase of new production machinery but of leased. This is one of the things that really bothers me in a time when the Province of Manitoba, when our economy is not operating at it's highest and its best, that we should impose extra taxes rather than to decrease taxes, or decrease spending, and this is an approach I say is the right approach and

(MR. McKELLAR Cont'd) . . . not impose more taxes.

In rural Manitoba today we need industry but we are not going to get it if taxes are imposed on machinery that's involved in any industry, new industry, and I would suggest to the Minister, as I just said, that the right approach is to either remove taxes, not increase taxes, and also to look at the expenditures of the government of the day.

MR. CHAIRMAN: . . . Minister of Finance. The Honourable Member for Winnipeg Centre.

MR. J. R. (Bud) BOYCE (Winnipeg Centre): I wonder just - you know I am hearing so much on this particular clause, I wonder if the Minister could clarify things for . . . You know it seems to me that what we are talking about, or what we are supposed to be talking about, is a clause in a bill which would charge a five percent sales tax on production equipment. Now I am losing my way a little bit because of the - you know some of the confusion and it seems to me that what we are talking about is \$5.00 on a hundred. Now five percent is \$5.00 on a hundred. So that if I have a machine that I amortize over 20 years or 25 years or so, that we are talking about maybe 20 cents a year relative to all the things that that production machine produces, so if I produce 1,000 pieces of toast, or whatever the heck with the toaster, or whatever we are talking about, we are not talking about a five percent increase in all machines, we are talking about the five percent increase in a capital investment which can be written off or amortized or recovered over a number of years. So what we are talking about is perhaps a millionth of a cent on a bushel of wheat, or something like that - you know I am getting confused a little bit. Something you know that is coming across here.

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Chairman, I don't wonder that the Honourable Member for Winnipeg Centre is confused we have had so many so much said on the opposite side that is confusing, that he may have been sidetracked, as I think some of the other rural members particularly were sidetracked on the question of the impact of the cost of the production machinery tax, and I have to tell them that although he said he is confused, I think he is absolutely right in his interpretation and that he should not permit himself to be diverted from the interpretation he gave which I believe is absolutely correct.

Now, Mr. Chairman, of course the member for Souris-Killarney said again what others have said about getting industry into Manitoba, and I have to just again point out that all our neighbours are charging production machinery tax, and they are doing very well thank you, and there is absolutely no reason to think that this will make an impact.

But of course the Honourable Member - when one makes a speech one sometimes wonders when it will come back to haunt you as he says, and certainly when I made a speech back in 1967 - I have grown older, five years older since then, and one starts to worry a little bit about what one says. What did he quote, he said that we must know the regulations. Mr. Speaker, the Honourable Member for Souris-Lansdown knows the regulations, they have been in force for five years. We know what they are; he should know what they are, and indeed at the time that I spoke we had no idea what the regulations were. And what point did I make then as - and I quote him as quoting me - I assume he quoted me correctly. I made the point that I did not know the philosophy of the then Minister of Finance and indeed, Mr. Speaker, I did not - nor do I know the philosophy now of the Conservative Party across the way when it comes to taxation policy except give, give, give to industry, entice industry, give them reduction taxes, make it better for them to come, growth for growth's sake. I know that kind of a philosophy. But when I said I didn't trust the Minister of Finance in relation to the regulations, indeed I didn't know his philosophy, but today we have regulations. They've been worked on, they've been changed and we know them. So that the point made then must have been valid then as it would appear to be valid now and that is, we do have regulations now.

He quoted me in regard to dry cleaning, etc., and I believe he quoted me as suggesting that that should be looked into because it seems to me it was a tax on cleanliness, I must say that during the debate and after I had become persuaded to realize that it is again on the ability-to-pay principle that people in the lower income brackets are the ones that don't have the opportunity to make use of dry cleaning, laundry facilities, at a commercial but do their own hard hard work in keeping their own clothes clean. So I would say that the question of ability to pay is involved in this tax, and I don't apologize for not having brought in an amendment on that.

The question of tools of trade: I listened during the entire debate in 67, I heard the

(MR. CHERNIACK Cont'd) . . . argument. I've since reviewed it and I have now given the answer I was given then. I accept it as being a question of enforceability and proper description, so it means that I can be persuaded, and there is proof that I could be.

The question of double taxation: what I referred to then is still true in relation to the federal taxation. There is federal taxation and there is tax on top of that. I have learnt in my study of taxation measures that there are very frequent occasions of double taxation. At least in this case this taxation is direct taxation which is within the purview of the Provincial Government. We have no authority to deal in indirect taxation, nor can we change federal law.

Now, Mr. Chairman, just to indicate that I can be persuaded let me indicate to the honourable member that apparently the previous Minister of Finance can be persuaded too, because on the point first raised about financing costs, costs of operation, let me read to him the definition in Section 2 (1) of the Revenue Tax Act which says "purchase price means" and goes on and says " And includes" - sub 1 (8), Sub 1 - "any charge whatsoever in connection with a transaction other than (a) finance charges, carrying charges, or interest charges on conditional sales contracts or other contracts providing for deferred payments of the consideration if the amount of such finance charges, carrying charges, and interest charges, is in addition to the usual or established cash selling price of the tangible personal property or to service, and the amount is segregated on the invoice or bill of sale or is billed separately to the purchaser".

Mr. Chairman, the honourable member has just indicated how persuasive I must have been back in 1967 to have managed in opposition to have this law brought forward in this manner. Now I'm assuming, hopefully, that it was not in the original Act, and that I may have been the very one to have brought in this definition so as to exclude that which I felt was wrong. So that if I was right then in saying it was out of the Act, I can only point out that it is in the Act indeed, and therefore, rather than apologize, or to feel embarrassed, about the fact that it has been directed back to me I can only say that having raised the point, and being given credit for raising the point, I now have a right to take some credit for the fact that it's in the bill which was passed by the previous government.

Mr. Chairman, there may be other things that I have said, and it may be interesting to review history, but the fact is that we are today dealing with a tax - removing an exemption which was created in the original bill. We've already had a number of speeches on this point, I therefore don't want to take more time of the Committee at this stage.

. . . . . continued on next page



MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Chairman, I'm not going to be repetitive because I have not raised, and I don't believe anyone else has raised this point before that I will now. I would like to know if the Minister did have, or the Minister of Industry and Commerce had any contact or negotiation with Versatile Manufacturing Company because it has been brought to my attention that they will be announcing one of the largest implement manufacturing contracts that's been ever awarded to a Canadian firm, and if this is the case, this certainly will have a very detrimental effect if they should move out of Manitoba. It may mean unemployment, and so on, and I'm not saying that the government has the right to pursue the course of action at the present time, but I think that we should know, and has there been any communication and negotiations, and perhaps if the Minister would have taken the time to meet with the people, maybe the small problem that there was could have been resolved and the firm could have stayed here, and the contract would have been agreed to manufacture the machinery in this Province.

The other point I wish to raise: the Minister has on many occasions stated that the other provinces have the same legislation on production machinery, the same tax, but he did not tell us that fastwear items, such things as used in the mining companies, explosive, steel drills, cement, rock bolts, timber, and safety nets, and so on, are exempt in the other provinces, are exempt by the other provinces. And my point is that we should be concerned about employment in this Province, and if this will amount in - if it amounts in a small amount of revenue, then I don't think it'll affect any mining company and I don't think they will change their operation or curtail their output and reduce employment to move somewhere else. But if it does amount to say a tremendous amount of revenue, then this may happen, and what will happen, that employment will be reduced in the operations in Manitoba, and it will be increased somewhere else. We all know that there were 700 people already laid off Inco, and the items that I specified here are exempt in Ontario, so it's only natural that the company may cut down production in Manitoba and increase it somewhere else. I know that even the size of a company that the government has shown tremendous interest in Tantalum would be affected somewhere in the neighborhood up to, on their present operations, up to \$ 1/4 million on the production equipment or machinery which I specified or stated, such things, as explosives, steel drills, cement, rock bolts, and all the other items that are apparently exempt, or are exempt in the Province of Ontario and the Province of Quebec.

So if it means anywhere between two or three or four million dollars extra additional tax for some of the others - and I have no arguments for the mining companies, they can afford probably to pay tax, but the point is that I don't believe we should put them in a position, in a disadvantaged position that they can curtail their operations in Manitoba, reduce employment in the Province here, and pick it up somewhere else, because there is an advantage in some of the other provinces. So I say to the Minister, I understand that there are fast wearing items that are exempt in the other provinces which are not exempt under this bill, and I feel that the Minister has the responsibility to tell us what effect it will have and will there be any effect as far as employment is concerned.

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Chairman, I didn't bring it with me but I read, I think it was this morning a report, or last night, of Inco where their earnings have gone up again all based on the international price of steel and --(Interjection)-- before or after? Well, I won't talk about the Honourable Member for Thompson's business acumen at this stage, but I will say that it is my impression that the items referred to by the Honourable Member are negligible in relation to their total operation. He said something about two or three million dollars in taxes for goods such as explosives. I've no idea where he got that figure. I would appreciate his letting me know in due course.

But, Mr. Chairman, I had of kind of hoped that we had set aside the Versatile matter because it's been discussed at great length, but it's raised again, so I suppose I should refer to it. I happen to have some material which may be of interest to the House that I should report on. The question was: did we discuss with Versatile? The Premier has reported on a discussion that he had with the President of Versatile, Mr. Roy Robinson, where he indicated to him that the factor that involved, or motivated, their looking at plants outside of Manitoba was the DISC proposals of the U.S. government. Of course that is contradicted by some statement I've seen more recently, and the statement by the Honourable Member for Fort Garry as quoted in the Free Press of May 3rd, - yeah, that is this morning's Free Press - where I

MR. CHERNIACK, (cont'd.) . . . . quote, and it may be a misquote "The fact that Versatile is looking outside Manitoba and Canada is evidence of the effect that the proposed tax on production machinery will have on the Manitoba economy, Mr. Sherman said." Then it goes on to quote him, "Mr. Sherman said the proposed tax on production machinery is the operative factor in Versatile's decision." There is absolutely nothing that I know of to support that argument and, indeed, I think if he made it he later backed away from it, but he has been so quoted there.

Versatile, according to this morning's Tribune, there's a story about their plans for a small start in the U.S. plant and they say there, no definite decision's been made on where the plant will be built, but it'll probably be built in North or South Dakota. "We have to do some more checking on facilities of the different areas. By facilities I mean prospects for employees, favourable tax climates, and any incentives a town is willing to give us." Note that last, "any incentives a town is willing to give us." And Manitoba, Mr. Chairman, has suffered from the fact that in the past both municipalities and the Provincial Government was willing to sell out by incentives, sell out tax benefits in the future, sell out actual resources in order to entice construction to take place. And it's clearly known we don't agree with that policy. I don't know now whether members on the other side will say they agree with it, although there are many statements they make that would indicate that probably they do. The article in the Tribune goes on to say "Construction will begin in July after a location has been decided." So they're still looking. And another quotation from the same article, "We will continue to make use of the facilities we have here. The size of the plant or the number of employees will not be decreased." So I have here the statement as quoted in the newspaper which seems to answer the questions raised by the honourable member.

Now, as to consumables: I would answer by saying that except in Ontario, the consumables referred to by the honourable member are taxable in Saskatchewan, British Columbia, North Dakota, Minnesota - but I have to say there partially, we're not quite clear the extent to which they are, but they are taxed, but not all of them - South Dakota, and that is of course an item we've already dealt with. May I point out in connection with Inco, that they recently laid off 700 men in Sudbury, not in Manitoba.

But on the location of the plant of Versatile I have had inquiries made, and I now have some answers which may be interesting to honourable members in relation to Versatile and its proposed move. Production machinery is taxed in North Dakota, Minnesota, South Dakota. Consumables in general, general consumables are taxed in North Dakota, taxed in South Dakota, and in Minnesota I say that there is a partial exemption which isn't quite clear, the information isn't that clear for us. The question resolves there around what is machinery equipment, or a contrivance, which is taxable, and what is not, which is exempt.

Now consumables, production machinery used in manufacturing farm machinery, that's exactly what Versatile is doing - taxable in North Dakota, taxable in Minnesota, taxable in South Dakota, and I would say, I've already said, taxable in Saskatchewan, taxable in Ontario. Consumables used in manufacturing farm machinery taxable in North Dakota, taxable in South Dakota, partially, as I've already referred, to in Minnesota. Production machinery used in mining, taxable in North Dakota, taxable in South Dakota, taxable in Minnesota, except that there is some sort of special exemption for production machinery which is provided for the production of taconite. I'm not quite -- taconite I think is the mineral which I'm not familiar with. Consumables used in mining, taxable in North Dakota, taxable in South Dakota, taxable in Minnesota with the exception I've already said that isn't quite clear. Production machinery used in printing: taxable in North Dakota, taxable in Minnesota, taxable in South Dakota. Consumables used in printing: taxable in North Dakota, taxable in South Dakota, taxable in Minnesota, with the exception of that unclear feature that I've just pointed out. Purchase of farm implements and farm machinery, and let the rural members pay particular heed to that, purchase of farm implements and farm machinery taxable in North Dakota, taxable in Minnesota, and taxable, but to a lesser degree, in South Dakota.

Mr. Chairman, there have been approaches made by Versatile to this government, to Government in Manitoba. I want to quote from a letter addressed to the Minister of Industry and Commerce. It's a long letter, I'll just quote portions, "We believe that given more sensible taxation policy more in line with what our competitors have to pay, that we can perform what you might call miracles in the manufacturing industry here in Winnipeg, and this is a benefit from the employment standpoint of view." And I jump, "The point that I'm bringing up is some

MR. CHERNIACK, (cont'd.) . . . unfair taxation policies." Then the next page. "We want you to give this serious consideration for this unfair taxation policy.

"I'd also like to draw some other things to your attention that are very unfair taxation policies. That is the tax income tax rate in this province is exorbitant."

And then a lengthier paragraph. "How the politicians of this country feel that a company can be faced with high wage rates, that we are in Canada, plus the excessive taxation in the form of pension plans and other forms of taxation, plus the income tax of approximately 57 percent, and then we are forced to compete against a communist organization in Canada that import combines from Germany at I believe at a 15 percent income tax rate, and then they ship these products in Canada, they land them here in Winnipeg and are sold by a co-op organization which in my opinion, is a communist organization. They do not pay any income tax on the distribution of this country. We are also faced against competition from other countries such as Japan, where they have a maximum income rate of 15 percent on corporations. We fail to understand how the politicians in this country feel that Canada has such smart manufacturers that we can compete with this type of unfair competition. Another tax that should be removed immediately is tax on heating fuels." Mr. Chairman, I don't know whether any members in this House that are members of the co-op organization - I suppose it's the CCIL. The Member for Rock Lake perked up - possibly he is a member of the CCIL. --(Interjection)-- No he's not, but possibly others are, maybe they're not, but they don't happen to know that they were called, that they were members of a Co-op organization which in the opinion of the writer is a Communist organization. The letter goes on to say: "It has been said, " --(Interjection)-- You'll soon hear. "It has been said that the Government of Manitoba intends to go into industry if private industry does not do a proper job. Just reduce taxation in this province and you will have no problem in getting industry. Reduce provincial spending, reduce taxes, you will have more industry." The Member for Rock Lake says, "who wrote that letter?" It's signed by Versatile Manufacturing Limited, R. E. Robinson, Executive Vice-President. Does the Honourable Member for Rock Lake want to know the date of this letter? -- (Interjection, Yes, Sir.) -- Yes, the letter is dated, June 6, 1966 -- (Interjection)--

MR. G. JOHNSTON: Would the Minister table the letter when he's through with it?

MR. CHERNIACK: Yes, I'll be glad to do that when I'm through with it. June 6, 1966 addressed to the Honourable Gurney Evans, Minister of Industry and Commerce, Legislative Building, Winnipeg. But I must admit, Mr. Chairman, that Versatile again wrote to government and said, and I quote sections of the letter: "May we draw to your attention that what we feel is a serious injustice and a law that is harmful to the development of industry in this province." Then I go on, "As you know this province has an extremely high rate of income tax on corporations but that's not the purpose of this letter. In addition to unfair corporation taxation as compared to the rest of Canada, we are faced with another unfair taxation in the form of a tax on gasoline used in testing and pre-running our machines before shipment." The letter goes on. --(Interjection)-- Whom is it signed by? Versatile Manufacturing Limited, R. E. Robinson, President, addressed to the Department of Industry and Commerce. The date, does the Member for Rock Lake want the date? Yes, he does. November 10, 1966 drawn to the attention of the Honourable Mr. Spivak, copy to the Honourable Duff Roblin.

Mr. Chairman, the tax referred to, tax on gasoline used in testing and pre-running our machines before shipment is still a tax being imposed on Versatile. In spite of the letter addressed to the Department of Industry and Commerce, attention the Honourable Mr. Spivak, that tax was kept, maintained and is still in existence today.

So Versatile has not been shy about expressing its point of view. Members may remember a whole series of, would you call it, institutional advertising that appeared where Versatile was talking about taxation in Canada and in Manitoba and before this government came into power. For example, here is a copy of a page out of the Canadian Farm Equipment Dealer magazine of July 1968, where there is an interview with the same Mr. Roy Robinson, one question was asked. This is July 1968. "Then you are not completely happy with Manitoba as a location?" Answer: "Not altogether. We have a large investment here and the government knows it but if we were to build again we would give a lot of consideration to the U. S. or to Ontario." Mr. Chairman, I'm informed that this article was sent into the Minister of Industry and Commerce of that time by a member of a financial institution in this city with a complaint that this type of publicity is harmful to our province. That was sent to the Honourable Sidney Spivak, then Minister of Industry and Commerce.

MR. CHERNIACK, (cont'd.)

So, Mr. Chairman, I thought that this committee would find it of some interest to hear what is the relationship and the approaches made in the past by the company that we've been discussing. As I say, I really didn't think that I would have to refer to this at all because I thought we had dealt yesterday with Versatile but the honourable member raised it so I thought I owed it to the committee to bring this information to their attention.

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

MR. G. JOHNSTON: Mr. Speaker, would the previous speaker table the documents that he is quoting from?

MR. CHAIRMAN: . . . Just asking that it be tabled? Clause 12. The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I think the important point here to be made from the documents which were just read by the Minister of Finance are not that the Versatile Company wrote letters to the former government but are important that, increasingly important as time goes by as to whether or not they were read by this government before bringing their taxes in. But in relation to this point - and I trust the Member for Inkster won't leave yet, I'd like to also read you documents from the same year that was put on the record by the Member for Inkster, because in the Hansards of 1967, the Member for Inkster who was then the Member for Inkster on this side of the House talked both about agricultural equipment and other equipment of production, and at that time made a very strong case, and in fact was allowed to make an amendment to the then Act that was before the House - the Revenue Tax Act - as was the fashion of that day when amendments could be made by members of the Opposition.

But as we look at Bill 21 now we're not in a position by virtue of the rules imposed on the House to even make amendments, but at that time, the Member for Inkster brought in a resolution into this House as an amendment to an amendment that was then put on the record by the then Leader of the Official Opposition; and the amendment that was brought into the House by the Member for Inkster read "with reference to the tools required to be provided by an employee as a condition of his employment or his continued employment." But in preface to that let me read to you what he has to say about other areas, Mr. Chairman, and it's relevant, I would think that it's very relevant to the statement that has just been read by the Minister of Finance, because this - I'm sure if the member had been aware of this that he would have given consideration to eliminating the production tax on agricultural equipment before this bill got into the House. And now of course there is no opportunity to provide the appropriate amendment unless some government member, treasury bencher, wants to review it. Certainly no other member and I guess not even the Member for Inkster since he's no longer a Cabinet Minister can bring in the required amendment to get at his desires.

But let me read this, Mr. Chairman, "Mr. Chairman, I know this amendment is designed to first of all keep down the price of primary products and also to make sure that the sales tax does not bear too heavily on people engaged in agriculture." Well, he goes on to support that amendment. That amendment was presented by the Liberals at that time and the Member for Inkster supports this, and then he goes on to explain that production equipment in the way of tools for workmen should be exempted and that workmen sometimes has to provide up to \$200 in value of tools as ordinary production equipment. And then he went on to say that he would amend the amendment further and make this apply to tools that were required as production equipment and did so. And in his concluding remarks he says: "But we, Mr. Chairman, think that there is merit to making an allowance for people engaged in agriculture. There is also merit for making an allowance to employees where they have to provide the tools. This is not where the employer provides the tools."

Well, Mr. Speaker, there is two important points made here. One if that agricultural costs should not be escalated and it's important to everybody to keep down the primary costs. Well this is in diametric opposition to the argument that has been presented by the government now, and in fact presented by the Member for Inkster who's completely gone the other way around who says that this tax that is being imposed on production equipment will not have its impact on the consumer. But in the argument presented in 1967 he says that the price of primary products is going to be affected by the tax imposed therefore agricultural consideration should be taken into account here.

Well let me say that with this background and argument, if he represented opinion of the NDP when they were in Opposition and the Minister of Finance was also a member of that and

MR. CRAIK, (cont'd.) . . . voted for that particular amendment, that particular resolution, they've had perfect opportunity to put it into effect and they now flatly refuse to give any consideration to keeping down the cost of primary agricultural produce by bringing in the tax, a further tax on production machinery. I make these remarks at this time to point out that the arguments being presented are just diametrically opposed to what they said in Opposition and the statements read by the Minister of Finance don't prove anything except the fact that they in spite of the position stated by Versatile Equipment to the last government or to this government we're not prepared to combine that with their own arguments on this side and do something about it. So they reluctantly and stubbornly refuse to make any changes to the Act that cuts down the taxation which will in fact increase the cost of primary products in Manitoba.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSON: Mr. Chairman, it's rather interesting to listen to the Minister underpinning his entire case on tax laws and what happens in other jurisdictions. He read a long list of taxes that were imposed in the States of North Dakota, Minnesota and South Dakota and other provinces and used that as a basis of an argument to say that well they're doing it there, therefore it's right to do it in this province. It seems to me, Sir, that in every area of taxation this government is determined to be the highest taxed province in this country, or in any part of the North American Continent for that matter. It seems to me that they are not satisfied unless they remove the last advantage that industry, or indeed people have in this province.

It's interesting to read over the records of past years and to listen to the statements that were made by members who were, are now on that side of the House when they are arguing against the imposition of the revenue tax, and although I don't by any stretch of the imagination consider the Minister of Tourism and Recreation an authority - and at that time he wasn't even with the party that is now in power - nonetheless his comments are rather interesting reading, because he went on to say that - and this is recorded on page 2267 of Hansard of April 4, 1967, - when the then Minister of Finance, Mr. Evans, was suggesting that in dealing with a certain regulation it was perhaps the best way to deal with it because it was done in other jurisdictions. He goes on to say this: "Mr. Chairman, this is quite ridiculous, it's kind of disturbing to hear the Minister speak like this. We're dealing with the people of Manitoba. The people that we're looking to try and give a decent deal is people of Manitoba." And then he goes on to say: "I think the Minister has a responsibility and we have a responsibility. Why do we have to run out and see what is going on in other provinces? Do they pay as much taxes on cigarettes as we do in this province. We're talking about no sales tax. I'd much rather have this and I'd much sooner have that . . ." Sometimes the Minister of Tourism and Recreation's speeches don't make much sense in the House. They're much more interesting to listen to than they are to read, but the gist of his remarks was that rather than take the example of the imposition of taxes from other jurisdictions, we should take the initiative to try and provide advantages and incentives for people to locate and continue to stay in this province.

Sir, it has always been a feature of the Province of Manitoba that we've had to run just a little bit harder to stay in the same place because of a geographic disadvantage and because of other disadvantages and the attraction of industry in this province has always been a problem that successive jurisdictions have had to deal with. And although I'm not one that has advocated the kind of incentives such as we are finding today under the DREE Program being given to industries to locate - I think that's \$500 million a year thrown away - I do think that there are certain advantages that we can provide for industry in this province. And one of them is a tax advantage. Not a tax rebate, not a grant, but just a slight advantage that would encourage them to look at this province and to locate in this province, and that means a reduction in comparison to other jurisdictions. Surely that is not an unreasonable proposition. This is one of the last advantages that we did have and I would much rather that industry in this province be provided with that advantage rather than the kind of advantages that are getting through the MDC and rather than the kind of advantages that are getting through the DREE Program. These are out and out grants and there is no way of measuring whether or not they have any industrial or competitive advantage in other provinces. But I do think that if we are to maintain a climate of economic activity in this province, it is necessary for us to provide at least something in the way of an advantage for people to locate here, because as I said earlier, it is necessary for us to run just a little bit faster to stay in the same place. That has been a recognized feature of the economic life of this province and for the government to disregard it,

MR. JORGENSON, (cont'd.) . . . . is to disregard it at their own peril.

Mr. Robinson of the Versatile Manufacturing Company, I know, has a propensity for writing letters. I was in receipt of a good many of them when I was a member of the House of Commons in Ottawa and I know of his attitude towards taxes. He doesn't like to pay taxes at all. I wouldn't go all the way that Mr. Robinson would like to see a government go, but I do think that in relation to other provinces that the provision of some small advantage in the way of a reduction in taxes would go a great deal of the distance towards maintaining industry in this province in such a way that we can depend upon a climate that will attract industrial development into Manitoba.

MR. CHAIRMAN: 12 . . . Before we proceed on Clause 12 any further, I would like to draw again to the attention of the members Rule 64 of our House rules, subsection 2. I have allowed too much latitude. Subsection 2 reads: "Speeches in Committee of the Whole House must strictly be relevant to the items or clause under discussion." We've had discussions on the DREE Program, DISC, Versatile, Columbia Forest Products and I think everything under the sun. We're dealing with subsection 3 of Section 4 of the Act which is repeal of taxation or exemption on production machinery. The Honourable Member for Sturgeon Creek, to the clause in question, please.

MR. FRANK JOHNSTON (Sturgeon Creek): Mr. Chairman, I assure you I will stick to Clause 12. I would have had some comments regarding advantage to the Province of Manitoba of having a tax or some tax that other people did not have. I believe the list that the Minister read off of other areas that have the production tax was probably one of the better reasons why Manitoba should not go into it at the present time, because we do have other taxes such as the highest corporation, personal income etc. We now have what I would say is the worst situation of succession duty taxes, and here when you have your one last advantage you throw it away. And we need that advantage in Manitoba. But my colleague from Morris mentioned advantages and I don't intend to dwell on it.

I intend to dwell this afternoon briefly as possible on a situation that is related directly to this bill that I went out personally myself and found out this morning. And on page 2 of this it says: "Exemption from machinery, equipment and apparatus used directly in the process of manufacture or production." Down in (c) it says: "Charges for maintenance, repairs, installation or other taxable services rendered to the purchaser on or after May 1st."

I went to a small laundry this morning. He has been sitting with a quotation in his hand since August 27th, from Stanley Brock Limited, trying to decide whether he will purchase a piece of machinery worth \$15,400.00. It now will become worth \$770 more and then he will have the interest charges - the Minister has explained about interest charges. The man is not going to purchase the machine now, he is also very concerned that the cleaner fluid which is used in the production of his dry cleaning will be taxed. I showed him this piece of literature. He wants to know if the bags, the plastic bags which he puts over the clothes will be taxed. The coat hangers that he uses in his building, will they be taxed? And he presently has a licence when he buys, he quotes his licence number, and it might be interesting to find out how many people in this province have licence numbers which exempt them from paying tax when it's for production. As a matter of fact I have a licence number in this province and I must collect tax if I sell to somebody who does not have a licence. Now this gentleman that I am referring to, when we discussed it he said, "If all of these have to be placed on my business, on my production operation, I have to transfer the tax to the people." Now the Minister has got up and he has said many times and all we're talking about is industry, and we're not. We're talking about the people who come into that laundry, and if you want to call me one of the richer people that can afford a laundry, that's fine. But I remind you that nursing homes send out laundry and senior citizens' homes send out laundry, and I remind you that hospitals send out laundry and this is all added cost that comes back.

Now Mr. Chairman, I have tried to stay directly to the bill. I have taken the trouble this morning to go and see a situation. And I have asked this man what it will cost him directly and what he will have to pass on to his customers, he feels will be more than 1 percent. In other words, you're talking a 5 percent sales tax on dry cleaning right now, and he knows that if he has all of these taxes put on the materials that he buys for production and processing of his laundry, he will be adding on to his costs and charging to the people more than one percent. It's going to cost more than one percent. So in effect you are putting another percent of sales tax on to the people of Manitoba. Now it's all very well to talk tax shifts, and the Minister

MR. FRANK JOHNSTON, (cont'd.) . . . . said I don't like tax shifts. No I don't like tax shifts. I don't like being led through a door where there's a guy standing on the other side with a baseball bat to hit me, and that's basically what you're doing with your tax shifts. And then you add taxes on this particular case.

Now Mr. Chairman, it just doesn't seem feasible. I don't intend to dwell on Versatile, but sure they had some assistance from this government or a guarantee that their loans would be back, and it's admirable that the government is helping industry in this way. --(Interjection) -- Yes, but, fine, fine. Why turn around after you have helped them out of a problem and then hit them with this? Why hit the rest of the industries in this province with this kind of a tax to lose the advantage that we have at the present time.

Now if the Member from Winnipeg Centre uses the example of 20 cents a year he better stay out of business because he's going to have a hell of a time operating with that way of thinking, because it just won't work. When he starts talking about a \$100 item over and \$5.00 tax, and advertising \$100 item over 15 years and 20 cents, really, it just doesn't really make sense from that point of view. It is going to hit maybe a piece of toast if you want to be technical about it, if you're buying a commercial toaster which you previously used your licence number to buy and you've got to add the tax, sure you may have to increase your price of toast, I don't know.

MR. CHERNIACK: . . . interrupt him to give him an answer on one question he raised.

MR. F. JOHNSTON: All right, that's fine.

MR. CHERNIACK: It's confirmed to me what I believed, that the plastic bags and hangers that are provided by laundry and dry cleaning firms with the item cleaned are considered to be sold as part of the taxable service and they will purchase them tax exempt. That's one question he . . .

MR. F. JOHNSTON: Thank you. Mr. Chairman, that's one or two or three answers that we've had in this whole debate when we bring up a subject. There's a specific question and I got an answer. Now, now - I can go back and I can say to this man, "No you don't have to."

MR. CHAIRMAN: Order, please. The hour being 4:30, the last hour of every day is Private Members' Hour. Committee rise and report. Call in the Speaker.

Mr. Speaker, the Committee of the Whole is considering Bill No. 21 and has instructed me to report progress and asks leave to sit again.

. . . . . continued on next page

IN SESSION

MR. SPEAKER: Order, please. The Honourable Member for Logan.

MR. WILLIAM JENKINS (Logan): 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.

PRIVATE MEMBERS' HOUR

MR. SPEAKER: Wednesday, the order on Private Members' hour is Orders for Return transfers for debate. The first Order for Return transfers for debate is the Honourable Member for Portage la Prairie's Order, and the members that have spoken on this item are: the Honourable Member for Portage la Prairie; the Honourable First Minister, the Honourable Member for Riel and the Honourable Member for Rhineland. The floor is open. Are you ready for the -- the Honourable Member for Portage la Prairie shall be closing debate.

MR. G. JOHNSTON: Mr. Speaker, when the First Minister was speaking he made what I thought was a reasonable suggestion, that paragraph 1 was not acceptable in its form nor was paragraph 3. So I have prepared an amendment which only deletes, it does not add to the motion.

MR. SPEAKER: Order, please. In respect to the suggestion the honourable member is making our rules indicate Orders for Return cannot be amended.

MR. G. JOHNSTON: Well, Mr. Speaker, if there's a method of deleting part of the order and the government said this would be acceptable, perhaps you could . . .

MR. SPEAKER: A deletion is . . .

MR. G. JOHNSTON: The House Leader or someone could advise me how this could be done.

MR. SPEAKER: The Honourable the House Leader.

MR. PAULLEY: Yes, Mr. Speaker, I believe that the rules would permit that if the mover of the resolution, the Honourable Member from Portage la Prairie, after hearing the remarks of my leader, the Premier, that in respect of this Order for Return, Items No. 1 and 3 would be deleted, I think that it is historic in this House that we don't need any particular amendment and that if this is acceptable well then that's all there need be. It does not require, it does not require any formal amendment, it is just an understanding that we will accept the Order for Return subject to the reservations as outlined by the Premier of the Province of Manitoba. I understand, Mr. Speaker, that that is acceptable to the Member for Portage la Prairie, there need not be any further debate.

MR. SPEAKER: The Honourable Member for Portage la Prairie, on the same point.

MR. G. JOHNSTON: Mr. Speaker, I agree to the suggestion made by the House Leader in that regard and I accept the two deletions, one and three.

MR. SPEAKER: Very well.

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

MR. SPEAKER: Next item is Address for Papers, transfers for debate. On the proposed motion of the Honourable Member for Brandon West -- on page 6 at the top.

MR. MCGILL: Mr. Speaker, I presented this Address to His Honour on behalf of my colleague the Member for Riel.

MR. CRAIK: Mr. Speaker, this order, this Address for Papers was placed to request the correspondence that may have gone between the government and the Manitoba Hydro with respect to the application for the interim licence to regulate Lake Winnipeg. The request has been turned down, and in view of other information that has been approved by the government, there is I think, a legitimate question why this particular information should not be tabled as a normal practice because it is not different from other information that has been tabled. We've seen here a willingness on the part of the government in some cases to present information that goes between consultants and government providing the consultants are companies but not if the consultants are individuals, but we've not yet been able to have made available correspondence that's gone between the government and the Crown corporations. And Mr. Speaker, if this is going to be the case from here on in, you can see that the -- (Interjection) --

MR. SPEAKER: The Honourable Minister of Labour on a point of order.

MR. PAULLEY: On a point of order, the Honourable Member for Riel is debating, not the substance of the Address for Papers but what we have done or what we have not done. I think that is a separate proposition, Mr. Speaker, because as I read the Order or the Address



(MR. PAULLEY cont'd) . . . . . for Papers, it reads: "That an humble address be voted to His Honour for copies of all correspondence between the Chairman of Manitoba Hydro, the Premier or the Minister of Mines, Resources and Environmental Management or any official of that department concerning the application of a licence to regulate Lake Winnipeg." We're not dealing with the proposition as to what has been done or what should be done; we're dealing with the proposition as to whether or not, as to whether or not copies of all correspondence between those mentioned in the Order for Return should be presented. I believe my leader has indicated previously that this will not be forthcoming. I don't think, in all due respect to my friend from Riel, that it is within his opinion to be repetitious of debates that have already taken place in respect of other correspondence.

MR. SPEAKER: The Honourable Member for Riel wish to speak on the point of order? Well if he doesn't, I'd like to indicate to the House that we have a problem in regards to these Address for Papers. We have a recurrence, and to some degree overlapping, and I do believe I indicated earlier in this session to the House Leader that there was some desirability to make up our minds whether we're going to address ourselves directly to the -- each address and speak only to that address -- or if we're going to include all of them and discuss them in general and then vote on the whole group as a group. Now I would like some further guidance from the Honourable House Leaders on both sides. The Honourable Member for Morris.

MR. JORGENSON: Mr. Speaker, I appreciate the problem that you foresee in dealing with the Address for Papers that are standing in the names of the Member for Brandon West and the Member for Riel. I'd like to draw your attention, Sir, to Citation 119 on Page 110 of Beauchesne's rules, and without taking up the time in the House to read the entire citation, Sir, I'd like to deal with subsection (1), just (1) -- Citation 119, on Page 110. Beauchesne says that the rules of absolute rigidity have no place in the House of Commons. And further on, subsection 2: "The mere object of shortening sessions may lead to an undue curtailment of freedom of speech. The duties of a representative of parliament are too important to be performed in a hurry. No question should be decided until it has been fully discussed although some effort ought to be made to economize time, every shade of opinion has the right to find expression and members who desire to give their views should not be prevented from doing so." And therein lies -- I know the difficulty that you foresee because some of the Orders for Return have a degree of similarity and there is a possibility of overlapping. But I assure you, Sir, that it is not the intention of members of this side of the House to overlap debate in dealing with the various Orders for Return, but there are specific subjects that must be dealt with in each of the Orders for Return and the Member for Riel is attempting to deal with this specific one.

I'd like to go on further down, Subsection 2 of Citation 119 where it says: "Freedom of speech is a sacred principle and if there's a place where it should be fully respected that place is in the parliament of the nation and it is the Speaker's responsibility to see that that principle is not infringed upon." And on subsection 3 of that same Citation, it says: "Relevancy is not easy to define," -- and here is where you, Sir, run into some difficulty. "A wrong comprehension of it may have a serious effect on the freedom of speech. Members are often deprived of their right to speak on the pretext that their remarks are irrelevant when it is a matter of fact they refer to matters perhaps remote but yet related, even indirectly, to the question under debate. In borderline cases the member should be given the benefit of the doubt." In this Citation, Sir, Beauchesne attempts to point out, he's not suggesting -- I don't believe that he's suggesting any degree of latitude. Relevancy is always an important part of the conduct of debates in this Chamber and members as much as possible should adhere to the rules of relevancy. Sir, subject to the limitations of the rule of relevancy and taking into consideration Beauchesne's strictures on the subject, may I suggest, Sir, that the Member for Riel was within the rule as defined by Beauchesne in Citation 119.

MR. SPEAKER: The Honourable House Leader.

MR. PAULLEY: Mr. Speaker, I appreciate very much the remarks made by my honourable friend, the Member for Morris, the House Leader of the Conservative Party. But my point, Mr. Speaker, that I raised was not dealing with relevancy at all. My point dealt with repetition and when the Honourable Member for Riel was speaking he made reference to decisions that have already been made in this House in rejection of certain Addresses for Papers. And he referred and if I recall correctly, Mr. Speaker, what he said -- I may not be quoting him accurately but I think this was the general viewpoint of my honourable

(MR. PAULLEY cont'd) . . . . . friend. He said -- subject to correction of course -- I cannot see why it was that some of my Address for Papers were rejected and this, that and the other. That was what made me, Mr. Speaker, rise on the point of order. I appreciate, I appreciate very much the viewpoints raised by the Honourable Member for Morris.

And to go further, Mr. Speaker, as a guideline, on Page 111 of Beauchesne, it says: "Relevancy is not easy to define." And I appreciate that, I appreciate it very much. And it is, Mr. Speaker, a very hard thing to define and I don't think any member in this House will dispute that. But my point of order, may I say in all due respect to the House Leader of the Conservative Party, did not deal precisely with rule 119 but rather dealt with the rules of debate on Chapter 3 on Page 107, which dealt with referring to matters that had already been decided upon. And that is where my honourable friend the Member for Riel really started his debate because he said -- I cannot understand why it was that the questions raised -- and incidentally defeated, Mr. Speaker, on former Address for Papers could not be considered. It's on that point that I suggest, Mr. Speaker, that there is a point of order.

MR. SPEAKER: I thank the honourable gentlemen for their contributions to the procedural point. I would concur that there is some validity to the Honourable Minister of Labour's remarks in regards to repetition. I should also like to indicate that it also almost as valid that I must allow a lot of latitude in this debate, but I should also like to indicate to the honourable members that are going to participate that I shall leave it to their integrity to stay within our rules and to try not to be repetitive or to repeat on a different Address for Papers the same argument.

The Honourable Member for Riel.

MR. CRAIK: Thank you, Mr. Speaker. There is plenty of meat in the request for the papers and there is no need to talk about other conditions so I will restrict my comments to the Order for Return. The point that I was trying to get to in my remarks before was that there should be disclosure generally, including disclosure in this particular case of correspondence between a government and its Crown corporations, particularly, Mr. Speaker, if we are going to be faced with more and more Crown corporations. If we are not allowed to ask for correspondence between the government, to and from them, we are going to be in the position of not being able to get information. Therefore it's defeating as far as the democratic process is concerned.

But to speak in particular to this resolution here, in the fall of 1970 the government and the Hydro decided that they should advertise for the possibility of regulating Lake Winnipeg and as a result of the advertising an interim licence was granted. At that time when the advertisement came out it was in fact, Mr. Speaker, advertised by Manitoba Hydro and not by the Manitoba Water Commission. The advertisement that came out in the newspaper at that time said that if any citizens that were concerned -- were so inclined -- that they should address remarks to the Manitoba Water Commission, but the advertisement was placed by Manitoba Hydro which was an unusual procedure to begin with. Well, as a result of that we were advised at the next session of the Legislature by the then Minister of Mines and Natural Resources that only ten or twelve letters had been received and therefore the government felt fully justified in holding or advancing an interim licence. "Interim", Mr. Speaker, because it contained all the essential powers that a full and permanent licence would contain, for all intents and purposes, because the government then decided that it would not hold its hearings according to the requirements as defined in the Manitoba Water Commission Act, but would hold a series of meetings in Manitoba. Well, as a result of the meetings, Mr. Speaker, we saw that there were more than ten or twelve people that were concerned about the regulation of Lake Winnipeg.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: I don't like to interfere with my honourable friend, the Member for Riel.

MR. SPEAKER: Order, please. Would the Honourable Minister indicate what he is speaking to?

MR. PAULLEY: A point of order, Mr. Speaker.

MR. SPEAKER: Very well.

MR. PAULLEY: The resolution that we have before us deals with whether or not copies of correspondence between the Chairman of Manitoba Hydro, the Premier or the Minister of Mines, Resources and Environmental Management or any official of that

(MR. PAULLEY cont'd) . . . . department concerning the application. I don't think that it is really proper, Mr. Speaker, for my honourable friend to go into a documentary as to what happened at any meeting of the Water Control Board or the Hydro Electric Board or the Labour Relations Board or anything else. The proposition, Mr. Speaker, I say in all due respect, before us at the present time as to whether or not copies of this correspondence will be laid before this House and that is all. We don't have to have, I say in all due respect, the type of dissertation that my honourable friend is giving us and I raise that as a point of order for the conduct, and the orderly conduct of this House.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSON: Well, Mr. Speaker, on the point of order raised by the House Leader, I don't know how far the House Leader wants to go to restrict debate in this Chamber. The Member for Riel, I think, was dealing precisely with the point that is contained in this Address for Papers and if making reference to meetings held by Hydro relating to the application for an interim licence to regulate Winnipeg -- and we recall that there were such meetings that were held. It is perfectly proper to make reference to those meetings because it is part and parcel of the whole reason for wanting the correspondence tabled and if we are to restrict debate simply to whether or not the correspondence should be tabled, I think that is a complete violation of the Citation that I read into the record just a few moments ago dealing with relevancy and dealing with undue restriction of debate. Sir, the Member for Riel is not violating that regulation or that Citation, and in my opinion is sticking strictly to the matter that is before the House at the present time with regards to the correspondence that has been asked to be tabled. I see no violation of that rule at the present time.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, in all deference to my honourable friend, and I do credit him with a lot of knowledge as to parliamentary procedure, but we're not dealing with what happened or what transpired, Mr. Speaker, in any of these areas -- the Water Control Board, the Hydro Board. The Honourable Member for Riel by this Address -- really it's not the Member for Riel, it's the Member for Brandon West, is seeking copies of correspondence in order to establish in their opinion whether or not there is justification for criticism. And I, in all due respect, Mr. Speaker, suggest that if as a result of the tabling of this correspondence, if agreed upon, there should be a debate then by substantive motion a debate should be held. But I doubt very much whether the mere asking for information by way of Order for Return or by Address for Papers was ever construed in any parliamentary procedure to be an opportunity for debate on the subject matter contained therein. And this, Mr. Speaker, is my point of order. The point of order again, Mr. Speaker, in all due respect I say is the tabling of the copies of correspondence and if as a result of the tabling of that correspondence, the Address for Papers, there is a desire to enter into a debate on the subject matter it must be by a substantive motion dealing with the subject matter contained within the Address.

MR. JORGENSON: On the point of order, I should like to respond to the statement made by the House Leader. We saw fit during the changing of the rules of this House, we deemed it advisable to provide an opportunity for members of this Chamber who had asked for Orders for Return or for the tabling of documents and papers; if the government in their wisdom decided such a request could not be complied with there would be an opportunity provided for that member to state the reasons why, the reasons why he -- not the House Leader -- the reasons why he wanted those documents tabled. What the House Leader is attempting to do is to dictate what kind of a speech that the member for Riel should be delivering in this Chamber -- and that, Sir, is not, that, Sir, is not according to the rules of this Chamber. Every member has the opportunity to make his speech and indeed, Sir, there is a rule against the reading of other people's speeches. And what the Member for Riel is attempting to do is deliver his speech in the way he want to deliver it, not the way the House Leader is attempting to dictate to the House. That speech should be read and that speech should be delivered. And I say, Sir, that he is completely out of order in attempting to dictate to the Member for Riel as to how that speech should be delivered.

MR. SPEAKER: The Honourable House Leader.

MR. PAULLEY: I'm sorry, really sorry, that my honourable friend the Member for Morris imputes motives to me. -- (Interjection) -- Oh yes, my cackling friends may not understand that but one of these days when their intelligence is expanded maybe they will. But -- (Interjection) -- no, and it's not your day, either, because you're not going to get away

(MR. PAULLEY cont'd) . . . . with it as far as I am concerned.

MR. SPEAKER: Order, please. Order, please. I would suggest that the honourable members should place a little bit of integrity in the Chair and let me decide. I should like to indicate that I am going to allow a certain amount of latitude and on this first question it may be questionable whether I will rule on time or not. So I want members to be patient enough to bear with me. But I shall indicate as I did earlier that we have a number of resolutions in the same vein and the farther we get into this question the tighter my rulings shall become. So if members wander and stray on the first proposition they shall have less leeway on the second and probably none on the third. So with that caution to all honourable members I shall let the debate proceed. The Honourable Member for Riel. The Honourable Minister of Labour wish me to reiterate what I said? -- (Interjection) -- I see. Did the Honourable Minister of Labour not understand my ruling?

MR. PAULLEY: No, Mr. Speaker, I did not.

MR. SPEAKER: Well, I'll say it again. I said that I'm going to allow a lot of latitude at the beginning, that members should be cautioned as we go because there are related subjects in the next three or four Address for Papers. My latitude shall become narrower and narrower and if they are too wide at the beginning, they'll have no leeway at the end. And I think that's being fair enough. I do not see that we can proceed any other way at the present time. The Honourable Member for Riel. The Honourable Minister of Labour.

MR. PAULLEY: I rise on a point of privilege.

MR. SPEAKER: Very well. The Honourable Minister of Labour.

MR. PAULLEY: My point of privilege then, Mr. Speaker, is that the Honourable Member for Morris impugned motives to me of attempting to be a dictator in this House in my capacity as House Leader. That is what he said, Mr. Speaker. I reject it, I resent it and I am sure, my honourable friend didn't mean it but I'd like for the purposes of the records of the House for my honourable friend to retract the imputation directed toward me in my endeavours to be as a dictator when I was really seriously trying to bring about the orderly conduct of the business of this House.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: The House Leader in his efforts to extricate himself from the position he's placed himself in, now attempts to suggest that I have imputed motives which is not a fact, Sir. I simply suggested that in the conduct of debate how a member delivers his speech is entirely up to him, that there was a rule in this House indeed that suggests that members deliver their own speeches in the way that they wanted to deliver them, not the way the House Leader would like to deliver them. That is not an imputation of motives, Sir. That is simply a statement that I believe to be a fact, judging from the remarks that came from the House Leader.

MR. PAULLEY: Mr. Speaker, on my point of privilege . . .

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: . . . I ask my honourable friend the Member for Morris, did he not accuse me of attempting to be a dictator in this House. That is the point of privilege, and if my honourable friend the Member for Morris wants to evade that I am sure, Mr. Speaker, that the records of Hansard will even indicate to my honourable friend that that is what he said.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: Again I say, Sir, the Minister unduly exercises himself. He is making a mountain out of a mole hill. I suggested that he was attempting to tell the Member for Riel what his speech should contain. That, Sir, is all I said.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, . . . refer to himself as a mole, that is his business, and if he wants to be on a hill that is again his business. But, Mr. Speaker, I am positive that what the Honourable Member for Morris accused me of was being or attempting to be a dictator in this House and I resent that very much, and this is what I'm asking my honourable friend the Member for Morris to reconsider.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: I have no intention of withdrawing that which I did not say.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: . . . recourse than to ask you, Sir, to peruse Hansard when it is

(MR. PAULLEY cont'd) . . . . next available to us and ask, in all due respect, Sir, that you read the remarks of my honourable friend for Morris. If I am wrong I am prepared to apologize to the House. I ask the same consideration to be given to the House, not to me, because it is this House and not the individual that should be considered. And I ask my honourable friend the Member for Morris to be prepared to do the same as I am, to apologize to the House if after the scrutiny of Hansard what I am attempting to say is substantiated. And I am prepared to apologize to the House if I have taken out of context the remarks of the Honourable Member for Morris.

MR. SPEAKER: The Chair is apprised of the fact that there is a difference of opinion. I'm afraid we will all have to wait till we have a look at Hansard to see what the remarks are. Very well. The Honourable Member for Riel now has 14 minutes left. We started at 35 after 4:00 and it's 5 after 5:00. We've been on a procedural debate since that time. The Honourable Member for Riel as I said has 14 minutes out of his 20.

MR. CRAIK: Mr. Speaker, I think that's a filibuster that's going on rather than a point of privilege or a point of order. However, I'll attempt to use brevity in placing my case, Mr. Speaker. I think I left off -- before those, you know, those marvelous guiding remarks of the House Leader -- in saying that at the time of the interim licence application which is what we're asking for, correspondence for, a so-called interim licence was granted. And it was granted on the basis that there appeared to be very little public reaction against the proposition of Manitoba Hydro in their advertisement. And in the words of the Minister of Mines and Natural Resources at that time there were ten or twelve people wrote about this matter and therefore the interim licence was granted. And the conditions on the interim licence I would think -- we were all led to believe were that it was called interim because it was expected that the Manitoba Water Commission would have an input into at least the pattern of regulation of Lake Winnipeg, although certainly they would not exercise the powers that were to be granted to the Manitoba Water Commission under the Act by which it was established, which among other things said that it was to hold hearings.

Well, as a result of the substitute for the hearings which were the meetings -- and I referred specifically to the interim licence and this is where we were when the interruption occurred before, Mr. Speaker -- the interim licence was granted on the basis that there was very little public reaction. That was one of the reasons. But at the meetings that were held in lieu of the hearings, there were hundreds of people showed up, at Gimli, at Selkirk and at Winnipeg, and at Winnipeg on more than one occasion. And to show you the extent of the government's concern about this -- although they had said that the interim licence had been granted on the basis that there was little public reaction -- the Minister of Mines and Resources at the public meetings was so concerned about the representation that was being made, which is being made by the hundreds, that he's decided that he should shift the meetings ahead by one night so he could go to Madagascar the next day. That's how much real concern the Minister of Mines and Natural Resources had.

MR. SPEAKER: Order, please. I do think the honourable member is skirting on the issue where he may be impugning an honourable member of this Assembly. I do not think that that is fair, I do believe that he should reconsider what he's just said -- (Interjection) -- Order, please! He should reconsider what he said in respect to the previous Minister of Mines and Natural Resources' intentions. He should really withdraw some of what he said.

The Honourable Member for Riel.

MR. CRAIK: Well if that -- you know, Mr. Speaker, I'd be prepared to retract that if I'm wrong and if I'm going to be restricted to 15 minutes to say what I want to say on this, then I can't wait for the Minister to be here. And it's the one opportunity I've got to say it because those so-called hearings or meetings are related to the interim licences.

MR. SPEAKER: Order, please. I should like to indicate I have no desire to debate with any honourable member, but when he says that a member did something because of something else, then he's imputing something to that member and there is no way to prove that by anyone except that member himself as to what motive he has. And for that reason I say it is not fair of the honourable member to say it. Now if he doesn't like my ruling, very well he can challenge it. But I say he must withdraw that kind of imputation.

The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, if it would be of any assistance to the Chair or to the Honourable Member for Riel in dealing with your request; Sir, I would explain to the

(MR. SCHREYER cont'd) . . . . Honourable Member for Riel that there couldn't possibly have been any connection such as he assumes may have existed between the dates for the calling of the public meetings that were held by the Water Commission and the Honourable Member for Inkster's being requested to represent the Province of Manitoba as part of the Canadian delegation at this conference in Tananarive, and therefore I can assure the Honourable Member that that was so and I would hope that he could simply accept that as a fact of the matter.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, my statement is not speculation. The meeting in Winnipeg was moved ahead on less than 48 hours notice by 24 hours for the purpose of the member going to Madagascar. It was stated.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: You have ruled, you have ruled and requested the Honourable Member for Riel to retract the imputation directed to my colleague, the Member for Inkster, and in so doing, Sir, you said to the Honourable Member for Riel that if he challenges your ruling he knows what to do about it. There is no arguing, despite the desire of my honourable friend for Riel, with any ruling issued by you, Sir, as the presiding officer of this House. Now I ask my honourable friend the Member for Riel, either to get on or get off the pot, to abide with your ruling or to challenge it. And we are prepared to vote such imputation of a member of this House to talk to another one and to tell him to sit down when he is raising a very valid point to the conduct of this House. I realize my honourable friend from Riel does not know anything about the conduct of parliamentary procedures, but again . . .

MR. SPEAKER: Order, please. Order, please. Order, please. The Honourable Member for Riel.

MR. CRAIK: If you're asking me to withdraw an imputation of motives I shall most certainly do it. Now that the Member of Inkster is back -- who was the Minister at that time -- then perhaps we could clarify the point. The reason, the technical point -- (Interjection) -- well -- (Interjection) --

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: You made a ruling and it was not contingent as to whether or not the Member for Inkster was here or not, and it's up to the Member for Riel either to withdraw in accordance with your ruling, or to challenge your ruling.

MR. SPEAKER: Order, please, Order, please. The Honourable Member for Riel has indicated he will withdraw if he imputed any motives. That is all that I requested -- (Interjection) -- Order, please. I do believe I heard the Honourable Member for Riel say he withdraws if he was imputing any motives. -- (Interjection) -- The Honourable Member for Riel. The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, in fairness to the Honourable Member for Riel, if he would let me I would like to clear up the situation because I understand that the First Minister has made a statement and I would not like a misleading position to be in the House in any form. I am prepared to throw light on what the honourable member is saying if he will permit me.

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

MR. JORGENSEN: We are in the process of a debate. The Member for Riel is in the middle of -- despite almost unsurmountable obstacles created by the House Leader, attempting to proceed with that debate. The Member for Inkster is going to have an opportunity to reply when the Member for Riel sits down, and we hope that if he can contain the House Leader long enough that the Member for Riel's speech can be completed and the Member for Inkster will have an opportunity then to make the statement that he chooses to make.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: I distinctly heard the Honourable Member for Riel say that the matter could perhaps now be cleared up. I understand it is also a rule of parliament that when -- (Interjection) -- Mr. Speaker, on the point of order, I understand it is also a rule of parliament that if there is something said that could be misleading, that it is the obligation of an honourable member who knows that something misleading may have been said intentionally or otherwise to clear up that misleading point. I am sure that I can do so if the Honourable Member for Riel would permit me to do so.

MR. PAULLEY: I don't have to get his permission.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: If I kept track -- I think I have five minutes left, which will leave the

(MR. CRAIK cont'd) . . . . . Member for Inkster ten minutes to answer if he so desires.

MR. GREEN: . . . . . Mr. Speaker, that I didn't intend to get into this debate but I merely wanted to clear up a misleading statement if the honourable member will let me, not to be removed from his time.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, whether it's removed from my time is up to you and not to me, so I leave it up to you. I am quite willing to have him answer it providing I can finish my statement today. -- (Interjection) --

MR. SPEAKER: Order, please. The Honourable Member for Inkster.

MR. GREEN: . . . . . to be in Madagascar, I believe on the 20th or 21st of April -- February, excuse me. The last meeting for Lake Winnipeg hearings was scheduled on the 18th of February. I thought that that was sufficient time and I hoped to be present at all meetings. I advised the Chairman of the Water Commission on Monday that contrary to my knowledge the last flight which would take me to Madagascar was on the 17th. I said that there was no necessity for me to be at the meeting, that I preferred to be there, that if he scheduled the meeting on the 18th and continued to have it that way, that was satisfactory to me; that if he wanted to he could move the meeting to the 17th in which case I would be there, but that there was no demand that he do so, that a representative of the government would be there if I was not. It's true I said that I'd prefer to be there because as the honourable member knows, I attended every one of those meetings personally. At the meeting on the 17th of February there were roughly 600 people there, so whatever notice would have been bad, it certainly didn't deter those people, but I understand that the First Minister said that my attendance had nothing to do with the change of dates, that is technically correct, because I did tell the Chairman of the Water Commission that it was entirely up to him as to whether he held a meeting on the 17th, or whether he did not. He preferred to hold the meeting and proceeded in that way.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Well, Mr. Speaker, I think that bears out pretty much exactly what I said that the meeting date was changed. It was changed from the 18th until the 17th, the original notice was the 18th.

MR. GREEN: Mr. Speaker, on a point of privilege. The Chairman of the Water Commission said that whatever happened because notice was scheduled on the 18th, whether there was a meeting on the 17th or not, the meeting on the 18th would continue -- this was to be an extra meeting, that date was not changed.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I was at the meeting on the 17th as well where some other members were present, and the chairman at that time announced that the meeting would continue the next night if all briefs were not heard. And it did continue on the 18th on less than 48 hours notice, 48 hours notice the public went to a meeting 600 strong, were told in less than 48 hours that that first meeting was going to occur on the 17th, and so they all went down there, and the reason given at the time, published in the media, was that it was moved ahead because the Minister was going to Madagascar. Now if he wants to talk about the technicalities of it was the responsibility of the Chairman of the Manitoba Water Commission that's fine, but the reasons were very clear -- (Interjection) -- Well it's a pretty minor point of debate which way that was. It's still the facts of the matter are that 600 people were asked to go to a meeting a day ahead on less than 48 hours notice because a Minister of the Crown was going to Madagascar.

MR. SPEAKER: Order, please. I know we've had a tremendous amount of discussion in respect to procedure and points of order, but I should like to indicate to the Honourable Member for Riel that much as I can allow latitude in respect . . . . . Order, please. Order, please. Much as I can allow relevancy in regards, latitude in regards to relevancy, I do think he's . . . . . Much as I can allow a certain amount of latitude in respect to relevancy, I do wish we would get a little closer to the address for paper that's before us. He does seem to wander a little bit far afield. The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, to come back to the interim licence granting, when it was granted the government made a case in granting the interim licence that there was very little response to the advertisement -- (Interjection) -- 10 or 12 letters, therefore there appeared to be very little public concern. Now we find that the number at one meeting alone in Winnipeg was 600 to hear about this important matter. Well did it not occur to the government that

(MR. CRAIK cont'd) . . . perhaps there were more than 10 or 12 people concerned when they granted the interim licence and that in fact full-fledged hearings that are defined in the Manitoba Water Commission were in order and were well considered when that was written into the legislation; that evidence should be presented under oath, where preparation could be made and cross-examination could be carried out of presentations that were made. But no, Mr. Speaker, what we do find is that none of these have been done in accordance with the past practice. The interim licence was granted; the hearings were not held; meetings were in their lieu at which information was to be gathered that would feed into the interim licence in making it a final licence. But at no time was any legal and full inquiry allowed, and in fact the House Leader who stands here in all his glory today and tries to restrict the debate here, or advise on its restriction, can stand there and do that in spite of the fact that he refuses to even call the Public Utilities Committee meetings. So all the way down the line and we must congratulate the government, they've been very successful in restricting any formalized input into making the decision on Lake Winnipeg, and this is why we ask for the correspondence that goes between government and Hydro in the initial stages of the interim licence to find out if there are conditions, and what the conditions are on the interim licence, and what other recommendations or suggestions that have been made on it. -- (Interjection) -- Yes, well we're asking for the correspondence that goes with it as well; and if there is no correspondence, why don't you say there's no correspondence.

MR. GREEN: Mr. Speaker, the honourable member said he wants to know whether there are . . .

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: . . . any conditions on the licence. The licence has been made public. The honourable member has a copy of it.

MR. SPEAKER: The Honourable Member for Riel has one minute.

MR. CRAIK: Mr. Speaker, we have the licence, and that's not what we're asking for in the Order for Return. We're asking for an Address for Papers that calls for the correspondence between the government and the Hydro with respect to the interim licence. So there's no question about the interim licence being available. But what we want to -- well, the Honourable House Leader I'm sure now is going to become an expert and he'll give us some more wisdom here before this is finished. -- (Interjection) -- So let me close by saying, Mr. Speaker, that I assume that the government in resisting this has simply added one more notch to the butt of its gun in its suppression of anything in a formalized way respecting the regulation of Lake Winnipeg.

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

MR. JORGENSEN: The yeas and nays, Mr. Speaker.

MR. SPEAKER: Call in the members. Order, please.

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

YEAS: Messrs: Spivak, Bilton, Watt, Craig, McKellar, G. Johnston, Froese, McKenzie, McGill, Sherman, Jorgenson, Einarson, Graham, Patrick, Girard, F. Johnston, Ferguson, Blake, Moug, Henderson, Allard and Mrs. Trueman.

NAYS: Messrs. Schreyer, Petursson, Green, Paulley, Cherniack, Mackling, Uskiw, Miller, Doern, Evans, Shafransky, Burtniak, Borowski, Pawley, Hanuschak, Desjardins, Barrow, Boyce, Gonick, Gottfried, Walding, Johannson, Uruski, Malinowski, Adam, Turnbull, Jenkins.

THE CLERK: Yeas, 22; Nays, 27.

MR. SPEAKER: In my opinion the Nays have it. I declare the motion lost.

The hour of adjournment having arrived the House is accordingly adjourned and stands adjourned until 2:30 tomorrow afternoon.