

THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Monday, March 5, 1973

THRONE SPEECH DEBATE

MR. SPEAKER: The Honourable Member for Fort Rouge has ten minutes.

MRS. TRUEMAN: Mr. Speaker, when the House adjourned at 5:30, I think I had completed my remarks on the Barber Report, at least for the time being, although we expect to be able to discuss that further during the Estimates.

I note that once again, Mr. Speaker, the Throne Speech makes reference to child care, and we'll be watching with interest to see whether practical services for the care of the children of working mothers are finally to be introduced. There has been considerable talk over this during the four sessions when this government has been in power, but nothing substantial has ever been accomplished.

During his speech in this debate on the Throne Speech the Member for Osborne spoke at length about the proposed commercial development . . .

A MEMBER: He's not in his seat right now.

MRS. TRUEMAN: . . . at the corner of River and Osborne. He was really quite distressed at the increased commercialization that was proposed, and of course he blamed the big bad corporation and the big bad ICEC councillors. What he didn't mention was that a group of citizens who wanted the opportunity to express their disapproval of the project by a technicality of timing were prevented from doing so. However, it's within the authority of the Minister of Urban Affairs to whom they can appeal to still allow them to have their opportunity to speak to City Council and express their point of view. However, he has refused their appeal. At a meeting of this group which I attended at the University of Winnipeg, there were three university professors there who were trying to be helpful. When they heard that the Minister of Urban Affairs wouldn't intercede on their behalf so they could be heard, one of the professors said: "That's peculiar behavior for a NDP government". I laughed to myself and thought: "Get the scales off your eyes", and I say to the Member for Osborne, "Get the scales off your eyes".

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, with my usual modesty, when the applause broke out I thought it was for someone else and took my seat.

Mr. Speaker, before addressing myself to the subject matter of the debate that had taken place thus far from the Speech from the Throne, I would like to join with other members of this House that have taken part to date; I would like to join with them in expressing to you, Sir, my appreciation and admiration for the stern and fatherly way in which you have guided the deliberations of this Chamber. I think that all members do and if they don't they should join with me in expressing the wish and desire that you will continue to guide the deliberations of this Chamber for many years to come - and in the same manner.

I would like also to express thanks to all members who have taken part because it surely must be, Mr. Speaker, that in all of the welter of discussion and debate thus far that at least some very worthwhile points must have been made and which will be given serious consideration by the government. But, Mr. Speaker, I think it's no secret what the Honourable the Leader of the Opposition and the Honourable the Leader of the Liberal Party say usually does disturb me, and frankly it shouldn't be so. I should not really be disturbed by what the Leader of the Opposition says in this House. Some of the points which he has raised in the speech last Monday simply cannot go unchallenged and challenged in a way that is direct and frontal, because many of the things which he had to say really - well frankly, Sir, one would have expected better from him.

Let me begin by quoting one of his excerpts relative to the public service of Manitoba. And I'm quoting now the Honourable Leader: "We cannot countenance the government's continuing decision to neglect the merit system in favour of shameless political patronage within the civil service. (Hear, Hear.) We believe -- well he won't say hear, hear in a few minutes -- We believe that the appointments of mere political advisors, people who have no other claim to competence, to the highest levels of the Civil Service is wrong. It debases the tradition of responsibility and merit that has marked our public service. It erodes the moral and the ability to function of those who with dedication will do their job under whatever

THRONE SPEECH DEBATE

(MR. SCHREYER cont'd.) government is in power."

Mr. Speaker, that is an astounding statement coming from one who in his time in office took patronage, or helped to take patronage to one of extremes in this province since the days of 1915. --(Interjection)-- Because, Mr. Speaker, surely anyone after even a cursory analysis knows that one of the many things that the government opposite did when it was in office as government was to rely a good deal on the hiring of outside consultants, outside legal services, and always, Sir, from firms that had a very direct political affinity and affiliation with the Conservative Party.

A MEMBER: Hear, hear.

MR. SCHREYER: And they paid hundreds of thousands of dollars. Mr. Speaker, I think that the record will show that when this government took office there was one of the lowest turnovers in terms of senior civil service as compared to any change of administration of the history of this province or in this country.

When one considers the fact that of all of the major government departments, all of the government departments, that the deputy ministers in charge of the various departments as permanent civil service heads, are people who were in the public service in the decade of the 1960's, and in some cases before that. Mr. Speaker, one knows that in 1964 when there was a change of a government in Saskatchewan and a Liberal government was elected, there were literally hundreds of civil servants that were turfed out of office in the most abrupt way and so accordingly . . .

A MEMBER: Let's talk about Manitoba.

MR. SCHREYER: Well, Mr. Speaker, there really must be an extension beyond 9:30 if there is going to be interruptions.

MR. SPEAKER: Order, please. Order! I would suggest to all honourable members tomorrow is another day. Those who haven't had an opportunity to have their say will have that opportunity. Let us tonight give each orator his own particular due and listen to him. Tomorrow the same will occur to whoever else is speaking. The Honourable First Minister. QUIET!

Mr. Speaker, I think that it would be fairly accurate, arithmetically or mathematically, if I were to say that about perhaps one one-hundredth of one percent of persons in the Civil Service at senior - echelons were persons that were brought here from other places of residence in Canada. About one one-hundredth of one percent. And yet they attempt with their intellectual dishonesty to try to make this appear to be a problem in our province.

Mr. Speaker, of course two can play this game as well because my honourable friend should know that I, my colleagues and I have been criticized from time to time because we seem to be taking this almost to a fault, this scrupulousness and fairness in terms of treatment of civil servants. We have a very definite procedure under the civil service administration, a very definite procedure with respect to the bulletining for office. People apply, there are boards appointed and the persons on these boards are themselves persons who have been here for many years in the public service. A decision is taken; recommendations are made and the person is appointed. All within the provisions of the Civil Service Act in the most scrupulous way. If there was any substance whatsoever to the contention that we are departing from traditional procedure my honourable friends opposite should know that the Minister in charge of The Civil Service Act, the Honourable the Minister of Labour who is a great traditionalist, would not stand for it in terms of personal conscience. There could be no question about that.

A MEMBER: Me thinks thou protests too much.

MR. SCHREYER: No, I am not protesting too much. It is just that there are certain elemental rules of fair play in parliamentary democracy and in its relation to the civil service and my honourable friends all of a sudden seem to be completely ignorant of just what those ground rules are.

As I say there were hundreds within the civil service that were taken out of office in Saskatchewan under a Liberal government, in maritime provinces, and here my honourable friends should know that to the amazement of some of my colleague premiers in Canada we are keeping, for example, a Clerk of the Cabinet, a person who served under the Diefenbaker administration, the Roblin administration, we are keeping him on. I venture to say they would never take unscrupulous fairness to that point. --(Interjection)-- Mr. Speaker, what is my honourable friend's point, the Member for Lakeside, his reference to the Workmen's

THRONE SPEECH DEBATE

(MR. SCHREYER cont'd.) Compensation Board? Who is the Chairman of the Workmen's Compensation Board? It is a person who has been in the public service of Manitoba for 25 years, I suppose. He is still Chairman of the Workmen's Compensation Board. Mr. Speaker, it is absolutely absurd, and then to make matters worse the absolute ignorant attack by the Leader of the Opposition was followed by a vicious attack later this afternoon by the Member for Fort Rouge in this same respect.

But, Mr. Speaker, I notice that last year -- you see their tactics change with the wind, depends on what they think to be most politically productive under the circumstances. And, I don't blame them for that. Last year they were playing the numbers game in the civil service. This year they have abandoned that because they know that it is non-productive, because in terms of comparing the civil service in this province, in terms of its size and growth, and comparing it with the civil service growth in size in every other province of Canada there is nothing out of the ordinary in this province in that respect. They have given up on the numbers game now. Last year they were trying to say that the civil service was escalating wildly on us. Mr. Speaker, if they must know -- Mr. Speaker, if they must know in terms of civil service numbers . . .

MR. SPEAKER: Order!

MR. SCHREYER: . . . and I won't dwell on it to any great extent -- then they ought to know that the increase in the civil service in this province follows -- and I don't brag because it isn't much to brag about -- it follows the same pattern as in the eight years, the eight last years of my honourable friends' administration. The civil service size in Manitoba increased by some 3,800 persons between 1960 and 1964, by 4,100 persons between 1964 and 1968 and by some 4,800 persons between 1968 and 1972. Do you want to try Ontario for size? They're 102,000 in 1968, 129,000 in 1972. An incremental growth, Mr. Speaker, which the increase alone exceeds the entire public service in the Province of Manitoba.

Do they want to look at some other provinces with high numbers of civil servants that they allege we have? Mr. Speaker, it's interesting to note that it is the Tory province in Canada that have as high -- as high or higher a rate of incremental growth in the civil service as that of the Province of Manitoba. But that wasn't all. That wasn't all, Mr. Speaker, because they had -- in addition to letting the civil service size, which they seem to be so concerned about, escalate on them, 4,100 in four years, they had another subterfuge, and that was to go outside of the civil service.

Now, Mr. Speaker, that is something rather strange for my honourable friends opposite to do because to hear them talk in the last couple of years you would think that they had like the Chinese of the 17th century developed a fear of foreigners and were closing the gates. But, Mr. Speaker, when they were in office they didn't suffer from xenophobia -- I think that's the right word -- because they went about hiring consultants and they, Mr. Speaker, hired high-priced consultants. In fact you might say that they hired perhaps the highest priced consultants in Canada. Sir, are you curious or interested to know what I mean?

A MEMBER: Yes.

MR. SCHREYER: I would hope so. I would like to relate to honourable members the fact that in the period between 1960 and January, 1971 when receivership action was taken, that the Province of Manitoba in those ten years paid three-quarters of a million dollars to the Arthur D. Little Company. My honourable friends . . .

MR. ENNS: What did you pay? What did you pay?

MR. SCHREYER: Well I'll answer, just keep quiet and I'll answer. The Honourable Member for Lakeside said, "What did you pay?" Mr. Speaker, we did not sign a single consultant contract with Arthur D. Little in our life. I would just say to my honourable friend that he should --(Interjection)-- Mr. Speaker, I really must ask for extra time if that persists. Well otherwise, Sir, they can have me completely at their mercy. They need only carry on a bedlam, a bedlam till 9:30 and I will have no opportunity to speak. --(Interjection)--

MR. PAULLEY: Oh, quiet, quiet. Go back to your sermonizing.

MR. SPEAKER: Order, please. Order! I should like to indicate that I believe everyone is aware we have rules in respect to courtesy when a member is on the floor. I will ask once again that all members adhere to it. If you do not wish me to adhere to these rules say so. Otherwise I shall have to name members who persist in interrupting. And I will, I will.

MR. SCHREYER: Mr. Speaker, I will avoid making any comments at this time with

THRONE SPEECH DEBATE

(MR. SCHREYER cont'd.) respect to the Honourable the Member for Morris. When he made one of his greater contributions to this House, I believe it was when he recited a poem about the little red hen, no one interrupted him then and I would hope he would do likewise now.

Mr. Speaker, that was one example and it's only one. Three-quarters of a million dollars, all contracts for which were signed under the -- entered into over the signature of Conservative ministers of the Crown, every single one of them, three-quarters of a million dollars, and that related to certain feasibility studies and related works which the Member for Fort Garry knows all about. Apparently he posed beside 40 volumes of them. I don't know if there were four volumes but he posed beside 40 volumes.

Then the next one, Mr. Speaker, was also outside consultants in the persons of the law firm of Newman McLean. Here the Member for Portage La Prairie was of some assistance to this House by filing an Order for Return back on the 26th of August, 1969 and of course the province was able to save itself certain numbers of civil servants and certain salaries because they contracted it out. The MDC entered into an agreement with Newman McLean, so for 11 years the firm of Newman McLean was the only law firm to do legal work for the MDF as it was then known.

Would honourable members like to know how much was paid by the Crown for work that was part time because Newman McLean continued to do other legal work for other clients in the city and in the province? Well, Mr. Speaker, on this second example, \$346,000 for part-time work - \$346,000. It is interesting to note, Mr. Speaker, -- and there's a certain pattern to the payouts and the fees. For example, April 17th, 1969 a fee of \$37,000 - legal fee. On the 21st of April, \$7,000; and most curious of all -- and would you get this -- on the 15th of July the very day that this government was sworn into office, we had not yet taken the oath of office, a draw out of a fee of \$6,700 paid out by an administration that was in a matter of minutes if not hours no longer in existence. I must say and I accept this as a matter of some . .

MR. ENNS: Are you suggesting irregularity?

MR. SCHREYER: I'm suggesting that the honourable members if they are suggesting that we in the operation of the civil service of Manitoba are allowing too many persons or hiring too many persons, paying too much in the way of civil service services, that they circumvented that by these kinds of arrangements, Arthur D. Little, Newman McLean --(Interjection)-- Oh, but I wish honourable members would just be patient because there are some other examples, not political at all. For example, in the period between 1960 and 1967 - I don't know what happened in 1968 it stopped - but between 1960 and 1967 the Province of Manitoba paid out \$1,144,679 to Dalton Camp and Associates. It's interesting, Mr. Speaker, that it stopped in 1967 because I believe --(Interjection)-- Mr. Speaker, the Member for Swan River asked a question and it deserves a reply. When we came to office instead of following the Conservative practice of allowing advertising agents who were of the right political stripe to crowd at the trough, we divided it up as evenly as possible among seven or eight different advertising agencies.

But, Mr. Speaker, in their case - talk about patronage, talk about pork barrel, talk about crowding at the public trough - they allowed bunching - two or three advertising agencies got 90 percent of the work. Mr. Speaker, if that isn't crowding at the patronage trough, I don't know what is. Mr. Speaker, \$1,100,000 to a firm that has Conservative affiliations from top to bottom, no pretense otherwise; the only reason he was cut off is because he did not support the former Premier of this province for his bid for the national leadership. The next year - nothing. He was cut off.

MR. BILTON: Now, Ed, you know better than that.

A MEMBER: So do you, Bilton.

MR. SCHREYER: They've been talking about manifestos lately; they've been talking about manifestos and suggesting that perhaps we are wasting public money in trying to bring together a short and intermediate range plan for the future development and prosperity of our province. And they are trying in their own insidious way to discredit those intelligent men who operate in this public service in the Planning and Priorities Committees and in the various planning sections of the various departments. Of course you know Mr. Speaker, there too they had a different approach. They didn't hire civil servants, didn't pay them salaries to try to keep the numbers down that way, but they went out and they hired 14 different consulting firms

THRONE SPEECH DEBATE

(MR. SCHREYER cont'd.) to do the TED Report, 14 different consulting firms and the TED Report, Mr. Speaker, came in at a price, not including printing, of \$430,000; \$430,000 that was the TED Report. In each of these cases they had certain select consultants to work compiling beautiful glossy attractive looking reports that were so empty, so devoid of meaning, so useless --(Interjection)-- Well, Mr. Speaker, when this government hired the services of Eric Kierans to do an analysis of resource policy for the future, we were hiring a man who had no political affiliation with this party --(Interjection)-- Well I understand, Mr. Speaker, that he was a Minister of the Federal Liberal Government, but, Mr. Speaker,

MR. ENNS: Anybody can get into that Party.

A MEMBER: That's not a political Party.

MR. SCHREYER: The Kierans' Report Mr. Speaker, is one that will have the effect of engendering comment and discussion I would hope.

Well I go on. My honourable friends, perhaps the best way I can make the point to them with respect to all of their nonsense that they have perpetrated and argued relative to the Civil Service is merely to bring back to the words of the Leader of the Opposition, I wish the Leader of the Liberal Party was here.--The President of the Canadian Manufacturers Association, he was making a candid assessment of Manitoba's economy and he said "Economic performance in 1972 and the prospects for 73 seem very very bouyant indeed, the economy is doing very well." He says "I know many people will not like me for saying this but I'm only trying to tell the truth, trying to be honest." Mr. Daniel Sprague President of the Canadian Manufacturers Association.

I have to say to my honourable friends opposite that they unfortunately don't seem to suffer under the same kind of obligation of conscience. The President of Monarch Life who is certainly no New Democrat thinks that we don't want to meet with him, although for some reason his competitors meet with us often, that's his fault not ours, what did he have to say about the criticism of my honourable friend opposite? He characterized it as carping, carping; I believe he repeated the word twice. And that is I think a very accurate description of my honourable friend's attitude.

Mr. Speaker, time doesn't permit I must rush on. I would recommend to all members of this Assembly that they obtain from the Dominion Bureau of Statistics the statistical numerical data relative to the public service size in each of the provinces of Canada and of the Federal level over the past ten years, twelve years and then let them talk.

Now my honourable friend the Leader of the Opposition went on from there to talk about taxation and here again what he had to say was misleading, inaccurate and unfair in every respect. He says that Manitobans pay the highest personal and corporation income taxes in Canada. He said that the people of this province aren't realizing benefits which are in line with the taxes they pay; and he said that most of the tax revenues which the government receive come from people in middle income groups. Well, Mr. Speaker, at least on one point the Leader of the Opposition is partly correct. Most of the government's tax revenue and most of the tax revenue of the Government of Canada and the other provincial governments do come from the middle income groups and from lower income groups as well. This is no secret. Perhaps it may have come as a recent revelation to my honourable friends opposite but it's been true for a long long time. Relieving the unfair burden of taxation on middle and low income groups has been one of the major priorities of this government from the first day we took office. We regarded it as a priority then, we do now and we are continuing to make adjustments as we go along. So, for example, in the few years since 1969 this government has done much to ease tax pressures on the lower and middle income group - and we can prove it.

At this point I would like to pause to express regret that the tremendously loyal and steadfast and dependable servant my former ministerial colleague, the former Minister of Finance, the Member for St. John's is no longer available to me. It is a momentary or temporary situation I hope and trust. But I will say one thing which perhaps my honourable friend, my colleague will not take as in any way negatively intended, he is just too much the gentleman, too much the gentleman in the sense that in the last 18 months there has been one of the greatest lies and hoaxes perpetrated by the Conservative and Liberal old party clique and press, and I for one, Mr. Speaker, even if it comes to the point of being -- well I wouldn't want to cause you trouble, Sir, but the point really does deserve frontal confrontation. What I am referring to is the fact that in terms of the totality of taxes paid by citizens of Manitoba,

THRONE SPEECH DEBATE

(MR. SCHREYER cont'd.) provincial taxes that persons at the same income level in 1969 and in 1973, they are paying less tax today than in 1969 - at all levels of income.
(Applause)

Mr. Speaker, if I may I would like to ask the page if he would be so good as to distribute a series of schedules of taxation comparisons all taken from the Federal-Provincial tax tables and which run from gross income of \$2,000 per year up to \$50,000, and let's look at them the way people who want to be educated should look at them and then let's see who is right and who is wrong. Thank you. --(Interjection)-- Ah you see, Mr. Speaker, there is the expected intelligent reply from someone opposite: you can do anything with figures. Mr. Speaker, that is certainly true because Conservatives governments have been in office in Canada off and on since I suppose 1867 and they certainly have at times done things with figures. And I'll give a few examples later on this evening of what I mean.

We haven't touched the sales tax we haven't increased it one sou since the days when my friends opposite implemented it. They said in 1960, I think that it was, the sales tax in Manitoba was as dead as the Dodo. As dead as a Dodo. Nowhere else in the world has the Dodo been resurrected except in Manitoba then because the sales tax is a fact of life; we haven't changed it. The adjustments we have made, Mr. Speaker with respect to the income tax and the health care tax and the other taxes remain as they were, show that not only is there a substantial saving in the combination of these two taxes, a substantial saving to persons on lower income up to \$8,000 family of four, a wife and two dependents, under \$8,000 there is a saving in the order of \$100 per year and more. Even up to \$15,000 a year it is so. And even at \$20,000 a year it is so.

Mr. Speaker, it is difficult to understand how certain persons who go on what, I suppose they're called hot lines or something, keep talking about the impact of taxation on persons, said oh yes, we understand it, yes you have, your government has reduced the pressure of taxation on lower income levels but it's very severe on the middle income groups. Mr. Speaker, one can go up to \$50,000 and the combination of personal income tax and Medicare or health taxes when taken together, it's even lower at \$50,000 a year. Mr. Speaker, my honourable friends really ought not to lie, and that's the only way to describe their utterances over the past year.

Now the former Minister of Finance, a more capable Minister of Finance he was than I, perhaps would not want to bother with that kind of ignorance. But, Mr. Speaker, it cannot be allowed to be perpetrated any longer. How dare you stand up and say or go on a radio hot line and say that people at the \$15,000, \$18,000 a year level of income are paying more taxes today than they were in 1969. I don't mind, Mr. Speaker, in a way I wish it were otherwise in the sense that it doesn't bother me one bit, for example, that at the \$50,000 a year level even there there is a reduction in aggregate taxation of \$3.00 a year. Well you know I'm a little embarrassed about that kind of an amount, \$3.40 a year for somebody earning \$50,000 a year, but we figure, Mr. Speaker, that that should not be causing him any particular hardship. In the meantime, Mr. Speaker, for those who need the tax relief the most, those below the \$12,000 a year level, there is substantial tax reduction from what was being paid over to an administration in the Conservative years. Of course they like to say that income tax is the highest in Manitoba. Mr. Speaker, if you look at it alone it is. If you look at it together with health care taxes it is not the highest even at the 20, 25,000 dollars a year level and beyond that.

There is one anomaly. Those who are bachelors, those who are bachelors and over the \$7,000 a year mark do pay more. But let me explain to the Honourable Member for Rupertsland that the reason that that is so is because of the --(Interjection)-- Mr. Speaker, one thing about the Member for Rupertsland is that firm convictions and ideas that he has I always regard him to be fair, scrupulously so, in just about every respect, and, Sir, he knows that last year the former, the Federal Minister of Finance brought in certain changes in the federal tax schedules and the provincial tax is levied as a percentage of the federal tax schedule. So when the Federal Minister of Finance and his advisors - what's the word? - 'fiddled' a bit with the tax schedule, it affected the particular incidence of impact of taxation in the provinces. Nevertheless, the fact remains that except for bachelors over the \$6,500 a year, all other taxpayers in this province in combination of income and Medicare premium taxes pay less today than they did in 1969 in the Conservative years. Now let that fact ring out as a clarion call and let them

THRONE SPEECH DEBATE

(MR. SCHREYER cont'd.) try to lie no longer. --(Interjection)-- Yes lie, I say lie, Mr. Speaker, I am fully aware of the consequences of saying that in a Chamber, but it seems to me, Sir, that only after one has been proven to be incorrect in what he bases his accusation on is he required to withdraw. So, Mr. Speaker, there is need to be very careful on the part of my honourable friends in their discussion of taxation from this point on.

Now the Member for River Heights - I'm sorry, the Honourable the Leader of the Opposition and the Honourable the Leader of the Liberal Party, they have been talking in recent days, I suppose, for a year now about certain tax cuts that they would like to see. The Asper Plan one of them is. He suggested the other day that there should be full rebate for single persons under \$3,000 and married couples under \$4,500. Well, Mr. Speaker, we have for people at this income level brought about tax cuts since 1969 in the order of \$150 and more. My honourable friend's plan would result in amounts of about \$26 a year, that's what it would amount to, \$26 a year for a couple and \$19 a year for a bachelor. That's the amount of tax relief he is talking about. Well, Mr. Speaker, is that something about which to get excited or even to comment - \$20.00 a year. Mr. Speaker, we have made that kind of an adjustment three four times over, in the Medicare tax changes we brought about and in the complete waiver of premium for old age pensioners, both married or widow or widower of single old age pensions, we've done four times as much in that alone. So my honourable friend therefore should be not trying to pretend that this is of any consequence in terms of easing any tax impact. The steps have been taken, they are being continued, we are on a quest Mr. Speaker, toward a goal of trying, always trying to bring about more equality of the human condition; and that means, Sir, that we must have full faith and confidence that it is right to use the taxation system in order to redress some of the imbalances and disparities in income levels.

Mr. Speaker, let no one pretend, let no one pretend that we have applied that reasoning in a way that has resulted in higher taxes at the middle income level. I ask my honourable friend to simply look at those charts and study them very carefully. My honourable friend, the Honourable the Leader of the Opposition talks about a six percent I think, or a six point tax cut. He would take that back then to the 1969 level. That I very roughly estimate to cost something in the order of 20 to 24 million dollars, say \$25 million, Mr. Speaker. Well, of course, there is no secret of the fact that it can be done literally tomorrow, literally next month we can pass a reduction in income tax of six percentage points. Mr. Speaker, that will mean something like \$20.00 a year to a married man with a wife and two children at the 6 or 7 thousand dollar a year level, about \$20.00 a year; and for a person at the twenty-five-thirty thousand dollars a year level it will mean ten times as much, fifteen times as much in tax relief. That's the way my honourable friends would operate, clearly that's so because in 1969 they kept their income tax level and they increased health care premiums to among the highest in Canada. Then they want tax cuts. My honourable friends increased it from \$86.00 a year to \$204.00 per year --(Interjection)-- yes, that was just a start my honourable friend said.

In the document which I have had passed around, Mr. Speaker, there are other very important pieces of information for honourable friends to look at which draw comparisons in terms of total incidence and impact of taxation at various levels of income in the different provinces of Canada. I ask my honourable friends to look at those as well. Well they'll say what about municipal taxation. And it's true that in the mid 1960's former Premier Roblin used to like to defend himself against the charge that Manitoba had the highest rate of tax. That seems to be one of the syndromes of debate in this Assembly historically in Manitoba. I don't know when it started, I imagine it was around 1919 or thereabout, always flagellating ourselves about the level of taxation. And Premier Roblin was under considerable Liberal opposition criticism so he wanted to get debate on the footing of -- well let's look at the provincial and municipal tax levels together in combination. Mr. Speaker, I welcome my honourable friends to do that exercise as well. I welcome them to make that kind of comparison as well with all the other provinces in Canada. The fact remains that Manitoba does provide in terms of transfer of revenues from province to municipal government considerably higher amounts of revenue per capita than any other province in Canada with the possible exception of New Brunswick.

Of course you can have lower taxes provincially if you starve the municipalities. Manitoba's position in terms of the totality of taxation including municipal taxation -- well there it is on page 3 of the table charts, I believe it's Table 3. Table (b) it's about page 4. And if I

THRONE SPEECH DEBATE

(MR. SCHREYER cont'd.) may take just a moment, Mr. Speaker, it's interesting the sequence of how it goes. The highest total provincial and municipal tax levies per capita in Canada are in la belle province de Quebec; \$734.00 provincial municipal taxes per capita. This is not necessarily any reflection on the government of that province. It may be for historical circumstances, who knows. The Province of Ontario is next with \$687.00 per person, per man, woman and child in terms of total provincial and municipal tax levies. And the third highest is the Province of Alberta with \$670.00 per capita. And next British Columbia, and next Manitoba, and next Saskatchewan. Mr. Speaker, you will note that with the exception of Quebec everything else is in the order of sequence of per capita wealth among the provinces of this country. So let's not play games and pretend that taxation levels in Manitoba are out of line, extraordinarily good or extraordinarily bad. In terms of aggregate they are in line where they should be given Manitoba's per capita income position in Confederation. I know my honourable friend the Leader of the Liberal Party doesn't think Confederation is working too well.

Mr. Speaker, Manitoba's position in Confederation is now and has been for some time that of the fourth wealthiest province in Canada and we are running something around 96 per cent of the parody of 100 -- of the national average in other words, per capita income. The point I am coming to, Mr. Speaker, is that it is always necessary to look at a problem in its total context, never in isolation, never in isolation of other provinces, never in isolation of the economy that surrounds us nationally, internationally, never in isolation of what has gone before and in isolation of what we have to look to in the future. That is responsible political stewardship but it is something which seems to be above or beyond rather the ability of my honourable friends opposite to do. Of course within this whole story of aggregate taxation per capita which shows Manitoba at the point where one would expect it to be in relation to per capita income in our country there is the larger more significant story of distribution, distribution, because it is in a sense quite meaningless to look at the aggregate income, aggregate gross product, aggregate taxation per capita without investigating very closely the distribution of that wealth and of the burden of taxation. And, Mr. Speaker, that is where Manitoba historically for many years, and particularly under the Conservative years, was getting worse not better.

I would like to refer my honourable friends to the fact that in the -- Mr. Speaker, the Leader of the Opposition likes to make so much of a point that our economy is growing too slowly, that the gross provincial product is just not zippy enough and therefore we're having problems of unemployment, that if only they could be back in charge they would really percolate our economy. Ha, ha, honourable friends, honourable members may I just refer you to a 12 year, a 12 year record of the economy of Manitoba in terms of gross provincial product, gross and personal income in Manitoba. Would it surprise honourable friends to know that in the ten years between 1960 and 1970 Manitoba's gross provincial income rose from \$1.9 billion to \$3.4 billion, an increase of about 1.5 billion, in ten years. Would it interest honourable friends to know that in four years, the last four years, that the gross provincial product of Manitoba has grown by \$1.5 billion. Equal growth in half the time, Mr. Speaker, equal growth in half the time. And, Mr. Speaker, let there be no secret about it, this is in spite of, in spite of -- and I allow myself some lingering bit of bitterness about it -- in spite of their efforts to try to inject a sense of panic in the economy about four years ago.

HON. RUSSELL PAULLEY (Minister of Labour)(Transcona): That's right. Doom and gloom.

MR. SCHREYER: Remember they had a campaign on about two years ago, little bumper stickers "the last ones to leave the province turn off your lights or turn on your lights" or something equally stupid. Well, Mr. Speaker, the economy of Manitoba has increased in terms of gross total product \$1.5 billion in the last four years and in the ten years prior to that it increased by \$1.5 billion. Honourable friends cannot take much comfort from that given the fact that they said that the decade of the sixties were the Conservative years, years of great economic growth. And, Mr. Speaker, that is despite the fact that in trying to build up some momentum in terms of economic growth they resorted to some of the most peculiar, the most bizarre, the most unconscionable kinds of transactions that I believe this province will ever see.

THRONE SPEECH DEBATE

MR. JAMES H. BILTON (Swan River): Keep trying, Ed.

MR. SCHREYER: The Member for Swan River makes a flippant remark about keep trying. Mr. Speaker, it is sad enough to cry about because - because they have been paying great lip service -- oh more than lip service, they were kneeling or genuflecting, whatever the word is, at the altar of free and private enterprise and they were trying to get the economy rolling while they were genuflecting at the altar. So because they did not want to admit that economic growth in Manitoba was in the doldrums in the 1960's, and they did not want to use the instrumentality of government or the state in order to try to bring about economic growth, so they resorted to giveaways. Giveaways and peculiar agreements. I can think of only one other place in Canada where a more imprudent course of action was followed than by the Conservatives in Manitoba and that's the case --(Interjection)-- No, not Newfoundland, the case of the heavy water plant in Glace Bay, Nova Scotia.

My honourable friends opposite the other day were concerned about escalation of prices. They thought that there was some construction project where there was an escalation of price. I'll give them an example of escalation of price. In 1963, in 1963 -- what the floodway? --(Interjection)-- Oh I'd be happy to discuss with my friend the Member for Swan River because he is rather exceptional on the other side, he is one that's pleasant to discuss things with. He wants to talk about the floodway, I'd be quite happy to. I'd be more happy to talk to him about the Portage Diversion, I really would. I've got a few things I think my honourable friend would find interesting if not disturbing or amusing, I don't know how he'd react. But, Mr. Speaker, I refuse to let my friend distract me. I want to come back to give my honourable friends an example which when taken by itself and in combination with two or three similar Conservative deals in Manitoba will always stand out till posterity of the kind of things not to do and the kind of danger that one runs into by relying irrationally on one sector as opposed to another sector in our economy. Mr. Speaker, in 1963 the Government of the Province of Nova Scotia decided that they wanted -- somebody must have talked them into it -- they wanted to build a heavy water plant and --(Interjection)-- No. They entered into an agreement where they were going to put up I think 75 percent of the money and own 51 percent of the shares, 75 percent of the money 51 percent of the shares . . .

MR. BILTON: How do you know?

MR. SCHREYER: Because I was speaking to the Premier of Nova Scotia this morning and I have documentation to go with it. Mr. Speaker, this has been talked about from time to time but never with much detail, I wanted to get some further detail and make it available to my honourable friends so it will make them feel a little better. So on that basis they entered into an agreement with a person by the name of one Jerome Spivak to build a heavy water plant. The \$30 million heavy water plant, that was its initial cost of construction estimate, increased from 30 million to -- it was revised up to 60 million by 1966. At that point in time Mr. Spivak decided that perhaps he didn't want to be such a major shareholder so he did not put up any of the capital and he went back from 49 percent of the equity down to something like 15 or 20 percent. But no equity input. No money. But he was still a minority shareholder. Things progressed from there to 1968 when the cost of building the heavy water plant was increased once more from 30 to 60 million up to 105 million --(Interjection)-- Yes. And it was completed finally in 1969 at a cost of \$120 million, and then, and then honourable friends it didn't work. It didn't work. They have, they have since 1969 produced not one single ounce of heavy water. So then it was a case, so then it was a case of what to do.

MR. L. R. (Bud) SHERMAN (Fort Garry): Just like socialism.

MR. SCHREYER: My honourable friend says just like socialism. Mr. Speaker, Mr. Speaker, socialism cannot be made to work by those who are out to -- how shall I say -- it can never be made to work efficiently or effectively by those who do not think that it is to be relied on at all and who would like to skuttle it and who would like to give it the worst possible image. Well, Mr. Speaker, in order to take that project which was started under private enterprise, that's why Mr. Jerome Spivak was brought into it because he was the private entrepreneur, he was going to provide the skills, he was going to provide the know-how, he was going to bring the plant into production. And so it was private entrepreneurship commonly understood. Only one problem, Mr. Speaker, it hasn't produced a single ounce of heavy water and a \$120 million later, and five years later, they are now -- they have successfully negotiated an agreement with the Federal Government under which they will put in another \$50 million.

THRONE SPEECH DEBATE

(MR. SCHREYER cont'd.) In other words, \$175 to \$190 million will have to have been spent in the total in order to bring that plant, hopefully, into production of its first ounce of heavy water. So, Mr. Speaker, that is one example.

If my honourable friends want another examples I can provide it to them, such as the case of Columbia Forest Products, Sprague, Manitoba. Would they like to talk about that perhaps? The matter is no longer sub judice it has been settled in the courts. The Crown has lost and I'm in a position to explain why. --(Interjection)-- No, no the lawyer I would respect -- by the way, Mr. Speaker, the lawyer that was retained by the Crown was one who is known to have general small "l" liberal leanings, and I think was a former Liberal candidate a few years ago, so don't accuse us of patronage. Don't accuse us of patronage. I don't think you hired a liberal lawyer in your life but we're different. And after putting up the most reasoned case, and the most determined case that he could, the learned judge ruled -- and it's no reflection on the judge either obviously -- the learned judge ruled that of course the Crown was obligated in the circumstance because the agreement -- and he refers to the agreement -- the agreement is such that in the case of Columbia Forest Products, Great Northern Capital in agreement with the Crown, it is so provided in the agreement that should the private enterpriser in this case, Great Northern Capital, require additional working capital, additional capital loans, then the Crown through the MDC is obligated to provide it. In other words, Mr. Speaker -- and I'd be quite happy to table the written judicial decision in the matter because it showed so clearly that my honourable friends opposite entered into an agreement under which they obligated themselves to forward work additional loans, additional working capital, to the firm on the scene at Sprague, Manitoba in perpetuity virtually. And if the Crown should decide that it was somehow untenable to have such an open-ended loan commitment and decided not to advance any further loan capital, then that, in particular, private enterprise firm could just walk away, just walk away from the scene. --(Interjection)-- So, Mr. Speaker, you see I think that perhaps the Honourable Leader of the Opposition was trying to tell us something the other day when he said that we should not go back to the kind of economic development thinking and philosophy practice that prevailed in the 1960's. I certainly couldn't agree with him more.

And of course there are many other examples of where there was just wrong, wrong headedness, wrong thinking, in the heads of those responsible for government in the decade of the 1960's. Nova Scotia is only one example. Newfoundland is another, Manitoba is a third, Saskatchewan is a fourth, and of course I forgot to mention to my honourable friends that -- honourable members -- that in the case of the Glace Bay heavy water plant in Nova Scotia what finally happened is that Mr. Spivak withdrew entirely and the Crown had to pay him a \$3 million penalty just to let him go. I'm not aware that there were any criminal prosecutions; all I know, Mr. Speaker, is that \$120 million was spent and it hasn't produced an ounce. And he got \$3 million for stepping out and he never put a cent in in the first place.

So then, Mr. Speaker, my honourable friends however are so preoccupied, preoccupied with economic performance, that I would like to talk about economic performance a little more.

The Member for Assiniboia, the Member for Assiniboia, and I believe the Honourable the Leader of the Liberal Party, and of course it's beyond the power of the Leader of the Opposition to resist the temptation so he joins in once in a while to suggest that Manitoba's economy is slow, even though it's grown as much in four years as in their ten, it's slow because population, we're losing population, there's a big brain-drain on and that's the fault of the NDP. Mr. Speaker, the movement of certain numbers of persons out of the Province of Manitoba has been going on since the depression years, since the 1930s. In fact every time I have a meeting in Toronto or Montreal -- yes, Mr. Speaker, occasionally I attend these dinners on Bay Street and St. James Street, and one attends these dinners. I'd like to take the Honourable Member for Rhineland with me some time so that he could meet those horrible bankers from the east. But one meets at these dinners, persons who are native to Manitoba, who left Manitoba 20, 25 years ago and have risen to positions of prominence in eastern Canadian business. And of course it's much greater than that. One can see that Manitoba's population growth has been very slight but it's been steady, Mr. Speaker. And at least during the last four years of New Democratic government, the population of our province have been growing at a rate which will bring it to the million mark. That depends, by the way, if you want to take DBS figures or Federal Department of Health figures. According to the Federal Department of Health, Manitoba now has 1,018,000 citizens, inhabitants, 1,018,000.

THRONE SPEECH DEBATE

(MR. SCHREYER cont'd.) They pay us on that basis so we're not complaining, we're very happy. But DBS says its 992, and might be at 998 or 999 by the end of the year. It would help of course if the Member for Rupertsland would get married and that would - the population would increase. --(Interjection)--

Mr. Speaker, my honourable friends opposite should know that the only two years in Manitoba's history; I believe this to be a fact that in the entire period of twentieth century in Manitoba since 1900, that Manitoba has never lost population; it has not lost population during our time in office, but it did lose population in two years only out of 73. In the years 1966 and 1965 -- the only two years that there was an actual net loss, out migration, natural birth, everything included, an actual loss of population. And, Mr. Speaker, the Member for Assiniboia somehow likes to make much of this -- I don't know why, and how he can in any conscience make anything of that. The population of Manitoba in 1965 for example was 965,000 -- that's easy to remember - 965 in 1965. The next year 963; that's performance my honourable friends. And the next year, 963. So in the period between 1965 and 1968 the population of this province was you might say in economic terms, not in any other but in economic terms, it was stagnant and they were in office. Now if the Member for Assiniboia, being the good Liberal that he is, tries to make something of our slow population growth I would remind him that when the Liberal government was in office in Saskatchewan, the Province of Saskatchewan lost - but we're not losing population now, we did for one year in the mid 60s, 2000 when they were in office. But in the same period of time under Liberal government in Saskatchewan, that province lost, net loss of 60,000 population. So if my honourable friend wants to send these newsletters out to his constituents, let him be aware that occasionally the odd copy comes back and gets into the hands of one who can read, and I tell him that it reflects not very kindly on my honourable friend. That was only one of the distortions in his newsletter, unfortunately there were a number of others. However, knowing my honourable friend so well I'm assuming that he didn't write. I rather suspect it's written by the Leader of the Party instead.

Well my honourable friends they want some more economic performance let me refresh their memory. Retail sales: pretty good, pretty good indicator of economic growth, economic performance. Well, Mr. Speaker, you know it took, as I can see here, approximately three years -- correction, six years for retail sales to increase under their administration the same amount as it has increased in the three and a half years that we have been in office. Inflation of course, Mr. Speaker, in the mid 1960s was fairly comparable with its rate in more recent years. But anyway we had a value in retail sales which has increased very substantially in the last four years, more than in most of the years when they were in office. Of course my honourable friends can laugh about that they will simply go on saying that our economy is not performing like it should, we should be creating more jobs, we should have a higher rate of growth even though we're out-performing, the province is out-performing two to one compared to what they were, what was transpiring when they were in office. I can't spend any more time on these indices, Mr. Speaker, much as I would like to.

. . . continued on next page

THRONE SPEECH DEBATE

(MR. SCHREYER cont'd)

I have to go on now to deal with a matter which has been plaguing this administration. My colleague the Minister of Mines and Resources and myself in particular in recent months, and that is this whole question of Hydro, Hydro policy. Because according to the Honourable Leader of the Opposition he would have us believe that there are certain options still open, better options, cheaper options, more ecologically preferable options, and that we merely should change our plans now and proceed blythely in some other direction.

Well, Mr. Speaker, I would like honourable friends, honourable members, to know that the development of the Nelson River is a gigantic undertaking, particularly for a province of this size. It has been well studied and engineered. Certain conclusions have been reached; certain advice has been concurred upon; decisions have to be taken; they are taken; we proceed. My honourable friends would like to suggest that we should hold public hearings because the matter is become, because the matter is so large an undertaking. Mr. Speaker, I would like to know what government under our Canadian Parliamentary system has held public hearings before it takes a policy decision to proceed with a major public work. I mean, I would like to know for example if the Government of Canada held public hearings when it decided that it was desirable and advisable to proceed with construction of the St. Lawrence Seaway, it's a multi-billion dollar project. Whole communities had to be moved. Did they hold hearings? Or did they hold hearings with respect to adjudication and compensation claims for damage, and do my honourable friends understand the difference? I'm sure they do. My honourable friends will say that's 20 years and those were barbaric times. Are those the words you would like to use perhaps? Perhaps you could indicate by nod of head. Now my honourable friends say you used them, but it seems to me he was using those words the other day. However, I would like to ask if prior to the construction of the Great Churchill Falls Hydro Electric Development in Newfoundland, Labrador, whether public hearings were held before this largest hydro electric project in Canada was commenced. I would like to know --(Interjection)-- Yes, it's five years ago. --(Interjection) Oh that's a mistake; that's two mistakes now. Then, Mr. Speaker, a third mistake no doubt. Were public hearings held when it was decided as a matter of policy by the Government of the Province of Quebec to go ahead with the \$6 billion James Bay project, and they are under way now letting contracts? That's a third mistake, I suppose, in the opinion of the Honourable Leader of the Liberal Party. Were hearings held by responsible government in advance of a policy decision with respect to the building of the Columbia and Peace River systems in British Columbia? That's a fourth mistake I suppose. Were public hearings held by the Government of Canada last month when they decided to spend some X millions of dollars in moving 50 families in Vancouver in order to extend a runway, ecologists in the area are suggesting that this is detrimental. But were public hearings held before decision was announced? I suppose that's a fifth mistake. Were public hearings held by the Government of Ontario when they decided to build the 500 megawatt nuclear reactor at Pickering; hundreds of millions of dollars involved in that. Environmental concern? Absolutely. Radiation problems, environmental concern? Absolutely. Were hearings held by the Government of Ontario prior to the taking of the decision to do so? Would the honourable member suggest that in the event that there was some possibility of a tie-in with Saskatchewan Power so that they could build a coal plant at Estevan -- which happens by the way not be their plans at all but to perhaps build a hydro plant at Lake Diefenbaker, or a hydro plant on the Churchill River in Saskatchewan. My honourable friend would he suggest that that's preferable, therefore we should do it. Well then should the Government of Saskatchewan hold hearings or should they quickly go ahead and build those plants so they can sell power to Manitoba?

The fact is, Mr. Speaker, that my honourable friend is ignorant of the history of Canadian parliamentary democracy, and he displays it when he talks the way he does. Not only is he ignorant in terms of practical common sense when he talks about building monorails to South Indian Lake. But he is ignorant. He is ignorant of the nature of parliamentary democracy in Canada and as we have inherited that from the United Kingdom. It seems that there is a certain conspiracy on the part of some who every opportunity want to turn our system of government into a sort of quasi-congressional system where responsible government is eroded at every significant turn and put into the hands of those who are other than the elected people. Mr. Speaker, let there be no mistake about it although we had our differences on specifics with the former administration relative to hydro development, at least, at least at that time

(MR. SCHREYER cont'd) they knew what the nature of parliamentary democracy was, and what their responsibilities were, and in comparison to the Liberal posturing on this issue they stand out as responsible people head and shoulders above what I can describe as my honourable friends.

It is Manitoba Hydro's responsibility, Mr. Speaker, to ensure that the citizens of this province have an adequate supply of electrical power to meet their requirements. Manitoba Hydro is charged under statute with that responsibility, and over the past few years the rate of which Manitobans have been using, taking advantage of electrical energy, has increased significantly higher than that of the national average. The total consumption for the year ending March 1969 for example was 6.7 billion kilowatt hours and for last March it was 9.1 billion kilowatt hours. This represents a 36 percent increase in three years. Mr. Speaker, the need is there and surely everyone who is an interested citizen of this province knows that in the mid 1960's a decision was taken under responsible government, the basis of the best advice available at the time to proceed with the development of our northern water energy resource, namely the Nelson River and all those tributaries that enter and flow into it. And so my honourable friend should be aware of the agreement that was signed in 1966 over the signature of Stewart McLean, Minister of Utilities, Jean Luc Pepin, Minister of Trade and Commerce, Government of Canada, under which agreement there was to be a development of the Nelson River; a lending of several hundreds of millions of dollars by Canada to Manitoba for the building of a transmission line from Gillam to Winnipeg for --- and specifically enumerated in that agreement -- and also for the construction of a dam at Kettle Rapids of about 1,000 megawatts capacity and the construction of a diversion at Southern Indian Lake on the Churchill River to flow into the Burntwood and through the Burntwood into the Nelson. It's right in the agreement, Mr. Speaker. And subsequent with that, in addition to that, a construction of control works at Lake Winnipeg. Now, Mr. Speaker, what happened was -- and honourable friends if they wish, if anyone wishes the agreement can be tabled. --But what is important, as important as the agreement, is all of the research and studies that have gone into this entire Nelson development, the Churchill diversion and the Lake Winnipeg regulation prior to the signing of the agreement -- I hope there were some studies and I'm sure there were before they signed the agreement. And after 1966 to 1969 and from 1969 to 1972, if in case any of my honourable friends are suggesting that we have not had enough engineering study and analyses made of this gigantic development and of the alternative courses of action that might be possible, alternative diversions, etc. there was never any question but that there was need for a diversion and that was researched out as to the specific alternative forms of diversion that would be optimum. If there is any doubt that this has been done I would like to advise my honourable friends that I believe if they look at the Journals of the House they will see that since 1969 we have tabled approximately nine or ten documents, Hydro engineering documents, Hydro systems planning people and consultants like Underwood-McLellan, Crippen Acres and so on. In case there is any doubt on the part of my honourable friends I would like to table a number of reports --and I can tell the Member for Fort Garry that one is not a duplicate of the other, in case he's wondering what I'm referring to, it's that picture where he posed with 40 volumes of feasibility studies on pulp and paper at The Pas by Arthur D. Little. The picture showed 40 volumes but they were all the same volume, Mr. Speaker. Mr. Speaker, I'm serious about this because one of the persistent, ridiculous but persistent arguments has been that we have not had adequate engineering analysis, survey studies --(Interjection) -- My honourable friend is of course -- I'd like to hear what he said, I hope it makes more sense than what he said before. What are you saying?

MR. ASPER: I said, you've had the reports made to justify a betrayal and sell out.

MR. SCHREYER: Mr. Speaker, just to show you how stupid a remark that is, and I use the term unkind as it may be, these reports were commissioned and carried out in the period between 1964 and 1971. I mean, Mr. Speaker, between 1964 and 1969 I was not responsible for the Government of Manitoba, I was in Ottawa living relatively peacefully. Mr. Speaker, these reports were commissioned over a period of seven years. Shall I just name some of them? Nelson River Investigations, Final Report of the Nelson River Programming Board. There is one. The Manitoba Hydro Report on Churchill River Diversion, additional studies, Underwood-McLellan, January, 1968. Report on Burntwood Power Site, Manitoba Hydro Nelson River Investigation, Burntwood Power Site, March, 1966. Nelson River Development

THRONE SPEECH DEBATE

(MR. SCHREYER cont'd) commissioned by Manitoba Hydro pursuant to agreements between Government of Canada and the Government of the Province of Manitoba, Crippen and Associates. That is also being tabled, Mr. Speaker, Nelson River Development Supplementary Report No. 1 commissioned by Manitoba Hydro, Crippen and Associates, October, 1965, Nelson River Development Supplementary Report Appendix 1A, Lower Nelson River and Warren Landing Control Site early 1965 investigations, Crippen and Associates, Nelson River Development Supplementary Report No. 1 Annex also Crippen and Associates, Supplementary Report No. 2 on the Nelson River Development commissioned by Manitoba Hydro May 27th, 1964, Two others that go in relation thereto, Another, Mr. Speaker, Supplementary Report on Nelson River Development commissioned by Manitoba Hydro, the 27th of May, 1964, And an Interim Report on Nelson River Development by Crippen and Associates datelined December, 1963.

MR. PAULLEY: . . . you wouldn't understand what the hell it was all about anyway.

MR. SCHREYER: Mr. Speaker, there is . . .

MR. PAULLEY: I would admit that I don't know but he won't.

MR. SCHREYER: . . . additional reports: Manitoba Hydro Churchill River Diversion Study of Alternative Diversions, Underwood-McLellan and Associates February, 1970, Manitoba Hydro Churchill River Diversion Study of Alternative Diversions Appendix A Engineering Investigation Supplement, March 1970.

A MEMBER: How much did it all cost?

MR. SCHREYER: Churchill River Diversion Study of Alternative Diversions Appendix B, Volumes 1 to 3, March 1970. In addition to that, Mr. Speaker, there is Churchill River Diversion, again Study of Alternatives, volumes 2 and 3, Resource Values Investigations. Additional volumes which I will very quickly add here.

There is a report, Mr. Speaker, report by Crippen and Associates -- I assume that these are perhaps some of these independent engineering experts that the Member for Wolseley talked about the other day. He said that there were independent engineering advisors who were suggesting that this was all wrong. Well these are other engineering advisors, both within and external to Hydro that are reporting here in all that stands before me. Report on Lake Winnipeg Regulation Volume 2.

By the way, Mr. Speaker, virtually all of these documents -- in fact I believe all of these documents have been asked for by honourable members and have been tabled in the House with only one or two exceptions. Mr. Speaker, I'll get to those exceptions in a moment. Here is yet another one. I recommend it to my honourable friend the Member for Wolseley for his perusal. And yet another on Lake Winnipeg regulation, volume 3 Appendix E, Crippen and Associates January 1970, Transition in the North, Transition on the North.

MR. PAULLEY: Oh that one. We had a hell of a job getting that out of the government.

MR. SCHREYER: This one is Van Winkle and Associates, that's being tabled and the Manitoba Hydro Task Force Report, Report on Expansion of Generating Capacity in Manitoba, 1970, October, And, Mr. Speaker, a report on Clearing; and, Mr. Speaker, there are additional documents would you believe.

Mr. Speaker, in case it is suggested that we have not had enough time and not spent enough money and care on studies I would like to advise my honourable friends that all this and there's more yet, is a crystallation of eight years, a crystallation of eight -- I'm sorry the time is pressing -- (Interjection) -- yes.

MR. ENNS: I wonder if there was any special significance to the absence of the mention of the Cass-Beggs Report in that . . .

MR. SCHREYER: No, Mr. Speaker, the Cass-Beggs Report is right here.

MR. PAULLEY: And you wouldn't understand that . . . You wouldn't know what the hell it's all about anyway, Harry.

MR. SCHREYER: Mr. Speaker, --and it's important for my honourable friends, those who have some interest in trying to deal with what is such an outrageous unintelligible -- well my soul fills with indignation frankly, Mr. Speaker, as to how to deal with my honourable friend because most of his comments are of no consequence or of no intelligible comprehension. So, how does one deal with them.

A MEMBER: That's right.

MR. SCHREYER: Because he would build monorails to South Indian Lake and I presume

THRONE SPEECH DEBATE

(MR. SCHREYER cont'd) he might hold public hearings to decide whether a monorail should be built, I don't know. But it was suggested, it was suggested we haven't spent enough time and enough money on studying in a proper and systematic way the development of our Hydro energy resource in Manitoba. Mr. Speaker, this is a crystallization of eight years minimum of work and 25 million dollars of engineering studies and analyses. Nine million on Churchill River diversion alone, nine million on Churchill River diversion alone and that is tributary to the Nelson River. So let my honourable friend not try to pretend that there has not been sufficient time and money and effort spent on the analysis.

Now then, the Member for Portage la Prairie -- I don't know -- (Interjection) -- Now my honourable friend the Leader of the Liberal Party says all this is subjectivism, it's subjective, subjected he says. Mr. Speaker, Crippen and Associates, Underwood-McLellan, Van Winkle and Associates, others, they're all engineering firms, top engineers. Messrs Bateman and Cass-Beggs and others, many others, the entire systems planning group of Manitoba Hydro, men that I consider myself lucky to have had a brush in time with men of their stature and intelligence. And my honourable friend the Leader of the Liberal Party, the monorail builder dismisses it all as subjective nonsense. The audacity, the gall.

MR. PAULLEY: Oh, he's so stupid.

MR. SCHREYER: Mr. Speaker, he wants to put his face on a better study.

A MEMBER: Peter Leiber study.

MR. SCHREYER: One that the Member for Portage has accused me of hiding. I would like to think that the Member for Portage having sat here since 1959 would think a little better of me than that. I would like him to have the report. Here it is. Here is the one side and here is the other side of the argument. Here is the report that the Member for Portage la Prairie referred to us hiding: Comments on the Churchill River Diversion and Saskatchewan-Manitoba Interconnection, Dr. A. M. Lansdown.

A MEMBER: It was made public before you got it.

MR. SCHREYER: But lest there be any suggestion that we are hiding it, Mr. Speaker, this is being tabled and then as a counterweight this is being tabled also.

Mr. Speaker, it has been suggested that we have somehow the time in which to build a tie-in with Saskatchewan, the assumption of course being that Saskatchewan is in a systems position where they can accommodate Manitoba and sell us power. If the facts were known neither at the political nor at the technical level in Saskatchewan is it regarded as feasible to sell us any power whatsoever within the time frame that we need that power. In fact they are waiting rather desperately on Manitoba Hydro to supply additional quantities of power to that province. It is absolutely incredible that the kind of momentum should have been allowed to build up based on such errant nonsense. The Saskatchewan Power Corporation is in its systems planning phase at about the same point where Manitoba Hydro was in 1965 or 1966. They have now to study options themselves as whether to build coal plants, whether to build a hydro plant on Lake Diefenbaker or whether to build a hydro plant on the Churchill River.

A MEMBER: Or use peatmoss.

MR. SCHREYER: I can't obviously go into detail on that, Mr. Speaker, that's another jurisdiction. But we have had conversations and it is blatantly absurd to suggest in realistic and practical terms in a common sense and businesslike way that there is a possibility of a practical interconnection in the next few years which will enable Saskatchewan to supply Manitoba with power. It's rather the other way around. And so, Mr. Speaker, I want to -- (Interjection)-- Oh well now, Mr. Speaker, perhaps we should hold hearings on whether to hold hearings.

MR. PAULLEY: That's right.

MR. SCHREYER: How would my honourable friend like to consider that? He's capable of considering just about any other thing. I notice that in his contribution to the debate he suggested that western Canada was at a moment of truth. Mr. Speaker, you know . . .

MR. PAULLEY: He doesn't know what that . . .

MR. SCHREYER: . . . I happen to have a press report of my honourable friend when he made his first speech down east. He attended the Liberal National Convention and he said and he was quoted that the Manitoba Liberals got what they wanted at the Liberal Convention. I say to him if you got what you wanted three years ago why are we having trouble now with Confederation? You got what you wanted. Mr. Speaker, there is of course a problem with Canadian Confederation insofar as its economic balance is concerned. Our country need not

THRONE SPEECH DEBATE

(MR. SCHREYER cont'd). . . .be subjected to 'he kind of veiled threats of separatism in the west as is heard from time to time in Quebec. We are too mature for that, this is too much part of us. Let's have no nonsense about discontent in the west welling up to such proportions that it will result in separatism? What kind of veiled treason is that?

A MEMBER: Hear, hear.

MR. SCHREYER: Canada is æ much a part of the west as it is of Ontario. I say to my honourable friend, I say to my honourable friend that yes, there is one point . . .

POINT OF ORDER

A MEMBER: . . Point of Order

MR. SCHREYER: Mr. Speaker, I insist my time be taken beyond 9:30 if there is a point of order.

MR. SPEAKER: The honourable member state his point of order.

MR. ASPER: We'll give the consent to the 90 seconds as required to go beyond 9:30 if the minister will withdraw . . .

MR. SPEAKER: ORDER! The honourable gentleman doesn't have the right to give consent alone in this House. There are rules. Order! Order, please. I would suggest the honourable gentleman has no right to make deals or to give any consent. It belongs to the total House. If he has a point of order I would like to hear it.

MR. ASPER: Mr. Speaker, the point of order is that the First Minister has implied that the response that I gave to his Speech from the Throne was veiled treason. I call on the First Minister, Mr. Speaker, to apologize and withdraw the remark.

MR. SPEAKER: Order, please. Order, please. The objection is not a point of order. ORDER PLEASE! Order, please. The Honourable First Minister has one more minute to finish.

MR. SCHREYER: The Honourable the Leader of the . . .

MR. ASPER: Mr. Speaker, the point of order is the suggestion by the First Minister that a criminal offence was committed in this Chamber. An act of treason, Mr. Speaker, is a criminal offence punishable by capital punishment . . .

MR. SPEAKER: Order, please. Order, please. I would suggest to the honourable gentleman there is no point of order in what he is discussing. The Honourable First Minister has one more minute. --(Interjection) -- The Honourable Member for Morris.

MR. JORGENSON: Our rules very specifically state that at 9:30 the question will be put. It is now past that point and I --(Interjection) -- There is no equivocation. The hour is past 9:30, the vote must be taken at this time unless the House gives unanimous consent to the First Minister to continue.

MR. SPEAKER: The Honourable First Minister on the same point.

MR. SCHREYER: On the point of order, Mr. Speaker, I believe that the Honourable the Member for Morris is correct that at 9:30 the division bell must be rung and the question must be put. However that rule is written in silence relative to the impingement of time under points of privilege or points of order. However in order to avoid quibbling about the matter I would suggest that my speech ought now to be regarded as having been completed.

MR. SPEAKER: The Honourable the Minister of Labour.

MR. PAULLEY: Mr. Speaker, if I may . . . points of order and the time of the evening, may I refer to a decision that was made, Sir, by Mr. Speaker Val Bachinsky some years ago, and I guess I'm the only member that is left, maybe the Honourable Member for Souris-Lansdowne, or Souris Killarney will remember this, that a member rose and said that the hour of adjournment has arrived, and he looked at the clock and Mr. Speaker Bachinsky says "I do not see the clock. I decide as to whether the clock is right or not, and what is the time for the taking of a vote". So, Mr. Speaker, it is in your hands and not the hands of the Member for Morris.

MR. SPEAKER: The Honourable Member for Swan River wish to contribute to the point of order?

MR. JAMES H. BILTON (Swan River): Mr. Speaker, speaking on the same point of order, speaking from experience, I believe we've gone five minutes past the hour and you should call for the vote, Sir.

MR. SPEAKER: The Honourable House Leader too?

MR. GREEN: On the point of order, I think that the Opposition is correct and that the vote must now be taken. I would urge Your Honour in view of the circumstances and the

THRONE SPEECH DEBATE

(MR. GREEN cont'd) interruptions of the speech to cast your eye about the Chamber and I would urge that the First Minister who still can speak on the main motion be recognized after the vote is taken.

MR. SPEAKER: Order please. I have a number of alternatives. I should like to offer the honourable gentleman that I have on occasion when they've had interruptions, or had a split speech, offered him extra time. Now I can be exactly precise or I can say that I shall look at the honourable gentleman and pick him up again after we've had the vote. That's entirely the discretion that I have. But let me offer to all of you gentlemen, I think we're all amenable, if one more minute would serve the purpose to --(Interjection)-- Very well. The question before the House is the amendment to the motion.

The Honourable Member for Portage la Prairie state his matter of privilege.

MR. G. JOHNSTON: Well my point of privilege is this, Sir, that if you carry on in the matter that has been suggested by the House Leader, then this means that the Premier will automatically be assisted by direction from you that he should be recognized after the vote has been taken. Now may I offer this suggestion, and I offer it in good will, that if the First Minister wants a few more minutes to conclude his remarks that we would give him leave, but we would not go by the suggestion of the House Leader that because he suggested it that the First Minister should be recognized after this -- after the bells and the vote is counted.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I am not asking for a special privileges in this House. The rules are very clear; all members of this House are equal. My honourable friend the Member for Morris should know what the unwritten custom and convention of parliamentary procedure is with respect to an address by the First Minister or the Leader of Her Majesty's Loyal Opposition in cases like this. But I'm not going to ask for it if honourable members opposite aren't aware of that long standing practice. I suggest division be taken.

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

MR. JORGENSEN: There was an imputation made in the First Minister's remarks that I cannot let go unchallenged. There is no hesitation on my part to allow the First Minister to speak as long as he wants to. We have a rule however that says, notwithstanding the fact that the First Minister has unlimited time, that at 9:30 the vote will be taken. All I'm asking is that we follow our rules. --(Interjection) --

MR. SPEAKER: Order please. Order please. The motion before the House in regards to the motion made by the Honourable Member for Flin Flon, and the amendment thereto.

MOTION presented and lost.

MR. SPIVAK: Yeas and Nays.

MR. SPEAKER: Call in the members. Order please. The motion before the House is the amendment to the main motion.

A STANDING VOTE was taken the results being as follows:

	<u>YEAS</u>
Asper	Bilton
Barkman	Blake
Craik	Einarson
Enns	Ferguson
Froese	Girard
Graham	Henderson
G. Johnston (P.laP.)	F. Johnston (Stur. Cr.)
Jorgenson	McGill
McGregor	McKellar
McKenzie	Moug
Patrick	Sherman
Spivak	Watt
Mrs. Trueman	

NAYS

Adam	Barrow
Borowski	Boyce
Burtniak	Cherniack
Desjardins	Doern
Evans	Gonick
Gottfried	Green
Hanuschak	Jenkins
Johannson	McBryde
Mackling	Malinowski
Paulley (Transc.)	Pawley (Selkirk)
Petursson	Schreyer
Shafransky	Toupin
Turnbull	Uruski
Uskiw	Walding

MR. CLERK: Yeas 25; Nays 28.

MR. SPEAKER: Order please. The Honourable Member say 28?

MR. CLERK: 28, Sir.

MR. SPEAKER: Very well. In my opinion the nays have it; I declare the motion lost. The Honourable Member for Rupertsland.

MR. ALLARD: M. le président j'étais de pair avec le Ministre du Collège et Université et si j' avais voté j'aurais voté contre la motion.

TRANSLATION: Mr. Speaker, I was paired with the Minister of Colleges and Universities. Had I voted I would have voted against the motion.

MR. SPEAKER: We are now on the main motion. There are seven minutes to go to the end of the hour. The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I really believe that it is in the interest of this Assembly that I should continue to deal with a number of matters which time did not permit me to deal with prior to the Division Bell at 9:30, and when we left off at that point in time, Mr. Speaker, the Honourable the Leader of the Liberal Party was expressing his indignation to me that I should have referred to certain portions of his speech here the other day as being tantamount to veiled treason.

Mr. Speaker, the Honourable the Leader of the Liberal Party of course can do whatever he likes. He can get up and say that it's a question of personal privilege for a member opposite to say that he is being accused of an act of treason. That was not said at all. The record will show that. Mr. Speaker, there is veiled treason in the kind of words that were used to describe the relationship of western Canada to Canada and of certain alleged feelings in western Canada relative to Canada, our country.

There is, for example, in his contribution to the Throne Speech the use of such expressions as the follows, and I am paraphrasing now, he can correct me if he wishes. There is the use of the expression that "if things do not improve then it will come time to cut the chains that have bound western Canada into a colonial status in this country for the past 100 years." Those are his words. Then he goes on in the same speech, incredible as it may seem and he says something as follows, in fact I am paraphrasing again, that -- well if the honourable member wishes me to quote -- may I have that please, I will quote directly.

MR. PAULLEY: . . . his exact words. He didn't know what he said.

MR. SCHREYER: I would like honourable members to take note.

MR. PAULLEY: You better write your own speeches from now on so you'll know what you're talking about.

MR. SCHREYER: "If we cut the chains that have bound us for 100 years to a colonial status within Canada then the future prospects for the people of this province is incalculable," etc., etc. Then he goes on: "It will take the greatest of skill, the broadest of talent and blending of talents from all points of view to achieve a peaceful solution or conclusion to the dispute." A peaceful solution! I don't believe that I have ever heard a politician in Canada certainly not in western Canada, during my lifetime, use expressions in dealing with dominion-provincial relations such as "if we can find a peaceful solution." We did not -- I am quoting

THRONE SPEECH DEBATE

(MR. SCHREYER cont'd) further since he prefers he be quoted. I'd love to quote my honourable friend. "We did not arrive at this moment, those of us who have been speaking of this issue for the past decade, we did not arrive at this entirely without some bitterness, violence and at times perhaps even fatal pressures being exerted against the bonds of Confederation itself." Mr. Speaker, if that is not something that is veiled treason or knocking on the door of veiled treason itself then what is? A peaceful solution here in the bosom of western Canada."

MR. PAULLEY: Do you want some more, Izzy?

MR. SCHREYER: Now then, Mr. Speaker, what makes it particularly incredible is that two years ago the Honourable Leader of the Manitoba Liberal Party goes to Ottawa like a knight on a white horse, comet out of the sky, and announces to the press that Liberals got what they wanted with respect to matters of western Canadian, disalienation or disaffection or whatever. If they got what they wanted two years ago then how in the world can he say two years later that we are on the point of disintegration of Confederation insofar as western Canada is concerned. Then he accuses this government of not taking sufficient interest and initiative in trying to come to some meeting of minds here in western Canada as to what to propose to the Federal Liberal Government at the Western Economic Opportunities Conference this coming July or August. My honourable friend knows because it was in the Throne Speech and there have been other indications that for the first time in western Canadian history there will be a meeting of all four western provincial premiers here in Winnipeg on the 30th of March and on the 31st if necessary in order to carry out discussions preliminary to a meeting somewhere in western Canada in July or August with representatives of the Government of Canada.

I say to my honourable friend that if the Government of Canada is really serious, and I believe that they are being genuinely serious now, about wanting to do something with respect to making improvements in the economy of western Canada they can deal with two specific things and they can start preparing for it now. We will discuss it in every infinite detail this coming midsummer, and that is, number one, -- they have apparently suggested that something different ought to be done, something better ought to be done than in the past relative to western Canadian financial institutions and resource development needs, capital financing needs. So I suggest that they begin by starting with their own industrial development bank which has developed a reputation of running away from every risk that confronts it, that's one thing they can do. Secondly, they can think in terms of revising the Bank Act so that no province, no public of any province are precluded from a percentage equity ownership in the chartered bank itself. And I believe that the Member for Rhineland would support us in that respect. Thirdly, that they should also be willing to indicate whether or not there is any serious probability of the western Canadian co-ops and credit unions being allowed to apply for, successfully that is, for a chartered banking operation with which western provincial governments in some combination can take an equity participating relationship. Those are things that are open to the Federal Government to discuss with us and they have authority of course to do something about that.

If in addition to that there is a desire to go even further and to allow provinces and provincial governments in concert and combination to establish chartered conventional banks, that they should be prepared to discuss seriously as well. And in addition transportation. Everybody, everybody, who aspires to political office in western Canada makes a speech on transportation at some time or another. The Member for Wolseley is trying to catch up with all of them in one month. But in any case, Mr. Speaker, let me say in the 30 seconds remaining that it is true that western Canada has a valid grievance insofar as transportation freight rates are concerned, and there is something that the Federal Government can be serious about if they're looking for specific ideas since they apparently don't have any themselves to date. And that is that given the fact that tariffs have been a matter of national policy for 100 years, practically, tariffs work in favour of the centre part of the country and militate against the periphery, therefore in western Canada we want, I suggest to the Federal Government that we seriously want an extension of process rates to all primary product process material fabricated here in the west.

Mr. Speaker, I sat through the Parliament of Canada for four years, one whole year of which was practically devoted to discussion of a several hundred page bill on transportation freight rates. It was supposed to be the great new Liberal charter of freight rates and

THRONE SPEECH DEBATE

(MR. SCHREYER cont'd) transportation. Mr. Speaker, it hasn't meant a damn, not a damn. It has been useless. Mr. Speaker, if there is one jot or tittle of serious intent and good faith on the part of the Federal Government they will admit that it's either all talk-- and there has been talk for 50 years about reforming our freight rate structure in the west. Ross Thatcher made a speech every time he went down to Ottawa on freight rates, to no avail. I have made the odd speech on freight rates to no avail. But there is one specific point in which all western Canadian provinces can be of one mind I suggest, and that is the very rational request: Crow's Nest rates on all primary product processing and the shipment of the processed product thereof from western Canada to export markets elsewhere in Canada and the world. It's either that or else it's all talk, and if it's all talk then I'll vacate the field to the Honourable the Leader of the Liberal Party . . .

MR. PAULLEY: Oh never, never.

MR. SPEAKER: The hour of 10:00 o'clock having arrived, the House is now adjourned and stands adjourned until 2:30 tomorrow afternoon. The Honourable House Leader.

MR. GREEN: Mr. Speaker, just on a point of order so that there will be no misunderstanding, I understand that the First Minister had the floor when the hour of 10:30 arrived. He had not concluded his remarks.

MR. SPEAKER: Ten o'clock has arrived only.

MR. GREEN: Excuse me, Mr. Speaker.