

THE LEGISLATIVE ASSEMBLY OF MANITOBA
8:00 o'clock, Thursday, May 4, 1972

MR. CHAIRMAN: Clause 12 - - The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, it is very difficult to speak in the absence of the Minister of Finance, because my remarks are really directed to him, and directed to what I consider was his explanation given to the Honourable Member for Fort Garry and myself with respect to the discretion that was to be exercised, or could be exercised by the government in the event that further exemptions were to be given. I assume that he is on his way, and I assume that he will be here. I think it's essential of one other point being mentioned for his consideration and I would really prefer that he hear it and --(Interjection)-- Well I think, Mr. Chairman, Mr. Chairman, our concern and I think the concern that he first expressed after this week of debate today, was that there may very well be inequities, situations that require correction, double taxation, even possibly triple taxation. Good, the Honourable Minister is here.

Mr. Chairman, the Honourable Minister has arrived and for the record, whether he is interested in listening or not, I think I would like to again say that I assume that his answers to the remarks to the Honourable Member for Fort Garry were in fact in answer to myself as well --(Interjection)-- Well in that case then I wonder if the Honourable Minister would indicate what criteria he intends to apply --(Interjection)-- Well, Mr. Chairman, now the Honourable Minister says he answered, before he said he didn't. He answered that in his answer to the Honourable Member for Fort Garry and I listened with interest to the answer, but then I realized that it would be wrong for any great expectation to occur on the part of those who believed that relief should be given, that in fact it will be forthcoming.

The Minister has indicated, and rightly so, that he is not going to be able to deal with this for some time. First because he wants to be able to study it; secondly, because he will have other responsibilities in the Legislature. I assume that what he was suggesting is that if in fact there are inequities there will be some action but Mr. Chairman the basic premise that we have developed, at least attempted to develop in this debate is the fact that the sales tax on production machinery, the sales tax on production machinery will be an added cost for goods to be sold both in Manitoba and to the other markets that goods will travel from Manitoba.

A MEMBER: Never heard that before in this House.

MR. SPIVAK: You heard that. That in fact the range of production machinery will also include those consumables that were exempt from tax because they were included in production machinery, and that in turn as a result there will be great disadvantage to certain manufacturers, and we have had a few who have already made their declarations and statements known.

The Minister of Finance says, well this is something new. But what he indicated today was that he was going to consider certain situations and he read, and I am very happy he read, he read the latest letter that was received by him from the Canadian Manufacturers Association. I think, Mr. Chairman, the correspondence that the Canadian Manufacturers Association have had in the last, I guess, two weeks with the Minister and with the Members of the Opposition, warranted some consideration of this tax, at least the effect of this tax being brought before Committee where we could have had at least an analysis and discussion with many of those people who are going to be directly affected first as to what the implications will be for them in terms of their competitive position.

Mr. Chairman, a tax is a tax, is a tax, and the basic premise that one must . . .

MR. CHERNIACK: . . . interruption, could he repeat that statement please?

MR. CHAIRMAN: I have to call the honourable member to order for repetition.

MR. SPIVAK: Mr. Chairman, the reason for the statement is a very simple one. Once a tax is levied it's very rare that governments alter and change them. That happens to be the case. Now the Honourable Minister of Finance says, well look at the changes we've made in this Act. But, Mr. Chairman, let me suggest, if we were to read back - and I know the Honourable House Leader would be very upset at this - but if we were to read back the objections that were raised by the NDP when the Sales Tax was first advanced, the inequities that they suggested should be corrected, and examine the very few, very few exemptions that they have now provided, you must get the impression that they are acting like every other administration that a tax is a tax, is a tax, and when they formed a government they did not, and they were not prepared to in fact, they were not prepared in fact to exempt those things that they said should be exempted.

Now my point, Mr. Chairman, my point, Mr. Chairman, . . .

MR. CHAIRMAN: Order please. I am having difficulty in being able to hear the Honourable Leader of the Opposition. The Honourable Leader of the Opposition.

MR. SPIVAK: The point, Mr. Chairman, that has to be made is that the likelihood that relief of any significance will be given by the Minister in exercising his discretion is remote because he is going to impose a tax - the tax in fact has been already imposed. Even though we haven't passed it we are going to have to retroactively approve it. In turn that tax, that tax will be collected and it will be several months before the Minister is able to review it, and the analysis will take place and after the analysis is completed, provided those people who are concerned object strong enough, there may be some consideration.

Mr. Chairman, we have reached the point in our society where many people who are entitled to relief from government, who are entitled to service from government, do not find that they know how to handle themselves with respect to government, do not find government easily accessible to them. And even in this particular situation I doubt very much whether those who realistically may require some kind of consideration, or some kind of further exemption, will in fact be able to get the ear of the Minister or the Department, or even know the procedures that will be to follow.

So the reality, Mr. Chairman, is this: the Minister of Finance has recognized and acknowledged that there could be in fact some exemptions should be provided. He has acknowledged the fact as well that the Quebec government has declared in their budget, but not in the bill to be produced, that there will be exemptions provided for production machinery. It's true in a limited way, and I expressed that in the statement that I made, but nevertheless that it would be done for the purpose of creating jobs in the Province of Quebec. In addition the Province of Quebec has already indicated that there will be a sales tax abatement for goods that will be sold outside. Yet on the other hand he is not prepared at this time to in any way indicate a criteria; he is not prepared in any way to indicate to those people who are now going to have to be paying the additional cost and passing it on, what kind of relief could be expected, and the reality is that he may very well, because of the influence of certain pressures, react in a certain way, but the likelihood is that the tax will be a tax, will be a tax that will be continued to be collected by the government.

So, Mr. Chairman, at a time when there is high unemployment, at a time when governments are concerned about the development of the private sector, at a time when most governments have attempted in some way to do more than just public works programs for the purpose of trying to meet the unemployment situation, our government continues, our government continues to tax and tax and tax without equity, without any regard for the ultimate consumers of Manitoba who will be paying it, and without any regard for the business people who are going to either have to pass it on or absorb it, if they can, and in the course of passing it on put themselves in an uncompetitive position. And we do so, Sir, for what reason? For money to be carried on for government programs; for relief to be put forward next year, and, Mr. Chairman, I suggest that the relief again that is being provided for next year will nowhere equal the amount of money that is being claimed and on that basis this tax is not, and cannot be justified.

MR. CHAIRMAN: Clause 12 - - passed.

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

MR. ENNS: Ayes and Nays Mr. Chairman.

MR. CHAIRMAN: Call in the Members.

MR. CLERK: During the temporary absence of some of the members from the House there was a division in the House on Clause 12 - Clause 12, subsection 3 of section 4 of the Act is repealed.

A COUNTED VOTE was taken the result being as follows:

YEAS, 25; NAYS, 22.

MR. CLERK: I declare the motion carried.

MR. CHAIRMAN: Clause 13, 4, 5 - - The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, I still certainly don't mean to prolong the debate on this particular section.

MR. CHAIRMAN: Order please. I can't hear the honourable member. The Honourable Member for Rhineland.

MR. FROESE: I notice there is an explanation here on the sheet that was passed out under item 10, services and goods shipped outside of Manitoba. Is this the section, and is this what is envisioned by the Minister under section, or Clause 13, namely goods shipped outside of the province?

MR. CHAIRMAN: The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Chairman, I simply would like to ask the Minister if this is the section under which equipment that's being repaired in Manitoba and taken out, will be exempt from taxation?

MR. CHERNIACK: Yes, Mr. Chairman, this provides that equipment which is repaired in Manitoba for use exclusively outside of the province is not taxable. It's not only equipment that's repaired, it's also a service that is rendered. One of the examples that I have already given is occasions where firms that do business whereby they issue circulars for mailing outside of the province do not tax, or large aircraft for example that may be brought in to repair bases, or let's say large printing presses, or any other large equipment, brought into the province for the purpose of being repaired and then sent out of the province to be used exclusively out of the province, is not taxed.

MR. CHAIRMAN: The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Chairman, I don't want to delay this section but this is one area that I hope the opposition will really conduct a filibuster because I think it's an unfair section. If this was to be applied across the board I would say that if my mother-in-law comes to visit me from Saskatchewan and her car breaks down in Manitoba and she has to repair it and will be returning to Saskatchewan next week, then under this type of section she should be exempt from the five percent sales tax. I think it's unfair. I think it's unfair for industry, whether it's aircraft, roadbuilding or any other type of business that should be allowed to bring in equipment to be repaired in Manitoba and be taken out tax free. I hope that the Minister will reconsider that thing and hopefully change it before we get in, pass the bill.

MR. CHAIRMAN: Clause 13, 4, 5 - - The Honourable Leader of the Opposition.

MR. SPIVAK: I wonder if the Honourable Member from Thompson really is serious about his provision, whether he is understanding what should happen. Let's assume we had an overhaul base here, which we do not. But let's assume we have the overhaul base here - we lost it. Let's assume we did have it here. On that basis planes that would have been brought in here to be serviced would have had to have their repair parts paying a tax. Now is that what he wants? Does he want to deprive the potential growth and development in this province of a facility that would really cater to something that would be utilized outside of the province, prevent it from coming in here, or having an additional burden of a tax, or do we want to try and create jobs in the province?

MR. BOROWSKI: Mr. Chairman, the Leader of the Opposition is asking me the question. I'm not piloting the bill through, but I'd be very happy to answer him. He is saying to me in effect that it's all right to charge people that come into this province and have stuff repaired and charge them five percent sales tax, but it's not all right to charge industry, and when I have to make that kind of choice, I say to him, if you are going to exempt one, exempt the people, or tax them both.

MR. CHAIRMAN: The Leader of the Opposition.

MR. SPIVAK: I am glad the Honourable Member from Thompson has essentially come around to our position. Our position is that the most important thing in Manitoba is jobs. That in effect if by exempting production machinery, which we have already passed, but in effect providing this, even this limited kind of exemption from the total tax of production of everything in this province, if that will have the effect of creating jobs, that's pretty important. --(Interjection)-- Yes. Well I think it would. I think there are areas in which we have an example and I think the Minister of Finance said the other day, Bristol Aerospace who repair planes that are brought in here and taken out, CAE who repair planes that are brought in here and taken out. Now the logic, Mr. Chairman, the logic, or the rationale that behind this particular section realistically is the rationale that should have been used for the exemption of production machinery and its continuation. Now in this respect, Mr. Chairman, I have to correct what I said, it's not that the Member for Thompson has really come around to my position but the Minister of Finance has come around to our position. And in effect --(Interjection)-- that doesn't worry me. It should worry you. It should worry you, because unfortunately, and I think more than any other dramatic way, I think this demonstrates the contradictory position of the government, because realistically they should be taking the Member from Thompson's position, but they are not. And realistically they should be taking it because in effect what this is for is the recognition that many jobs are involved. That's really what it's for, and that's why that exemption is here now, and what they should have realized is that there is still a tremendous amount of jobs that are affected by the production tax which we

(MR. SPIVAK, cont'd.) have already passed.

MR. CHAIRMAN: The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Chairman, it looks like we're back into the circular argument that we were on the other clause and I am sure I am not going to win it and it's pretty obvious when the Leader of the Opposition gangs up with the Minister of Finance, I'm certainly not going to, I'm certainly not going to win it.

The Leader of the Opposition talks about Bristol Aerospace repairs. He knows as well as I know, and as most people in Manitoba, the only reason they are there is because of the generous handouts and a locked-in-type of business that they are getting from Ottawa, which we all appreciate. He knows the deal on that, and if you left it on a basis of free enterprise that thing would have been closed up a long time ago. So this thing here is not going to affect it because as long as they have this sweet deal, they are going to stay here. So you are not creating a single job. And again I say, there is really not much point in talking except to indicate that for the first time when we have a clause that has made some sense, as far as I'm - I mean that it doesn't make any sense, the Leader of the Opposition is on the other side.

MR. SPIVAK: Mr. Chairman, I wonder if the Member from Thompson would believe that CAE have a sweet deal in Manitoba. Well I wonder if he believes that the employees who have been let out of CAE because there is no work for CAE also think it's a sweet deal for Manitoba.

MR. BOROWSKI: Mr. Chairman, I would like to answer the question. I believe the employees were shafted, they were double-crossed and betrayed, and this thing here was given as a hand-out

MR. CHAIRMAN: Order. Order. Order, please. I don't see anything in this section dealing with employees being shafted. The honourable member, would he stick to the section under discussion.

MR. SPIVAK: I wonder if the Honourable Member from Thompson can indicate whether he has ever visited Bristol Aerospace, whether he's ever discussed with them the nature of the work that they do, the amount of contracts they have government, the amount of repair work they do

MR. CHAIRMAN: Order, please. We're getting down to specifics here. I don't see Bristol Aerospace mentioned here either.

MR. SPIVAK: Mr. Chairman, in this particular situation we are talking about an exemption that we are prepared to accept but I would like the Honourable Member from Thompson to understand once more - and I probably will never convince him - that the rationale behind this was the realization that Manitoba would not be in a position to do work in the repair field unless this took place and what was involved was jobs and that was the real consideration, and that's what he should be concerned about right now in Manitoba.

MR. CHAIRMAN: 13, 4, 5 - - passed; 13, 4, 6 -- The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Yes. Mr. Chairman, we got into some discussion of this new clause, (this is an addition to the Act, during earlier discussions at an earlier part of the bill but we really didn't complete the discussions and we left some areas in which there was some doubt as to the real extent of the coverage here. Now this isn't the most important clause in the bill in terms of the dollar revenues that the Minister anticipates. I think he said somewhere between the three hundred and four hundred thousand dollars he would anticipate would accrue to the province as a result of the addition of this section. But while it isn't large in, while it isn't large - the Minister is making some correction, and I know that he will have some remarks to make probably at the conclusion, but in terms of the new approach to aircraft generally I take him to say that between three hundred and four hundred thousand dollars might be realized. But while this Act is not going to produce a large amount of revenue in terms of the total that the Minister anticipates from the complete change in the Revenue Act, it is very interesting I think because it involves an excursion into, and some new directions in taxation areas that previously have not been explored, certainly under provincial statute.

And I want to discuss the four categories in which we might consider the situation to logically be broken down into. Now we're talking about aircraft, scheduled and non-scheduled aircraft of commercial registry, and registered in Canada, and the first category I would suggest would be those that are based in Manitoba and we now understand will be taxed whether they're scheduled within the province or both within and without the province, and we know the formula that will apply.

(MR. EDWARD MCGILL cont'd.)

The second category that is somewhat related would be those scheduled and non-scheduled commercial aircraft of Canadian registry that are based outside of Manitoba and fly into Manitoba providing a service and collecting revenues from the airports that they use in Manitoba. Now I understand that this section, as I read it, would cover a collection of a sales tax by Manitoba to the extent that the percentage of mileage . . .

MR. CHAIRMAN: I would wonder if the members who are having the caucus meeting would go to their caucus room or out in the hall and hold their caucus meeting. It's not fair to the member that is speaking, not fair to other members of the House; it's not fair to the Chairman.

The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, I was talking about aircraft based outside of Manitoba that fly into Manitoba, land at Manitoba airports, provide a service in Manitoba, and for which they collect revenues. Now under this section the Province of Manitoba proposes to collect a portion of the sales tax that would apply based upon the number of miles flown in Manitoba in relation to the total miles flown by that unit. Now this seems to me is certainly an area that we have to look at very seriously because we're in effect saying even though the province of origin, the base of that aircraft, doesn't apply a sales tax, we're certainly going to apply one and we're going to apply in proportion to its percentage of mileage that relates to Manitoba flying. Well, Mr. Chairman, I think that this might have been an excellent kind of argument to have developed at a conference of Provincial Ministers of Finance and perhaps this was done. But at least so far as we know only two of the provinces of the ten in Canada seem to see any merit in this kind of a sales tax related to aircraft. This means that in a sense again we're in isolation in the application of our tax policies. I would have thought that if there was real merit in this approach that many of the provinces of Canada would have been willing to consider this and to have at least discussed it and tried to arrive at some policy of taxation that would have been applicable across Canada. I don't feel that a sales tax that we're applying now in Manitoba is one that is desirable. It's a kind of production machinery that I think should well be in the non-taxed list, but nevertheless since we are approaching it in this manner I think it would have been a most appropriate time to have conferred with other Ministers of Finance in Canada.

What it means, Mr. Chairman, is that well let's take the case of Air Canada. Let's assume they have ten Loughheed 1011 aircraft on order at the moment. These aircraft are worth \$19 million each I am told so within the next two years \$190 million is going to be under review, and under consideration, when this bill passes. Now if all ten of these aircraft provide some service to Manitoba, then all ten of these aircraft based on the mileage they fly in Manitoba as compared with their total mileage, are going to have to pay a tax. Now if this is only applying in Manitoba and two other provinces possibly and we're not certain, at least I'm not sure from the explanations that this will apply in Quebec and British Columbia, this seems to me to be an area in which Air Canada may well consider the kind of aircraft that it will use on a route servicing Manitoba, specifically Winnipeg.

Now if the Minister takes from this that I'm concerned about the financial well-being of Air Canada he's wrong. If he takes from this that I'm concerned about Manitoba's image in the aviation world, and its image in respect to its desire to be a centre of international air traffic, then he's very right. I am most concerned about that. I am most concerned about the kind of impression this is going to make with operators of aircraft in Canada. I think it's going to be a very difficult kind of a tax to apply in isolation in Manitoba. There are going to be great amounts of money involved because of the high unit values of the aircraft. I am told that there are a number of these Loughheed 1011's will be delivered during the present year. And I'm wondering just how the aircraft dispatch with Air Canada in Montreal or Toronto will relate the services, and the kind of airplanes they're going to use here, with this projection in the tax field. Now these are very urgent and important considerations. Certainly they are in the aircraft industry and they are ones that will have a real effect upon the future of Manitoba and of Winnipeg International Airport particularly if there is a serious attempt on the part of the province to tax aircraft under this section, that are not based in Manitoba.

Now the other two categories in which we have had some discussion, and I'm still again not entirely clear because the section as it's worded would seem to me to cover it, and the Minister indicated that that was his impression earlier, these are the categories of scheduled and non-scheduled commercial aircraft first of Canadian registry that fly over Manitoba that do not provide a service to Manitobans, that do not take revenue from Manitoba but use the air

(MR. MCGILL cont'd.) space over Manitoba. That's one category.

Then there's the other category of scheduled and non-scheduled aircraft commercially registered of non-Canadian registry that fly over Manitoba, do not provide a service, do not collect revenue, merely fly through the air space. Now this section would appear to give Manitoba the right to tax these aircraft and the Minister indicated that if they had a business arrangement even though they were non-Canadian in registry, that they would come under the umbrella of this proposal.

Mr. Chairman, surely the Minister of Finance will admit that he's just whistling Dixie when he says I'm going to put a toll gate on a world air trade route above Manitoba and collect this tax. Surely, Mr. Chairman, he can't be serious about this kind of an intent under a Manitoba statute. I'd suggest to the Minister that there isn't enough legal fire power in the Manitoba statute to even create any slight turbulence at 35,000 feet on an air trade route. This is a world trade route. We happen to be a small province looking up at the air space above us and if there is any kind of an authority under this to provide a toll gate up in the sky for aircraft flying to and from other major points, then I fail to see how this could possibly work.

Surely, Mr. Chairman, this approach to taxation is taking us back to the middle ages. This is a feudal system that the Minister is proposing here. I think of the Rhine River in feudal times when the states and provinces in Germany didn't have a strong king so the premiers, or whatever they were called, of the provinces of Germany along the Rhine gorge set up their own toll gates and they collected a tithe from every ship that went up or down the river. Now this lasted till the early 1800's when they achieved a confederation of German states, until the early 1800's when a confederation of German states was achieved so they were able to operate in confederation and have one policy. And then I think it was in about 1868 that by the Convention of Manheim these tolls disappeared forever and on the Rhine River, and all the countries bordering on the Rhine River agreed that there would never again be tolls on world trade routes up and down the Rhine. Well now really what this Act is apparently proposing is this feudal system that the Rhine had except that Manitoba doesn't have the fire power to stop the aircraft going across the province, and it's surely an outdated idea of taxation that there should be any kind of taxation applied on a world trade route.

Now I was talking about ships on a water trade route but there's a great similarity between airships and water-based ships and aircraft. And the terms that apply and the laws that apply to ships at sea, while not exactly as they are in the air, are those that would normally be similar to those that apply to aircraft flying on trade routes of the world.

Mr. Chairman, really I think that this section bears some scrutiny and if there is ever any hope that we can provide toll gates in the air for each province, I suggest that it won't be done by provincial statute; it's a constitutional matter and since it presents an obstruction to trade and commerce between provinces, then surely it must be a federal authority and a federal responsibility, so if there is any hope and I suggest that it's not a policy that would be modern in any sense, but if there is any hope of succeeding in this policy surely the bill is not being presented in the proper court, that this is a matter for the Supreme Court of Canada, for a court which would have authority over the constitutional matters which relate to those responsibilities under the BNA Act for trade between provinces.

Mr. Chairman, if my understanding of this clause is wrong I know that the Minister will correct me but from our previous discussions earlier in the bill, and perhaps they were slightly out of order because we did get into this area, the Minister gave me the impressions that this was the intent, and certainly the wording as I read it would seem to include not only aircraft that land in Manitoba but aircraft that fly over and above Manitoba. Thank you.

MR. CHAIRMAN: The Honourable Member for Winnipeg Centre.

MR. J.R. (Bud) BOYCE (Winnipeg Centre): Just a couple of brief points, Mr. Chairman. Doubtless the Minister of Finance will have no difficulty with the arguments of the Member for Brandon West because he already practised that on me and many of the points that he has made. But I'd just like to make two points. No. 1. The Member should have continued the story about the tolls on the Rhine because they were consolidated into one toll by the federal administration, and so they weren't actually removed, they were just consolidated. No. 2. It would just appear from what the Member has said that we have more respect for the, or we have more confidence in the respect with which international corporations operate insofar as the provincial jurisdiction is concerned.

(MR. BOYCE cont'd.)

As I say the main thrust of the member's argument the Minister of Finance will doubtless respond to.

But there was just another couple of points with reference to this whole section. The Leader of the Opposition you know says that this tax is affecting jobs and perhaps in some slight degree it is, because there is a balance in how much you can tax and what people will produce and everything else. But nevertheless I think you would have to agree at the same time that as far as the economic conditions of this country are concerned, the fiscal policy of the Federal Government has a much more important impact than this tax.

The Leader of the Opposition made the point about jobs in Thompson or something but of course he forgets to tell us at the same time that the jobs in Thompson and Sudbury are more predicated on the decisions of the International Nickel Company and the total inventory, total world inventory of nickel, than they are any tax at any particular time in any locality. Inco are faced with negotiations here in the near future that they are doubtless mining more in New Caledonia and Guatemala and Indonesia - exploration in Indonesia. The Member for Fort Garry he refers to several phone calls, and the Member for Sturgeon Creek refers to several phone calls, and in fact he brought in some concerns of the business people, small business people in his community. I have had several phone calls in this regard also and I am just as anxious to get some of the answers to the questions asked by members opposite. But one of the questions I asked - the people who have phoned me and complaining about it - is, where do you want me to put the \$28 million shift? Where do you want me to put it? Do you want me to put it on income tax? Do you want me to put a one percent sales tax on everything that's sold? Do you want me to put it on bread, milk, cake, where do you want me to put the tax? And when they come down to it, you know if --(Interjection)-- Mr. Chairman, I would be glad to answer any questions - no, no, --(Interjection)-- I heard that remark and I deserve it.

But really, Mr. Chairman, what it boils down to - it's rather a simple shift, and it's one thing that the Province of Manitoba is very fortunate at the present time that we have the portfolio of the Minister of Finance filled by the individual we have because he has the ability to take a very complex thing and reduce it to simple terms so that people can understand it. The Member for Morris - I'm sorry he isn't here - but when the Member for Morris says that he as a member of the Opposition wants to oppose so that the case can be taken before the people of the Province of Manitoba, I hope it is taken before the people of the Province of Manitoba so that they can hear what the Opposition is saying and saying over and over and over again, because what this government has said is that they are going to shift, what everyone agrees, everyone agrees, that taxes have to be shifted off property, and this is what the Minister of Finance has said over and over and over again, and the Leader of the Opposition, and his colleagues keeps drawing in red herrings, trying to confuse the issue. But Mr. Chairman, the members opposite and I think that the people in the province are very fortunate - still haven't learned their lesson; that they are still assuming that the electorate in Manitoba is misinformed and that they can be confused. It's a simple, simple bill that's before this House. The Minister of Finance has said, we are going to shift some taxes and this is how we are going to do it, and the total impact on those people who have not got the ability to pay, will be insignificant.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, I really will make one remark I think - unfortunately the Honourable Member should have related this in the previous Act, or the previous section I think it was probably more appropriate - and I think the Honourable Minister of Finance I would hope would respond to the Honourable Member for Brandon West's remarks because I think they warrant a response, and I think they warrant an explanation by the government of its policy, part of which has been explained and part of which has not been explained.

But to the Honourable Member from Winnipeg Centre may I simply suggest, we do not believe that you have to raise taxes to create that shift, and that's a very simple difference between our position and yours. We do not think that you have to raise taxes, and we are objecting on this basis. The shift that you are causing, the reduction of taxes that you claim you are bringing about as a result of the shifting, we suggest could have been found by just cutting your expenditures down. You know, you may laugh on that but the truth of the matter is that it could have been done - and unfortunately --(Interjection)-- No. - you have taken the easy way out and it's very simple to try and you know, put the tax on the people, hide it in this

(MR. SPIVAK cont'd.) kind of tax which appears not to be borne by the public, because in a very real sense it's almost a value added tax, and it's a hidden tax, it's not known. But the truth of the matter is the consumers of Manitoba are paying and that's what the objection is for.

Now I would hope that the Minister would respond to the Honourable Member from Brandon West.

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Chairman, you haven't heard the expression "value added tax" for awhile, and I hope you won't hear it again because it really has no application here. Of course the last two speakers were, in my opinion, out of order and I kept wanting to rise and say so, but I thought well I'd better not, I'll just prolong debate.

I would point out that the Member for Brandon West was also out of order in relation to whether or not we are to tax aircraft. We have already established and voted on the question of whether or not aircraft is to be taxed. That as the honourable member well knows came under Section 6. What we have agreed in Committee is that sales of tangible personal property to a purchaser for purposes of consumption will be taxed, and we know that a purchaser needs a - and I'm just summarizing - in the case of a person residing, an ordinary resident carrying on business, or intending to carry on business in the province, brings into the province, or causes to be brought into the province, tangible personal property acquired by him outside of the province or within. So we have established that. We are taxing aircraft. The Honourable Member has debated it at some length, some days ago. All right we're taxing aircraft. We have been taxing aircraft under the previous law ever since it was enacted. We were taxing aircraft which operated within Manitoba. We had exempted aircraft normally engaged in foreign or interprovincial trade and repair parts therefor. Now we have eliminated that exemption, so we are just taxing aircraft including those normally engaged in foreign or interprovincial trade and repair parts therefor, and the honourable member and I have already discussed the question of the constitutional aspects and I said that I am informed that it's constitutional, he's informed it's not - not much benefit to debating that.

I have indicated that we are now going to tax aircraft which carry on business engaged within the province to the extent that they are in the province and now we are specifically on 4 subsection 6 which is the matter before us. All we are discussing now is the formula by which we are taxing aircraft. The Honourable Member mentioned overfly and he talked about toll gates; he talked about the Rhine River; and he talked about strawmen, he didn't use those words, but he has been building a strawman, but he's decided to tear him down - all that to me is academic. We are taxing aircraft. We are taxing aircraft which normally are engaged in foreign or interprovincial trade and repair parts therefor, and he can talk all he likes about shooting them down and all that kind of nonsense, we are taxing those aircraft of those companies which, and let's read the section 4, 6, "which are operated both within and without the province for the purposes of trade." We are taxing only those firms which are liable for taxation within the province and if the member and I disagree about how we get at 'em, the courts will decide that. I don't want to enter into that kind of a debate.

The one point he made which I think does apply to this subsection is the thought that he gives us that Air Canada is going to fly its Jet plane up to the border of Ontario, transfer its passengers to a Lancaster maybe, I don't know enough about airplanes, North Star or whatever, --(Interjection)-- or a bus - no if they transfer them to a bus, they will be taxable because under the present legislation passed by the previous government, we have been taxing buses and trucks that have been passing through the province --(Interjection)-- so he is now saying that they are going to not transfer them to a bus, because that's taxable, they are going to transfer them to a Lancaster, or I wish I knew the name and the Honourable Member for Brandon West no doubt can give me names of maybe First World War planes to which they could be transferred and they will take them across Manitoba, and then they will go back to the Jets, and, Mr. Chairman, that's just so much nonsense. The amount of the tax doesn't compare, I said earlier, to the gasoline tax say or the fuel tax they pay, or the fuel itself, and it will just be such a small portion of the total tax of the total cost of operation, that he can inflate it all he likes, but it will take nothing to break that inflated balloon to bring it down to realistic levels. And the realistic levels I contend, Mr. Chairman, are such where he doesn't have to pity Air Canada, and he shows no concern, he says, for Air Canada, he only cares about Manitoba's image. Well let me remind him that the party which he supports brought in

(MR. CHERNIACK cont'd.) a tax on fuel, heating fuel of homes, and later on it withdrew that tax because it realized how inequitable that tax was. Now they saw the error of their ways.

I would say this that if the Honourable Member for Lakeside were truly trying to help us, he would say go ahead see how this works. If it doesn't work by all means we will bring it up next year. We will see to it that Manitoba's image will not be damaged and that will create no harm at all because if we find Lancasters crossing Manitoba in place of Jets then that will be something that we'll really have to consider, but as far as I'm concerned, Mr. Chairman, the Honourable Member - he made a speech a few days ago, he made it again today, he made it - it was better thought out today, because he had more time to prepare it, but in the end I don't think he was convincing one bit, either to me or to the members on this side, or to the members of the Manitoba population.

The fact is that as long as Lambair has been paying taxes for all that it has been doing in Manitoba, so should other firms which have been paying tax, which have not been paying taxes but which have been using, which have been operating within Manitoba. And I have no regrets about it. I think we can do it. If we find that constitutionally we are barred from doing it, then of course there is no answer to that. But as far as I am concerned, Mr. Chairman, he built the strawman, he tore him down, and in the end he was no better than he was when he started.

MR. CHAIRMAN: The hour being 9 o'clock 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 was considering Bill 21 and instructed me to report progress and asks leave to sit again.

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 St. George, 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 - PUBLIC BILLS

MR. SPEAKER: Thursday evening on Private Members' Hour the first order of business is public bills for private members.

Proposed motion of the Honourable Member for Portage la Prairie. The Honourable Member for Radisson.

MR. SCHREYER: May we have the matter stand, Mr. Chairman?

MR. SPEAKER: Very well.

Proposed motion of the Honourable Member for Winnipeg Centre. The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, may I have this item stand please?

MR. SPEAKER: Very Well.

PRIVATE BILLS

MR. SPEAKER: Second reading, private bills. Proposed motion of the Honourable Member for Inkster. The Honourable Member for Inkster.

MR. GREEN: May I have the indulgence of the House to have this matter stand?

MR. SPEAKER: Adjourned debates on second reading of private bills. The proposed motion of the Honourable Member for Roblin. The Honourable Member for Riel, No. 31.

MR. CRAIK: Mr. Speaker, may I have this stand please?

MR. SPEAKER: Very well.

Proposed motion of the Honourable Member for St. Matthews. The Honourable Member for Rock Lake, Bill No. 33.

MR. EINARSON: Well, Mr. Speaker, having perused this bill No. 33, an Act to amend an Act to incorporate the Co-operative Credit Society of Manitoba, Limited, and having considered the explanation given by the Honourable Member for St. Matthews, I want to say, Sir, that credit unions as such have served a very useful purpose to the communities in which they have been developed, and this is a bill to make some amendments to the present Act. I for one am one who if the amendments that are made are such that they are going to provide for an improvement for the Credit Unions of the province to function and to give better service to

(MR. EINARSON cont'd.) those whom, the people who patronize them, I don't want to stand in the way of legislation that is for progress.

I just am wondering, Mr. Speaker, whether in the amendments that are being made here, which allows governments to have the opportunity of borrowing money from Credit Unions, or through the society, the government allowed the organization to become legal in the original stages and I just wonder whether, because of this, if there is any possibility that if any department of government went to the society for a loan, and probably the society having a look at the particular loan that they want to borrow money for, and felt that the economics and so forth were not feasible and the loan were refused, I would only hope that government action wouldn't be forthcoming that they might change the rules of the game, or make amendments to legislation to probably make it difficult for the society in question who they are seeking loans from.

Another matter that the Honourable Member from St. Matthews he mentions in regard to section, I think it is 16, 1, which deals with the surplus monies that are allowed to accumulate, and he states because of the changes in the Federal Income Tax laws, that this was necessary.

Now I'm not sure as I understand it Mr. Speaker, the way a credit union operates they are allowed up to 20 percent of their surpluses without taxation, and as he states here now the tax change in the Federal laws only allows 1 1/2 percent, but I'm one who believes that live and let live, and I want to see the credit unions perform a very useful function. I can say that while I'm not a member of a credit union, but I must say in all fairness that one of the things that they have done is if you dealt with a bank, and all due respects to the banks, you used to have to pay a service charge on your cheque. The credit union saw fit to give this service without this and I say that they are performing a very useful purpose here. But, Mr. Speaker, generally speaking I would hope that when we are enacting laws that the laws are going to be fair and equitable for both types of organizations to operate in the Province of Manitoba and in this country.

There's just one other point, Mr. Speaker, that I want to make and that is where the honourable member mentions in his comments, and I want to quote, Sir: "For example where a credit union does not presently exist and has a potential of being established and it is limited under the present Act as to the amount of money it may borrow. A central organization would then be able to contribute funds by the way of special deposits to make it a viable operation." And then he goes on to say, "This would for example allow the central organization to create an instant credit union at Leaf Rapids." Now if by law they're allowed to establish a credit union at Leaf Rapids, would a private bank be able to also establish a business there at the same time? This is just one area I'm concerned about.

Generally speaking, Mr. Speaker, having perused this bill, it seems the kind of legislation - the amendments hereto I believe are acceptable, but with the reservations of a few questions I have here in this matter I'm prepared to let it go to Committee and we'll have further questions on it at that time.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I move, seconded by the Honourable Member for Assiniboia, that debate be adjourned.

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

MR. SPEAKER: Having exhausted private bills we get to the Private Members' Resolutions.

. . . . continued on next page

PRIVATE MEMBERS' RESOLUTIONS

MR. SPEAKER: We are on Resolution No. 7 proposed by the Honourable Member for Fort Rouge. The honourable members that have spoken on this resolution are: The Honourable Member for Fort Rouge; the Honourable Attorney-General and the Honourable Member for Charleswood. The floor is now open. The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, if I may, I believe that the first resolution stands in the name of the Honourable Member for Roblin, No. 7. Am I not correct?

MR. SPEAKER: Well, under our new procedures I should like to indicate to the Honourable Minister that no adjournment may be taken in the Private Members' Hour, but if the Honourable Member for Roblin wishes to speak I shall recognize him.

MR. PAULLEY: No, Mr. Speaker, I'm not asking for an adjournment I believe it's the first item on the -- No. 7 . . . I'm not asking for an adjournment.

MR. SPEAKER: Oh, I'm sorry. You are correct. No. 7. Very true -- and the honourable members that have spoken on it are: the Honourable Member for Roblin; the Honourable Minister of Tourism and Recreation; the Honourable Member for Assiniboia; the Honourable Member for Gimli and the Honourable Member for Lakeside. The floor is now open for those who wish to speak on this resolution, No. 7. The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, the resolution before us relates to an industry that has been recognized by the Economic Development Advisory Board of the Province of Manitoba, and by many other personnel and advisors in the area of public administration as one of extreme importance to the economy of the province, and therefore as a resolution I submit that it deserves the attention and the support of all members of the House. What it asks for is for the government to consider the advisability of giving more energetic encouragement and management to the development of the province's tourism resources; and certainly if we are going to cultivate and nourish the potential that we have in the field of tourism and exploit our tourist potential to the fullest sense, in the best sense of that word we need all the creative and imaginative encouragement that government can give the field -- and we certainly need imaginative and energetic management of the resources that we have and energetic and imaginative management of the resources that are potential to us, the resources that we should have.

I want to say at this point, Mr. Speaker, that I think compliments are due the Minister of Tourism, Recreation and Cultural Affairs for the leadership he has demonstrated up to this point in gearing his department to strike new leads and cross new ground in the field of tourist development, in the field of development of recreation facilities and in the field of promotion of our varied and rich cultural heritage. I was particularly gratified by the three statements that he has made in the House in recent days having to do with those three fields of our public activities, and I believe I speak for all members of my party when I commend him for the initiatives that his department is taking in those areas.

It's true that he hasn't been able as yet or found it practical as yet to spell out some of the details of the initiatives that he has suggested will be taken. The announcements of the new policies and programs have been in some instances somewhat vague and indefinite, but they are hopeful and they do reflect a sensitivity to the importance of these three areas of our life, and the importance of the individual roles that individual groups of Manitobans play in all sectors of our society and in all sections of the province. They also reflect a sensitivity to the fact that it's not only important that we have facilities and opportunities for advancement and enjoyment here for visitors so as to attract tourists and attract visitors, and thereby add to the revenues available to the government for other public programs -- but that it is of equal importance if perhaps not greater importance that those facilities and opportunities be developed for our own people, for our own citizens, and that recreation, tourism and the enjoyment of our cultural heritage is first and foremost perhaps a responsibility to be provided to Manitobans, to people who are resident citizens of this province and that the attractiveness of those fields for tourists is perhaps a second priority.

So I commend the Minister for the new direction he has struck in those areas and for the emphasis he's placed on the development of these facilities for our own Manitobans. I repeat that we will be interested in the nuts and bolts and the detail of his policies and programs, and a breakdown of the costing and how the cost is to be supplied; how the cost is to be funded and made available, and how the funds which are going to be directed in these areas are to be distributed, how they're to be broken down and applied across Manitoba society.

(MR. SHERMAN Cont'd)

The emphasis that the Minister has placed on the demand that is growing every year for park and outdoor recreational facilities is an emphasis, Sir, that has made itself obvious I think to all, and in the past has perhaps unfortunately not reflected itself in government policy as broadly as some of us would have liked. Now there is considerable room for satisfaction on the part of all of us that the desirability of expanded park and outdoor recreational facilities is recognized as a major interest and responsibility of government and is receiving some attention, both administrative and fiscal from the Department.

The encouraging indications of new responsiveness and new activity carry over into the fields of sport, development of sports' agencies for our people throughout the province -- as reported in the ministerial statement made earlier this afternoon -- and also into the field of cultural development. The latter is one that is reponsible for much of our province's fame abroad, abroad both in this country and across the continent and around the world, and as such must be recognized as one of our greatest tourist attractions. And therefore those efforts that can be bent towards the development of the great cultural institutions that we already have. And the initiation of new ones to play their role alongside them is an important and worthwhile undertaking for any government and deserves as much funding as it is practical and viable for the government to provide. The Minister has made reference to new methods of funding and financing through the Lotteries Commission and, once again, we will on our side be interested in the details of the arrangements of that funding. We hope that these broad goals that he has suggested and outlined to the Legislature will be carried through, will be followed through, and will be given the necessary financial support to make them succeed.

Now, Mr. Speaker, beyond that, may I say that although there is much to be thankful for in terms of the direction the government is taking in these areas, I am of the conviction, Sir, that it must be emphasized to the government again, that to achieve the opportunities available to us through our tourist potential in their fullest sense we have got to have, we have got to have a disposition to seek out professional expertise and professional advice in that competitive field. I think that the first recognition that the government must make is that with all the good intentions of the Minister and his department and his colleagues, that the industry in the field of tourism and tourist attraction has become so competitive and so sophisticated that -- as is the case in other areas of government initiative and enterprise -- the most desirable thing at the present time for a province like ours is to avail itself of as much professional experience and expertise as possible, and I would suggest this one area in which perhaps the government has not moved as imaginatively as it has in some others. There is a tacit recognition in the estimates for the department for this year of a greater emphasis on tourism and there is an increase in spending of some 20 percent over the year previous for the whole department, Tourism, Recreation and Cultural Affairs.

But even at that, as I suggested earlier and in another debate, Mr. Speaker, the over-all appropriation for this department is miniscule in comparison to the total spending program of 575 millions which has been proposed by the government. The total spending program for Tourism, Recreation and Cultural Affairs collectively is \$9,084,600 which represents approximately one and a half percent of the over-all spending program requested by the government. And of that \$9 million not all by any means goes towards development of the tourist phase of the department's responsibilities.

So I suggest that at this point in recognizing what we have in the way of developed tourist attraction and in the potential we have for enormous tourist attraction and attractiveness, the priority consideration that the government should be attending to is that necessity of availing itself of the kind of professional counsel and expertise in the tourist field that is available in Manitoba, Mr. Speaker, from private industry. I think that what the Minister and what the department needs in order to make Manitoba a front rank competitor for the tourist and the tourist dollar, is a particular kind of individual consultant, or else a team of consultants, who can bring to the subject a knowledge of the hotel industry; a knowledge of the airline industry; a knowledge of the resort industry; a knowledge of the hinterlands; the north and our great wilderness areas; and over and above all of that a knowledge of the techniques of modern promotion. If one could find one individual who enjoyed all those capacities one would be fortunate indeed -- and in fact I would doubt that any one individual could provide those capacities in the extent that we need them. But a team of individuals could I think, Sir, that that team has to be gathered and collected from private industry, from these individual fields that

(MR. SHERMAN Cont'd) . . . I've mentioned in order to advise and counsel the government and the department on the things it should be doing and the directions in which it should be going, in order to insure that those provinces to the east and west of us who perhaps have some natural attractions that have been more highly publicized and are better known and therefore are bigger tourist magnets at the moment than some of ours are and that those states to the south of us who have the same advantages do not enjoy a competitive advantage over Manitoba in the area of expertise, in the area of imagination and creativity. The imagination and the creativity and the expertise are here. We have many individual citizens in Manitoba who have participated in these fields, have developed concepts of tourism, have developed concepts for attracting people to Manitoba, and in their own individual ways, in their own individual fields have built individual attractions and those persons to whom I refer are by no means, by no means, Mr. Speaker, limited to the Winnipeg area. There are a substantial number of them in all parts of the province who have had the foresight and the imagination to see what their parts of the province potentially had to offer and who, working with other citizens, and with equal interest in developing their areas, with equal imagination, have cultivated and nourished particular attractions that now do bring in a tourist response.

MR. SPEAKER: The Honourable Member has five minutes.

MR. SHERMAN: Thank you, Mr. Speaker. Now those people in the main I think itch, like all Manitobans, of ambition to develop the province in total as a tourist attraction to its fullest possible extent, and I would suggest that the Minister and the government are overlooking a gold mine of support and of advice and of experience and of intelligence, if they do not make themselves, if they do not avail themselves of such personnel. The formation of that kind of an advisory or consultative team, working directly hand in glove with the Minister and with the Department, would I submit be one of the most constructive and productive steps in the area of tourism that this province can take; monies and funding and lotteries commissions, notwithstanding. The first thing that's got to be done now is the recognition has to come that for all the hopes and good intentions of most of us, we are in a very competitive field and at some disadvantage as a consequence of our inaccessibility in some ways. And as a consequence also of the fact that we have not received some of the publicity that many provinces in Canada have through some of the more spectacular attractions that have been tourist magnets in the past.

We are developing that type of attraction and there is no argument that could be made to me that I would listen to, that could insist that we don't have the potential for producing more attractiveness and more spectacular attractions than these provinces to which I refer but we haven't reached that point of development yet. Some of the other provinces have through fortune not of their own making, some of the states close to us have through fortune not of their own making, and so we find ourselves really behind at the start of the race and we have some considerable running to do. So I make that suggestion that a move in the direction of the formation of that kind of a consultative team would add immeasurably to the initiatives that the Minister has already shown in the three fields under his administration.

I think that hand in hand with that, Mr. Speaker, should go a revolution in thinking that focuses attention on a regional concept, rather than a centralized concept for tourism. There are many, many attractions in parts of the province that could be developed on a regional basis and then tied in, linked in in some kind of a circuit or summer festival tour or winter festival tour that took in broad areas of the province and made available to visitors a myriad of attractions in the province, if they were packaged imaginatively and efficiently. And the danger in centralized thinking is that there is a tendency to overlook some of the more distant attractions, and a tendency to ignore the fact that a packaged festival or packaged tour type of attraction could be developed and arranged and sold in the tourist market place. So I would hope that attention will be given to forming regional tourist advisory councils who will work first and foremost in developing the potential -- or thinking about developing the potential in their own area but then work together in knitting them together, knitting them altogether in one major Manitoba circuit of attraction.

In this way I think, Mr. Speaker, the faith that of the Minister has already shown in the tourist recreation and cultural potential of this province would be realized beyond the dreams that he even has at the present time.

MR. SPEAKER: The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Speaker, I am sorry to say I can't work up as much enthusiasm

(MR. BOROWSKI Cont'd) . . . for this resolution as those who are thumping their desks. I simply rise because I am going to propose one of those old fashioned, self congratulatory amendments, but before I do that I'd like to comment on some of the remarks made by the Member from Fort Garry and I note by his speech, that he really didn't have his heart in it either — I think you will have to admit when you read it. It doesn't say a heck of a lot, which is I think pretty typical for the opposition's resolutions. The first two "whereases" I think we all agree with and we will leave them in. We will change a couple of words which will explain the government's position. But what I would like to know, Mr. Speaker, since we are talking about the resolution, is why the opposition couldn't have at least been a little more specific, more helpful. I know they talk about -- you know, when we talked about Bill 21 they knew very well what they wanted and they zeroed in — they pointed out to us what they thought was wrong and what should be changed. But in this resolution, they talk and talk and talk and you know, listening there I really don't know what they want. Why don't they say, let's develop Hecla Island, or let's drop Hecla Island because it's a glorified swamp; or let's take a few million dollars and spend it up north where the tourists really go. We are opening up the north country, the north country I think is generally accepted to be north of The Pas — north of The Pas. -- (Interjection) -- Well Swan River used to be the gateway but I think it's lost that title now. Nevertheless there's clean water at Swan River as there is north -- I'm not sure about the fishing.

I don't think that we have to get into a position like some of the American states where they spend vast sums of money to try and attract tourists. They really haven't got much to offer in any case -- they have some nice clubs, and maybe some topless or bottomless dancers, and a few other things. Tourists, Mr. Speaker -- I've been in the souvenir business for seven years, and an importing business of souvenirs for two years prior to that, and I have seen tourists come from all over the United States. And I never could understand the thinking of a tourist. They will come 3 - 4,000 miles to catch a few lousy jacks -- it doesn't make sense to us, but they do that.

All you really need is clean water and fish — we have that and I wish that the opposition would give this government some direction, because I believe that they need some direction in that area. I don't agree with some of their expenditures. I think that if tourists come into Manitoba they are not likely going to Hecla Island, they want to go up in the north. We've got a beautiful highway there. We've got an airport in Thompson that has all the facilities to handle any kind of aircraft, and the tourists are coming there in droves. I think that if we are really serious about developing tourism, Mr. Speaker, that we should be spending it up in that area. We are building a new highway to Lynn Lake, that's going to be 200 miles of virgin country opened up — lakes that have never been fished by anyone except Indian and Metis, and there is a lot of fish in there -- they catch their quota and they pack up their nets and they go home.

As a Minister who had the opportunity to go there on business I occasionally cast a line in a lake and in a river, and I want to say -- (Interjection) -- yeah one gets corrupted -- (Interjection) -- besides I felt I was doing the Minister of Tourism a favour by telling him where all the fish are, so you can tell -- (Interjection) -- absolutely, that's a good way of putting it. And I have fished in some of these areas. The water you can take it out of the lake or river and drink it, and the fish, there's no mercury in them — or any other pesticides that we know of. And the tourists are chafing at the bit to get up into this country. We are, I think, about a year away from completing the Thompson-Lynn Lake highway which, agreed, will be a gravelled highway -- nevertheless it's going to be an all weather road and I expect the traffic count will be pretty high. In Thompson, I think the traffic count right now just south of Thompson is the same as it is on the Trans-Canada at the Manitoba-Saskatchewan border, which will give you some idea of the type of traffic, the number of cars we have coming in to Thompson.

Now it seems to me that the government and the opposition should be casting their eyes a little further, like Mr. Diefenbaker did when he was Prime Minister. He wasn't stuck on the east or stuck on the prairies, he knew that the future of this country lay in the north. Then he built roads to resources, which I understand our friend Pierre is going to do likewise, and hoping that perhaps he will get the same reception, which I doubt very much. But nevertheless the future of Canada, the future of Manitoba lies in the north for jobs, for mineral exploration, for tourism, for timber -- and I'm sure the Leader of the Opposition will agree we don't have

(MR. BOROWSKI Cont'd) . . . any timber around Winnipeg for pulp or for lumber - so we should be developing this thing here, not just for tourists but also for the people that live there.

One of the great difficulties, Mr. Speaker, we have had and continue to have, is to attract working people and their wives to come up and live there, and there is a very good reason for it. Mining is a very risky business, hard work, and dirty work. You finish your shift - - you'd like to take the evening off, or the weekend off, and take the family and go out to some lake or some park - you can't do it; for the simple reason that the government, the previous government - - and this government isn't much better - - hasn't thought it important enough to put fireplaces and little tables and clear out the beach area, put a few wells in there. I know that the Minister is fixing up, he's spent as much money on park resources as I spent on gravelling the roads, and that's not very much.

To fix up these areas, we will have killed two birds with one stone, and I hope that instead of talking in generalities, which really doesn't say anything - - and perhaps the reason for that is that they feel that politically it's unwise to say develop the parks up north instead of the south. You know, I don't know if that's the reason, but it seems to me politically it's kind of dangerous to say that, spend all the money up north. But the fact of the matter, Mr. Speaker, if we really are serious about tourism, then we must spend the money on the north, because that is where tourists want to go - - (Interjection) -- Well, at Winkler they may have cabbage or beets there. I don't know why tourists would want to come to see the sunflowers, except perhaps for the Sunflower Festival or the Rhubarb Festival or whatever they have there. But I think that the opposition should be a little more constructive, a little more specific, and tell this government precisely what they want done, where they want done and how much they are prepared to spend.

They have been telling us, cut taxes, cut taxes, or cut costs, and yet the Member for Fort Garry, Mr. Speaker, is saying we should hire expertise and professional counsel, all of which costs a great deal of money. Now you make up your minds - do you want to spend more money, and that means we have to collect taxes from someone - - or you don't want to. And that's the decision that the opposition has to make - - and let's get a little consistency into the debate, we can't have it both ways. So, Mr. Speaker, without wasting any more time I'd like to move, seconded by the Member for St. George, that the resolution be amended by striking out the words "consider the advisability" in the last paragraph thereof "and giving more," and substituting therefore the words "continue to give".

MR. SPEAKER presented the motion. The Honourable Member for Rhineland. The Honourable Member for Birtle-Russell on a point of order. What's the point of order?

MR. GRAHAM: Mr. Speaker, I would ask you seriously to consider whether the amendment is in order or not. I consider it to be frivolous and beneath the dignity of a member of this Chamber to bring forward . . .

MR. SPEAKER: Order, please. Order, please. I would suggest to the honourable member if he is serious, he should consider the fact that I have accepted the resolution. I have looked at it, the amendment to the resolution. I consider it in order.

Order, please. Order, please. The Honourable Member has not stated any procedural reason why he thinks the amendment is out of order; just an opinion - any man is entitled to that, but that doesn't necessarily make it right. The Honourable Member for Rhineland. The Honourable Member for Birtle-Russell.

MR. GRAHAM: If you want me to state the reason for the point of order, I would suggest to you, Sir, that the wording that has been proposed completely negates the principle of the resolution, and that is not the purpose of an amendment.

MR. SPEAKER: I cannot accept that. The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker - - I don't think I can do justice to the applause that was given. However, I would like to make a few comments. The Honourable Member for Thompson has just made an amendment; and he accused the opposition of not being specific in giving direction, and I don't think that we have any more direction now than what the resolution had before. So I think the Honourable Member for Thompson should - - when he gets up to speak and gives advice of that type, he should be more careful in making his amendment more specific so that there would be direction contained in whatever he does say.

Well, he spoke of the north. I certainly would like to speak of the south in some respects - - I have already done so on one occasion at this session. I too feel strongly that we should work toward having more people come to Manitoba, enjoy Manitoba, stay longer, linger

(MR. FROESE Cont'd) . . . longer, as the Member for Gladstone used to say -- but I also feel that in order to do that we should have our borders open for longer hours, especially during the summer months, and I brought this to the attention of the House on a previous occasion. We have the Emerson crossing which is open 24 hours, but the others -- Gretna is open until midnight; the Winkler crossing is only open till 10 o'clock. Surely this is not enough, that we should make representation to the Federal authorities that these hours be extended, so that people could come across during and at various hours -- at which time they are presently closed and so often people have to rush back and forth in order to meet the limits, the time limits that are set. I have found this to be the case, and I know of many others that have found it to be the case. And I think that this House should go on record and make representation that we have more border crossings that have a twenty-four hour opening daily.

Now as to the development of the north I certainly am all for having good roads up north so that people can, and our own people can go up north and do some fishing if we get the spare time, and I feel that members of this House should have a better opportunity to go up north some time during the summer. For the last three summers we've been sitting in this House and not being able to get out and I feel that we as members of the House should know more about the north personally and have more opportunities to go there and to see. -- (Interjection) --

I just ran across the B.C. Government News which naturally always has some good news, and which is attracting many many people to that part of the country, and they have various ways of doing this and they have been very successful, and they've set up some perpetual funds from which they draw on, and draw monies from, for this very purpose and I think it's a very good idea, and they're making annual investments in these funds. This is -- (Interjection) -- No, it's not a propaganda sheet, it's all facts. When I refer to the B.C. News I can quote you facts, so that -- (Interjection) -- Yes, something like the Manitoba Government is putting out but I think this is of greater interest and is much more worthwhile reading. Because I find here that it says \$5 million to be added to the perpetual British Columbia Centennial Cultural Fund and the name changed to the British Columbia Cultural Fund. This is just one example. Then five million to be added to the perpetual physical fitness and amateur sports fund; ten million to be added to the accelerated parks development fund to continue this important - make work and create jobs program; ten million to be put into a new accelerated reforestation fund as an additional make work and create jobs program. And I could go on, there's many more.

So I feel that we must make money available to develop the north and to attract tourists.

And I have a later publication from that same province which deals with much more than just what I read out to you just a minute ago and it gives more specific information and more detail to what's going on in British Columbia. -- (Interjection) -- Good old B.C. Yes, Mr. Labour Minister I think that's where you're going to retire, whenever you will retire that most likely that's where you will go to enjoy your retirement age. -- (Interjection) -- Well before I do that it was brought to my attention that we need some accommodation too and that the Wendigo Lodge apparently burnt down - this north of Lac du Bonnet. Most of you probably are more familiar with it than I, and I am told that the government is now going directly into this business and that the Development Corporation is going to rebuild this lodge, and I would like to hear from the Minister although he is not here - most likely he's listening to the hockey game tonight, because I certainly would like - I certainly would like to hear from him. I know that there's not too many people up in the gallery to report but I'm not necessarily talking to the people in the gallery when I speak in the House. I speak to members of this House which in my opinion are more important to me than the members of the gallery. After all these are the elected representatives of the people and -- (Interjection) -- So . . .

But I'm also very interested in amateur sports and just the other day I was asked whether monies were being made available by this government for that purpose. We find that many of the smaller leagues are drawing fewer teams and that money seems to be the root of it, that there's not sufficient money locally there to interest and get the club going. And when I heard the Minister this afternoon speak on the program that they were developing I think they should give more attention to amateur sports, to our local people and not just support the professional and the upper levels. I feel it is more important to develop the local sports and give our younger people at home an opportunity to develop in this, and surely enough if this was done it too would add to the tourist business in my opinion because we would be developing more people along this line that would be physically fit and who would then later on be able to participate in more of the other programs.

(MR. FROESE Cont'd)

Mr. Speaker, I do not want to take up all the time, I think other members will want to speak tonight and consider the amendment that is now before us. I do hope that the Honourable Member for Thompson the next time he gets up he will have something more worthwhile to contribute and give us some more specific direction that this government should go into.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. EINARSON: Well, Mr. Speaker, having listened to the Honourable Member from Thompson this evening I had a few things that I wanted to say but didn't know whether I would have the opportunity. The Member from Thompson said to the Opposition why don't they get up and let them know about some of the things they want done. Well I have a few things I'd like to say to the Honourable Member from Thompson, I don't know whether he's communing with the Minister who is responsible for this department but -- and he referred to my colleague from Fort Garry of the feeble effort -- I think this is much as what he was interpreting -- that he made in his speech. But I want to say that if the Member for Thompson just took one step lower in my opinion. If that is his attitude toward my colleague from Fort Garry.

But there is one matter that I want to tell the honourable member and that he convey to the Minister of Tourism and Recreation and to his friends from St. Matthews and the Member for Wellington, those Icelandic colleagues of mine, or the Vikings that I've referred to, and this relates to a historic matter in my constituency that has been in the department of this government for over two years now. It's a church in my community that I have been able to establish that it is the oldest Icelandic Lutheran Church still standing in its original form in the Dominion of Canada. While I've had fairly favourable response to the department, I'd like to say to the Member for Thompson that not a thing has been done to this day. And here, Mr. Speaker, a group of people -- (Interjection) -- 1889 is when the church was built. But, Mr. Speaker, we talk about money being supplied to the Department of Tourism and Recreation, and here is a project that the people in my community have offered to give to the Department of Tourism and Recreation, the building is no cost to them. Merely what they would like to do is see it moved into the Sprucewoods Park where it would be added to the many things that people can go and see. The church has -- the congregation has offered to allow it to be used for any denomination that it so wishes. And to date nothing has been done. And here's one example, Mr. Speaker, that is a good one I think for the Department of Tourism and Recreation, and they have done nothing. I know it's being considered but no definite action to this date has been taken, and the people in that community are still wondering how much longer they're going to have to wait before something is definitely done about it. I think it would be a very worthy and added attraction to the Sprucewoods Park.

Also, Mr. Speaker, we talk about tourism and recreation and the Member for Rhineland made comment about the entry areas where people cross the line from the United States into Canada, the ports of entry I should say. I know in my part of the country at Cartwright, Crystal City, and so on, those ports, it would be certainly valuable to the tourist industry and to the people of this province if the 24-hour-service was given so that when people are . . .

MR. SPEAKER: The Honourable Attorney-General.

MR. MACKLING: Mr. Speaker, this suggestion about the moving of the church sounds like an interesting proposition. I ask the member when was the first time this was proposed to the Province of Manitoba, any government?

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. EINARSON: Just over two years ago, that this proposition was presented to the department. And they're still working on it, I know, but nothing has been done to this date. And this is the point I wanted to make, Mr. Speaker, that the Honourable Member for Thompson, he rises and says we get up and we talk, but he feels -- he says that our efforts are a negative attitude. And I just want to say and repeat again that I don't agree with him. And he talks about the north country. Sure I agree I think that there's tremendous potential in the north country. Americans go up there to fish; Canadians and Manitobans go up there to fish, and I think it's wonderful to be able to have the opportunity and time to do this.

I want to also say to the honourable member, Mr. Speaker, that we have a park not far from where we live, Sprucewoods namely. Has he ever been out there to talk to the people who are employed there? The people in the City of Winnipeg, where the population in the city here is getting greater -- you know, when it comes to Friday night the people can't get out of the City of Winnipeg soon enough on a Friday evening to go out to Sprucewoods Park. And the

(MR. EINARSON Cont'd) . . . attendance there - they tell me that people once they establish a parking spot for their trailer and to camp for the weekend, they like to be able to get that same spot the next time they go out or the next weekend.

In Rock Lake constituency, Mr. Speaker, the fishing is excellent. But I want to say that -- and of course this comes in to probably Mines and Resources -- it's not so good in Pelican Lake, because we've asked questions on that side of the House, Mr. Speaker. It has a very great, important effect on our Tourism and Recreation Department, but another department comes into play here, Mines and Resources namely, and they don't seem to be able to get together. Problems have been created because, I want to say, because of the actions taken by this government which have been detrimental to the Department of Tourism and Recreation as well as to the Department of Mines and Resources. And so when the honourable member stands up and says, you know, we are not offering any constructive criticism, I want to say to him that it would have been better if he'd have never rose from his seat at all.

MR. EVANS: Would the honourable member submit to a question?

MR. EINARSON: Certainly.

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

MR. EVANS: Is the Honourable Member from Rock Lake aware that an extensive and intensive technical study has been going on for many months now with respect to the upgrading and improvement of Pelican Lake?

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Speaker, I am aware of what's going on in Pelican Lake, but I asked the question at one time why did they suddenly weld up the fresh body of water that is, namely, the Pembina River that was flowing into Pelican Lake. I didn't get an answer. He said that there was a committee working and he hadn't received the report, but I think he could have fully answered it.

The other thing was I wondered who requested to have this water diverted out of Pelican Lake, because I want to say to him, Mr. Speaker, that through the efforts -- when I represented that area, we had a real serious problem in Pelican Lake in the summer of 1967; and through the support of my colleague who was the Minister at that time, the Member for Lakeside, we had good co-operation with both the Department of Tourism and Recreation and the Department of Mines and Resources, and water was then diverted back into the lake which made it much more palatable and it created a better situation for those who enjoy fishing. And the situation improved tremendously for all those who were in business, who cater to the tourists, and as a result people were all quite pleased and things were going along very well . . .

MR. SPEAKER: Order, please. The hour being 10:00 o'clock. The adjournment hour has arrived. The House is accordingly adjourned until 10:00 o'clock Friday morning.