

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock Thursday, March 22, 1973

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the Honourable Members to the gallery where we have 30 students of Grade Eleven Standing of the Tuxedo Shaftesbury School. These students are under the direction of Mrs. Goodman. This School is located in the constituency of the Honourable Member for Charleswood.

We have 20 students of Grade Nine Standing of the Westgate Mennonite Collegiate. These students are under the direction of Mr. Dave Froese. This School is located in the Constituency of the Honourable Member for Wolseley, the Leader of the Liberal Party. And we also have 17 students of Grade Seven Standing of the Grosse Isle School. These students are under the direction of Ms. Cousins. This school is located in the Constituency of the Honourable Member for Lakeside.

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

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

MR. SPEAKER: The Honourable Member for Osborne.

MR. IAN TURNBULL (Osborne): Mr. Speaker, may I have this matter stand.

MR. SPEAKER: (Agreed) Oral questions. The Honourable Leader of the Opposition.

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MR. SIDNEY SPIVAK Q, C, (Leader of the Opposition)(River Heights): Mr. Speaker, my question is to the First Minister in his capacity as Minister of Finance. In view of the fact that city officials, or the City of Winnipeg officials are predicting a 15 mill or \$20 million municipal tax increase this year, does the Provincial Government intend to provide more money to the City of Winnipeg?

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier and Minister of Finance)(Rossmere): Mr. Speaker, as the Leader of the Opposition is aware, there have been meetings between representatives of the City of Winnipeg and of the Crown with respect to budgetary proposals for 1973-74. The Leader of the Opposition I believe is aware also that the alleged \$20 million projected increase is an administrative budget on its first submission. I am advised that there has been no, that is to say, no treatment of that administrative budget at the policy level so therefore I don't know what the net projected increase is, but the \$20 million figure is a gross figure on the initial submission.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: A question to the Minister of Finance, the First Minister. Will the province provide additional money to the City of Winnipeg?

MR. SCHREYER: We have made certain proposals. The matter is a policy one. It will be revealed, and not simply in due course, Mr. Speaker, but at the time of the bringing of the budget, which I can advise my friend, the Leader of the Opposition who asked about a week ago, will be brought down on Tuesday, March 27, 8 p.m.

MR. SPIVAK: Mr. Speaker, I wonder if the First Minister can indicate whether the government is considering any additional proposals and provisions for grants for roads and bridges, construction to the City of Winnipeg?

MR. SCHREYER: Well, Mr. Speaker, consideration has been given to all of the city's proposal as submitted some several weeks ago, a couple of months ago, but the answer really has to be looked in the context of the budget which will be brought down on Tuesday next.

MR. SPIVAK: Yes, to the Minister of Finance. Will the \$11 million to be received by the Federal Government in respect of equalization payments be assigned to the various municipal governments or directed to the individual taxpayers?

MR. SCHREYER: That will also be indicated in the budget; that much and more.

MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. I. H. (Izzy) ASPER (Leader of the Liberal Party)(Wolseley): Mr. Speaker, my question is to the First Minister. Is the Government of Manitoba or the Province of Manitoba

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(MR. ASPER cont'd). . . . applying to the Federal Government for a charter to operate a state owned provincially-owned bank?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, at this point in time the answer is No, but the Leader of the Liberal Party would be interested to know - well he is aware that mid-summer there is a conference to be held, a federal western interprovincial conference on western economic opportunities. We have designated, we have requested, I believe the request was accepted, that among the four or five major points of discussion one will be the adequacy of present financial institutions, the extent to which they serve western Canadian needs and what specific things can be done to improve on the present arrangements and the question of banking and very many related questions will be raised relative to banking at that time.

MR. SPEAKER: The Honourable Leader of the Liberal Party, a supplementary.

MR. ASPER: A supplementary, Mr. Speaker, to the First Minister: Is it the intention or desire of the Government of Manitoba to establish a state provincially-owned bank in Manitoba?

MR. SCHREYER: Mr. Speaker, as the Leader of the Liberal Party is aware, at this point in time desire would be academic, because the current, the present Bank Act of Canada limits Crown involvement in any chartered bank to ten percent and even that ten percent of stock is subject to what I would describe as severe limitations, very severe limitations, non-voting and - but limitations even beyond that.

MR. SPEAKER: The Honourable Leader of the Liberal Party, last supplementary.

MR. ASPER: A final supplementary, Mr. Speaker, to the First Minister. Is it the intention then of the Government of Manitoba to seek changes in the banking act which would permit the Province of Manitoba to establish a state owned bank?

MR. SCHREYER: Mr. Speaker, perhaps I could answer my honourable friend in this manner, that the prospect of a regionally based chartered bank, perhaps a little more innovative than most chartered banks, but a regionally based bank is of course an interesting prospect. What would be even more interesting is the idea of a regional bank that is based on widely held participation involvement, such as the Credit Unions and Caisse Populaire of Manitoba and Saskatchewan and hopefully Alberta; and what would be even more interesting than that would be such an arrangement that would have some meaningful participation by the Crown.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I would like to direct a question to the First Minister. Can he advise whether the study done by the Federal Department of Indian Affairs with regard to Cross Lake is yet available?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I'm sorry I missed the first few words of the question. I'm sorry.

MR. CRAIK: Mr. Speaker, several days ago the First Minister indicated that the government would attempt to get the report by Dillon and Associates for the Federal Department of Indian Affairs with regards to the levels of Cross Lake. I wonder if the government has been able to acquire the report and whether it is available to the Legislature?

MR. SCHREYER: Mr. Speaker, I'll endeavour to get that in my honourable friend's hands by Monday.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Thank you, Mr. Speaker. Mr. Speaker, I direct a question to the Honourable the Minister of Agriculture. I wonder if he can inform the House and the people of Manitoba whether or not any Manitoba hogs departed for Japan today?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture)(Lac du Bonnet): Well, Mr. Speaker, I have no knowledge of it. I know that it's possible that they may have but I don't know if they have.

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

MR. ENNS: A supplementary question, Mr. Speaker. The question arises out of the information the Minister gave us that none had departed since yesterday, so by way of notice, I want to indicate to him that I'll be asking that question tomorrow and tomorrow and tomorrow.

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MR. USKIW: Mr. Speaker, I would like to advise the honourable members opposite that there are certain options that may be exercised by both parties as to the delivery of those hogs pursuant to that contract we signed last year, so that, you know, we may have different situations from day to day.

MR. SPEAKER: Order, please. In respect to procedure I should suggest to the Honourable Member for Lakeside instead of repetition, if he wants to he may put it in writing and it will stay there until it gets answered. The Honourable Member for Roblin.

MR. J. WALLY McKENZIE (Roblin): Thank you, Mr. Speaker, Mr. Speaker I have a question for the Honourable the Minister of Education. I wonder can the Minister make a public statement to the House today re the alleged charges of racial discrimination in Winnipegosis Collegiate?

MR. SPEAKER: The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education)(Burrows): Mr. Speaker, I believe that according to the usual definition of a charge, for anything to constitute a charge then there's certain legal procedure to be followed. Insofar as alleged charges are concerned, I have no intention to inquire into what may be alleged but insofar as anything that may occur within the school system that may have any adverse effect on the operation of the school, then into those matters, Mr. Chairman, the department certainly will inquire.

MR. McKENZIE: A supplementary question, Mr. Speaker. I wonder can the Minister advise the House the type of inquiry that he's proposed to the school division of Duck Mountain and to the 23 Metis students in Camperville?

MR. HANUSCHAK: A proper one, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Roblin. Last supplementary.

MR. McKENZIE: Mr. Speaker, in further supplementary question, I wonder will the Minister advise the House the term of reference and the guidelines that he is going to set up for the investigation committee that's supposed to follow?

MR. HANUSCHAK: Mr. Speaker, instructions are given to staff and all working within the Department of Education daily and it is not my intention to transport the contents of my office or of anyone from the Department of Education to the office of the Honourable Member for Roblin.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Attorney-General. Will the matter of the alleged racial discrimination by 23 Metis students be referred to the Human Rights Commission?

MR. SPEAKER: The Honourable Attorney-General.

HON. A.H. MACKLING Q.C. (Attorney-General)(St. James): Mr. Speaker, I think any honourable member of this House or any honourable citizen in Manitoba can bring matters to the attention of the Human Rights Commission. When they do so in the proper manner, they are generally looked at.

MR. SPIVAK: To the Attorney-General, Mr. Speaker. Is the Attorney-General intending to bring the matter before the Human Rights Commission?

MR. MACKLING: Mr. Speaker, I have had no one indicate to me that there was a need for the Human Rights Commission to make inquiry. If the honourable member wishes to indicate that in a formal way, I'll be happy to convey it.

MR. SPIVAK: Mr. Speaker, my question is to the First Minister. I wonder if he can indicate to the House whether in the last few weeks there has been correspondence between his office or the government with the Federal Government in connection with proposals for wage and price control?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: There has been no formal communication Mr. Speaker, but I have had conversations with Federal Ministers in the course of the past three years, at which time I have indicated my view as a citizen with respect to the avoidability or non-avoidability of wage and price regulation in the short and interim run during a period of inflation.

MR. SPIVAK: A supplementary question. I wonder whether the First Minister can indicate whether at the finance ministers' conference to be held I believe next week, it will be the intention of the Manitoba Government to pursue the matter of wage and price control in Canada?

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MR. SCHREYER: Mr. Speaker, I'm not sure that the date is next week. I believe there is one scheduled to take place fairly soon, but my understanding is that the agenda is for the precise or specific purpose of dealing with matters relating to post-secondary education and health costs. And of course as my honourable friend I'm sure is aware, at these federal-provincial meetings it is difficult to get through whatever agenda items are put on in the first place and to add agenda items merely begs for incompleteness.

MR. SPEAKER: The Honourable Minister of Education. Order, please. Another supplementary?

MR. SPIVAK: Yes, to the First Minister. Will the Manitoba Government ask that the matter be placed on the agenda?

MR. SCHREYER: Mr. Speaker, certainly the matter of the problem of inflation is something that will require attention by the Government of Canada and for that matter require discussion with the provinces. I believe that the Government of Canada is well aware of its responsibilities. I have communicated concern in the past and am prepared to do so again. But to ask that it be put on this particular meeting's agenda I don't believe would be proceeding in a proper manner.

MR. SPEAKER: The Honourable Minister of Education.

MR. HANUSCHAK: Mr. Speaker, it has been drawn to my attention that the question of the Honourable Member for Roblin may have been prompted by a newspaper report and not by what he heard me say last night at Camperville. Because I did not say that I would initiate an investigation, but rather, Mr. Speaker, I said to the people of the Camperville community and the school division board that I would offer them the assistance of my office in attempting to resolve whatever differences there may be in order to provide a meaningful education program for the people of Camperville at Winnipegosis school in a manner that would not jeopardize the students.

MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. ASPER: To the First Minister, Mr. Speaker. In view of the fact that nearly three years have elapsed since Her Majesty attended the Special Session of the Manitoba Legislature, could the First Minister indicate what plans or what steps have been taken or will be taken and when, to produce some plaque or some memento in this building to commemorate the fact that the Queen attended a Session of this Legislature?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, it was my impression that we had made, as we should for due recognition and appreciation of Her Majesty's visit. Now it seems to me that the only reply I can give at this time is that I will take the matter up with our chef de protocole, if we have such a person, and with the Member for Swan River, who has good taste in these matters and see what if anything further need be done.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I would like to address a question to the First Minister, who is also Minister of Finance. Will the government also provide additional assistance to the Manitoba rural towns and municipalities when additional assistance will be given to the City of Winnipeg?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, the Honourable Member for Rhineland I'm sure is aware that we have indicated already approximately, oh one or two months ago, that there was need for some greater revenue sharing with local government, but that if we did so, it would be on a basis that was applicable to local government in Manitoba; and accordingly, my honourable friend will have to await the Budget Speech for further particulars.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I direct this question to the Minister of Health and Social Development. I directed this question yesterday and I wonder now can he tell us how much money has been spent on the renovations of the Ninette Sanatorium to date?

MR. SPEAKER: The Honourable Minister of Health.

HON. RENE E. TOUPIN (Minister of Health and Social Development)(Springfield): Mr. Speaker, I believe that the honourable member and I did not communicate yesterday in this House. I was wanting to know from the honourable member for what period of time that he

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(MR. TOUPIN cont'd). . . . would like me to give him these figures, because the honourable member is quite aware renovation work and what not is usually done by the Department of Public Works pertaining to the majority of departments of government.

Mr. Speaker, I'd like to answer questions put to me by the Honourable Member for Emerson last week in regards to the Extended Care Home at Vita. I would like to tell the honourable member that we have had meetings by means of officials of the Manitoba Health Services Commission with the people in Vita; we're looking at the needs of not only Vita but the surrounding areas pertaining to the possibility of building an extended care home at Vita, and a survey is being taken now and further meetings with the officials of that community will be held within a week or so.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Speaker, I direct another question to the Minister of Health and Social Development. I'd like to make a preamble. I think he knows exactly what I'm talking about, but if he wants specifics I shall ask him, how much money has been spent on the Sanatorium at Ninette by his department or other departments in the past 12 months.

MR. SPEAKER: I believe that is a matter for an Order for Return. The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, yesterday the Leader of the Opposition asked me what action would be taken to investigate allegations that a certain civil servant had engaged in improper conduct, and I suppose the term was "alleged bribery", with respect to certain persons at the community of Southern Indian Lake. I was hardly in a position to answer at the time since I did not have the letter which, or a copy of the letter which apparently my honourable friend had and I was going to ask him if he would be so kind as to send me a copy so that I might pursue it further. I've received this morning, in this morning's mail this letter, actually a copy of it, and I can advise my honourable friend that after perusing it the relevant paragraph of the letter is so vague it lacks particularization and I really have no recourse but to invite the writer of it to provide further particulars. Until such is received I have no intention to take the time of any law officer of the Crown in having the matter pursued. If further particularization is received then the matter will be dealt with through the proper channels.

MR. SPEAKER: The Honourable Member for Ste. Rose.

MR. A.R. (Pete)ADAM (Ste Rose): Thank you very much, Mr. Speaker. I rise on a point of privilege to correct a statement that appeared in today's Tribune, in which I am quoted as saying - I was speaking on the Estimates of the Minister of Mines and Resources - I am quoted as saying that bridges cost \$30,000 - \$40,000 each; this is incorrect. The three bridges cost approximately \$30,000 - \$40,000. I just want to be fair to the resource people.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is for the First Minister and it relates to the explanation given in connection with the letter from the Manitoba Metis Federation. In view of the letter and in view of the fact that the Metis Federation is one of the two main native organizations in this province, is it his intention to meet with the president and the executive of the organization or to communicate with them by writing?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, certainly if such a request is received. There in fact have been quite a number of meetings in past months and in the past few years and I can advise my honourable friend that I believe it was within the last six weeks that a meeting was held with representatives of the Federation executive, myself, the Minister of Northern Affairs, the Minister of Municipal Affairs in regard to a number of matters, including the question of hydro development, and I believe it lasted for something in the order of three to four hours.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: A supplementary, and again to the First Minister. In view of the fact that the letter essentially asked for the resignation of the Minister of Northern Affairs, does he not think it serious enough to meet with them?

MR. SCHREYER: Mr. Speaker, I really believe that sometimes the Leader of the Opposition succeeds in asking a question intended to be humorous but with a serious face. Because, Sir, my friend the Leader of the Opposition knows that calls for the resignation of one Minister or another are heard almost every day, for example, in the House of Commons,

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(MR. SCHREYER cont'd). . . . and you know nothing much is made of it. Since I have the opportunity, I want to tell the House and the world that I'm rather proud of the young man that represents the constituency of The Pas, the Minister of Northern Affairs.

SOME MEMBERS: Hear, Hear.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I'd like to address my question to the Honourable the Minister of Labour. Is it the intention of his department or the government to act on the report once it's received in regard to advising the minimum wage in the current or calendar year?

MR. SPEAKER: The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour)(Transcona): Mr. Speaker, in answer to my honourable friend, the Minimum Wage Board is hearing hearings throughout the province. I have not received the report. A time of the receipt we will have to consider as to what will be done with that report at that time.

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

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I direct my question to the Minister of Mines and Natural Resources. In view of the fact that Royal Agassiz Mines Limited have announced to their shareholders that they will cease development and exploration in the Province of Manitoba until the government announces its policy based on the Kierans Report, my question is, when will the new policy of the government be announced?

MR. SPEAKER: The Honourable Minister of Mines and Natural Resources.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management)(Inkster): Mr. Speaker, as soon as any company ceases exploration that will leave more for the Province of Manitoba to explore.

MR. SPEAKER: The Honourable Member for Emerson.

MR. GABRIEL GIRARD (Emerson): Yes, I'd like to direct a question to the Honourable Minister of Education. I'd like to ask him if I could receive from him the letter outlining regulations with regard to school termination that he assured me some ten days ago.

MR. SPEAKER: The Honourable Minister of Education.

MR. HANUSCHAK: Yes, Mr. Speaker, I'll see to it that the honourable member receives a copy of that letter today.

MR. GIRARD: I'd like to direct a question to the Honourable Minister of Universities and Colleges and ask him if he has any information on the two questions I gave him and he took as notice?

MR. SPEAKER: The Honourable Minister of Universities and Colleges.

HON. SAUL A. MILLER (Minister of Colleges and Universities)(Seven Oaks): Mr. Speaker, I just recall one question; I'm sorry I forgot to get the answer. I don't recall there was a second question, but I'll read Hansard and check into it.

MR. GIRARD: Mr. Speaker, maybe I can be of service and just repeat the question. One was with regard to the STEP program; who at the department would be in charge of that? And the other one was with regard to the number of students in the IMPACTE program.

MR. SPEAKER: The Honourable Member for Souris-Killarney. Order, please.

MR. GIRARD: Might I clarify a little further. I had asked the Minister of Education the number of full time teachers involved in the IMPACTE program, he gave me the answer of 64. And then I asked him the number of students in the IMPACTE program, and that is the one he took as notice.

MR. SPEAKER: The Honourable Member for Souris-Killarney.

MR. EARL McKELLAR (Souris-Killarney): Mr. Speaker, I'd like to direct a question to the Minister of Health and Social Development. Could he inform the House as who authorized the change of name of the D.A. Stewart Centre to Respiratory Centre?

MR. SPEAKER: The Honourable Minister of Health.

MR. TOUPIN: Mr. Speaker, this change of name was authorized by the Board.

MR. McKELLAR: A supplementary question. Did the Minister approve the decision of the Board?

MR. TOUPIN: Mr. Speaker, the Minister does not have to approve the decision of the Board.

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

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MR. SAUL CHERNIACK, Q.C. (St. Johns): Mr. Speaker, I'd like to address a question to the Minister for Municipal Affairs. In view of the CBC report yesterday on comments made by the Member for Assiniboia, I'd like to know if the Member for Assiniboia has supplied the Minister with names of government vehicles exclusively used in Winnipeg and insured as a No. 2 area, or whatever is the question area. Has he given that information to the Minister?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. HOWARD PAWLEY (Minister of Municipal Affairs)(Selkirk): Not one nth, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. INEZ TRUEMAN (Fort Rouge): Mr. Speaker, I have a question for the Minister of Health and Social Development. Could he tell us whether the arrangements have been finalized with the Federal Government for the inclusion of Manitoba's nursing homes under Medicare program?

MR. TOUPIN: Mr. Speaker, the inclusion of additional levels of care under Medicare do not have to be approved by the Federal Government. It's the cost sharing that we would like to see approved by the Federal Government; and we haven't reached a decision with the Federal Government pertaining to the cost sharing of additional levels of care as yet.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I have a question for the Minister of Mines and Resources. In connection with the reply that he gave to the Honourable Member for Portage la Prairie, are we to deduct from his reply that the government. . .

MR. SPEAKER: Order, please. Order, please. The honourable member may deduct whatever he wishes; that's not a procedure of the House. The Honourable Member for Rhineland wish to rephrase his question?

MR. FROESE: I'll rephrase it then. Is it the government's policy for that matter to discourage private mining companies to operate in Manitoba?

MR. GREEN: No, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Wolseley, Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, to the Mines Minister. Perhaps he might clarify or expand his answer when he was asked, in view of the statement by . . .

MR. SPEAKER: Question, please.

MR. ASPER: Well, will the Mines Minister confirm or deny that he is anxious to discourage private exploration?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: I was asked the question, in view of Agassiz Mining Company saying that they are not going to explore in Manitoba would the Minister consider a statement so that they would explore Manitoba. My answer was that if Agassiz Mines refuses to explore in Manitoba there will be more left for the public to explore. I have neither said that I would encourage or discourage mining exploration companies, and we have no intention of paying Agassiz Mines money so that they would explore in the Province of Manitoba.

MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. ASPER: A supplementary to the same Minister. When will the government make a statement as to its policy or the influence on its policy that the Kierans report's had.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, we've already made our statement of the government mining policy and I've indicated that that policy has not been changed by virtue of the Kierans report. The Kierans report is now being studied and the honourable member knows it. The alleged influence of the policy of the mining companies of the Kierans report, Mr. Speaker, is entirely speculative; I do not believe it has had any bad influence on the future prospects for the people of Manitoba to have a greater share in their resources.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. JEAN ALLARD (Rupertsland): A question for the Minister of Mines and Resources. Did Agassiz Mines ask for funds to explore in Manitoba?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, Agassiz Mines to my knowledge have not done anything more than other mining companies in Canada in trying to get the best possible deal, including tax

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(MR. GREEN cont'd). . . . concessions, including depletion allowances, including any other concession that they could get out of the people for the purpose of exploring in any of the provinces in Canada.

MR. SPEAKER: The Honourable Member for Thompson.

MR. JOSEPH P. BOROWSKI (Thompson): Mr. Speaker, I have a question for the Minister of Mines and Resources. I wonder if he's contemplating or planning on taking any action against Professor Newbury for releasing information that was gathered at public expense to his friends without it being first tabled in this Legislature?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I'm awaiting - I'm awaiting a request by honourable members who say that offences committed should be immediately investigated, including for the taking away of government property or the having in one's possession of government property which were improperly taken; I'm waiting for those people who say that investigation should be made of Ministers of the Crown when such things as they attribute as criminal offences have been committed to ask for the same investigations to be made of those people who are involved in the other things that the honourable member is talking about.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, I direct a question to the Honourable the Minister of Mines and Natural Resources. Could he indicate to the House who those friends and who those people are?

MR. GREEN: I am only aware, Mr. Speaker, that one honourable member of this Chamber announced that he had in his possession government property which the Minister had not yet seen, which has not yet been processed through the board, and which property was paid for and was the property of the people of Manitoba. I am only aware of one such member having made that public announcement without asking for an investigation as to how this thing occurred, Mr. Speaker.

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

MR. WARNER H. JORGENSEN (Morris): May I ask the Minister of Mines and Resources if he intends to conduct an investigation to find out how that information got into the hands of an honourable member?

MR. GREEN: I am waiting for the person who usually asks for such investigation to take place before I conduct such investigation.

MR. SPEAKER: Order, please. The Honourable Member for St. Johns state his matter of privilege?

MR. CHERNIACK: Mr. Speaker, the Honourable Minister of Mines referred to one member of this Assembly. Since I am one member I'd like to know whether he meant me?

MR. GREEN: I presume that 56 members of the Assembly have a point of privilege. The only member that I am aware of, Mr. Speaker . . .

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, in view of this would it not perhaps be advisable to have a public hearing to determine it?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, the Honourable Member for St. Johns has indicated to me that possibly 56 members of the House have a point of privilege. The only member who announced publicly that he has a report being the property of the people of Manitoba, which could not have come into his possession other than being improperly taken in circumstances which could amount to an offence under the Criminal Code, was the Leader of the Liberal Party.

A MEMBER: Shame

POINT OF PRIVILEGE

MR. SPEAKER: The Honourable Leader of the Liberal Party. Order, please. Order, please.

MR. ASPER: Point of Privilege.

MR. SPEAKER: The honourable member state his matter of privilege?

MR. ASPER: Point of privilege is that the Minister of Mines has incorrectly and improperly stated to this House that I said publicly that I had a copy of a certain report.

POINT OF PRIVILEGE

(MR. ASPER cont'd). . . . That is an incorrect statement; it would be improper if it were correct. I ask for an apology and a withdrawal.

MR. GREEN: Mr. Speaker, I am referring to a news broadcast which I saw on Monday night in which the Honourable Member, the Leader of the Liberal Party said that he had the report, and was showing it to the media apparently -a red copied report --(Interjections)-- well, Mr. Speaker, this is what I heard on television and I was watching the honourable member as he said it, saying that he had this particular report and that it was being suppressed, or words to that effect. If the honourable member now says that what he told the media was not correct, that he did not have the report, then indeed, Mr. Speaker, I would have to indicate that I would withdraw, yes.

MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, I don't know what the Minister is talking about. I have never said, I have never said or held out on television or to the media as the Minister suggests, a report that I had. I have never said that. What I said, and I am calling on the Minister to withdraw . . .

MR. SPEAKER: Whatever the honourable member did say is immaterial. He has explained that he has not said it, we'll take his word.

MR. GREEN: Mr. Speaker, I will certainly get transcripts of the CTV broadcast, and if I'm correct in what the honourable member said I will be glad to withdraw my remarks. I made my remarks in answer to the question that was asked by the Honourable Member for Thompson, I will certainly ask for the CTV remarks, and if my impression of what was said is incorrect then I certainly will withdraw it.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, on a point of order. It's rather - I'm not sure if it's amusing but it's somewhat awkward certainly. Two points, Sir. Number 1: I don't know whether the Minister of Mines and Resources can give the undertaking with respect to obtaining a transcript. It's my understanding that it is not always automatic that transcripts will be supplied by the electronic visual media. This is a problem.

Number 2: It might be, Sir, that it's not often, but there is such a thing as a Committee of this House on privileges and it hasn't been invoked very often or convened very often, Sir, in the whole hundred year history of this province, but it may be that this would be one way to deal with the matter.

MR. PAULLEY: Committee on Privileges and Elections . . .

MR. SPEAKER: The Honourable Member for Riel. The Honourable Leader of the Liberal Party.

MR. ASPER: On the point of privilege, Mr. Speaker. The Minister of Mines has made an allegation of fact, not an impression but a fact. I'm standing in my place in this House saying that at the very kindest he is mistaken. Now the next move, Mr. Speaker, on the point of privilege is up to the Minister of Mines.

MR. GREEN: Mr. Speaker, I have indicated that I will attempt to get the transcript. I would remind the honourable member that I was asked a question by the Member for Thompson, asking me what I am doing about the fact that reports belonging to the government are being improperly given to other people. I answered that question on my firm belief that I heard the Leader of the Liberal Party indicate, and specifying the name of the report, specifying that 18 copies had been sent to a particular department, and specifying that he had a copy of the report. -- (Interjection)-- Well if the honourable member now says that he did not say that, I will immediately withdraw and I will then go and get the tape from the television.

MR. SPEAKER: The Honourable Member for Riel. --(Interjection)-- The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, on this point I would like to add to the proposition made, or suggested by the Honourable the First Minister. That is the question or the fact, that we do have in our list of committees a committee called the Committee on Privileges and Elections, and it is this committee in my opinion, Sir, that would be the only committee that could compel the news media to produce evidence that may not, it may not be available to any individual member of this House. I would suggest that possibly the Leaders of the Parties in the House would meet to consider the advisability of the calling of the committee on Privileges and Elections to get to this whole matter.

POINT OF PRIVILEGE

MR. SPEAKER: Order, please. The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, on the point of privilege. I'm prepared to accept the honourable member's remark that he did not say what I attributed to him. I'm prepared to therefore withdraw the suggestion that he did say it, and I will attempt to get the transcript to learn exactly what he did say, and I think the matter can rest there.

MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, on the point of privilege, the First Minister has come up with, and the Minister of Labour has supported, a very wise course in this case, and I therefore call upon the First Minister to convene the Committee and I will look forward to the opportunity to appear before it.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I've indicated the sequence. The Honourable Minister of Mines has made it crystal clear just what he proposes to do. It will take care of the matter.

MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, we have had more than one occasion in this House in recent weeks where the Mines Minister has said that people on this side including me have said things that they have not said. . . .

MR. SPEAKER: Order, please.

MR. GREEN: . . . the honourable member's word. I have asked him to withdraw remarks where he has made misstatements, he has refused to do so. Now I've withdrawn the remark, I think that that is all that is expected of me. I will now see what the transcript said.

ORAL QUESTION PERIOD cont'd

MR. CRAIK: Mr. Speaker, I now have an important question to the Minister of Agriculture and it relates to the earlier discussion regarding the shipment of hogs to Japan. I wonder if he would undertake to advise the Minister of Mines and Resources that pigs don't come in bunches, they come in litters. Would he undertake to advise the Minister of Mines and Resources who made comment during that exchange of questions and referred to a "bunch" of pigs on No. 1 West; would he please advise the Minister that pigs come in litters and not in bunches.

MR. USKIW: Well, Mr. Speaker, there seems to be a lot of interest on the movement of pigs in Manitoba, I would suggest that if they think that they are touring the province that they check with the Honourable Minister of Tourism and Recreation.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. TRUMAN: Mr. Speaker, I have a question for the Minister of Finance. Will the increases in the rates of Social Allowances be included in the budget that's to be brought down on Tuesday?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I believe the arrangement is that it will be announced in specific terms by the Minister of Health in the presentation of his Estimates, or in the Budget Address whichever comes the sooner; and even if it comes in the Budget Address sooner there will be amplification or elaboration of it by the Minister of Health and Social Development. Well I better not say more at this time.

MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. ASPER: To the Mines Minister, Mr. Speaker. In view of the answer he gave to my honourable friend from Portage la Prairie about the subsidies and grants and so on sought by Agassiz Mines, is it a fact that Agassiz Mines have spent \$1.5 million in this province exploring for their site at Lynn Lake?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, that may well be. It has nothing to do with the other comments that I made.

MR. ASPER: Has the Province of Manitoba made a grant of any kind to Agassiz Mines

MR. GREEN: The Province of Manitoba in concert with all of the other people of Canada have passed considerable concessions to the mining companies in order to attract the development in their respective provinces.

MR. ASPER: Mr. Speaker, was any specific grant made from the Province of Manitoba

ORAL QUESTION PERIOD

(MR. ASPER cont'd). . . . or assistance or any kind to have Agassiz Mines spend \$1.5 million exploring this province?

MR. GREEN: Mr. Speaker, I don't know what the honourable member is referring to. Agassiz Mines spent one million five in the Province of Manitoba in the hope of making more than one million five as a result of that expenditure.

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

MR. FROESE: Yes. I have a question for the Minister of, the Attorney-General. What are the considerations or the basis for opening up new liquor outlets in Manitoba?

MR. SPEAKER: The Honourable Minister Attorney-General.

MR. MACKLING: Mr. Speaker, if the honourable member will listen then I'll try and address myself to his question. First of all the opening of liquor outlets is of course governed by an Act which is called the Liquor Control Act of the Province of Manitoba and there is a Commission that is established pursuant to that Act and pursuant to that Act various areas can opt for various kinds of liquor licenses. Now he happens to know the situation in some of the area in which he represents and they decide for/against various types of license. Once the people have made those decisions or their views known through the mechanisms that are available pursuant to the Act then it is open to the Liquor Control Commission Board to grant licenses where applications have been made and they are reasonably satisfied that the licensees can operate those licensed premises in accordance with the Act, and that's how licenses are granted.

ORDERS OF THE DAY

MR. SPEAKER: Orders of the Day. Order for Return. The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, I wonder if I would have the privilege of the House to have this matter stand for another day. I have not had the opportunity to undertake that further examination.

MR. SPEAKER: (Agreed) The Honourable House Leader.

GOVERNMENT BILLS - SECOND READINGBILL 23

MR. SPEAKER: The proposed motion of the Honourable First Minister. The Honourable Member for Emerson.

MR. GIRARD: Yes, Mr. Speaker, I do not wish to speak at length on this but I would like to make reference to some of the ways in which the moneys that we are asking for in this bill are likely to be spent. And I would like to deal more specifically if I could with the areas of education, financial responsibilities that will be borne in part by this allocation.

I would like to chastise the Minister of Education for having not taken his responsibilities seriously, having inconvenienced school boards in Manitoba by withholding information that has been available to him for some weeks now. The information more specifically that I'm referring to, Mr. Speaker, is that of the grant changes, the changes in the foundation program that will be made during this current year. And those changes that will be made will have to be effective, Mr. Speaker, retroactive to January 1st. Now, Mr. Speaker, the . . .

MR. SPEAKER: Order, please. I wonder if we could have a little less noise so I could hear what the honourable gentleman is trying to say. The Honourable Member for Emerson.

MR. GIRARD: I heard the Minister of Education ask me "what are the changes". Well, I would like to make it that kind of announcement, Mr. Speaker. Seeing that the Minister has not made the announcement I think that I should take it upon myself to tell the school divisions of Manitoba what I expect the announcement will be like. Basically the announcement will present a little bit of goodies to all people involved in the field of education but it will solve no problems. It will say something like this, Mr. Speaker: We are concerned about the areas that are of low assessment per pupil and therefore we don't propose to give the same grant to everybody in Manitoba. We will assist those divisions that have a low assessment per pupil. It will say something like this, Mr. Speaker; We plan to increase the per pupil grant from \$18 which it is today to \$50 per pupil, that's what it will say. And it will say, Mr. Speaker: We will not do this uniformly because those divisions that have a high assessment per pupil will not need it and therefore we will allocate more of this money up to a maximum of \$50 in

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(MR. GIRARD cont'd) areas of low assessment. Now of course --(Interjection)-- Yes, certainly.

MR. MILLER: I wonder if he has a fishing license.

MR. GIRARD: Mr. Speaker, I'd like to . . .

MR. MILLER: I was just asking whether you had a fishing license?

MR. GIRARD: Well, as a matter of fact, yes, Mr. Speaker, but I'm not using it right now because I've been fishing for some weeks as you will recall, and we will know, Mr. Speaker, if I'm pretty close to the mark, we will know, we will know in the Budget Speech. Because the reason why it wasn't announced when it should have been announced was that the government wants all the goodies in one package called the Budget Speech, you see. So at the risk of inconveniencing school divisions we are prepared to withhold that information until we can splash the goodies over the province on the election year. I think that's unjustified, Mr. Speaker.

And now, let me tell you how this will inconvenience, or has inconvenienced the school divisions of the province. On March 15th according to the law, the school division must submit its financial requisition to the municipality and the municipalities then strikes out the mill rate that will in turn raise sufficient funds. Now the school divisions that are by law requested to submit their requisition on March 15th cannot do so with the freedom that they ought to have in budgeting unless they know what changes will occur in the grants during that year, because the more increase they have in grants the less they will require in terms of special levy and vice versa. And therefore . . .

MR. SCHREYER: Mr. Speaker, may I direct a question to the honourable. . .

MR. GIRARD: Absolutely. I'll be glad to.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Is the Member for Emerson intending to or meaning to say that school divisions in their budgeting follow such a course of action, an alleged irresponsible course of action that their expenditures are determined not by what - by what is needed really but rather by what amount of money is available by way of grant? Is that how they do their budgeting?

MR. GIRARD: Mr. Speaker, I'm very surprised at that question because that shows that even the Premier didn't understand what I was saying. If you have a fixed amount of expenditure per pupil satisfactory to that division, they budget it will be X number of dollars, and that X number of dollars comes from the make-up of the grant and the special levy. If you increase the grant you decrease the special levy . . .

A MEMBER: Of course.

MR. GIRARD: Well that's exactly what I said, Sir.

MR. SCHREYER: Mr. Speaker, may I ask a question --and the last one, I will not ask a third. It's important to know, Sir. Is the Member for Emerson suggesting that expenditures in the final analysis approved by school trustees are determined not by what in their judgment is really needed but rather on the amount of money available to spend, and that the more that is available the more they will spend instead of trying to save it for the local taxpayer? Is that what he's saying?

MR. GIRARD: Mr. Speaker, I said exactly the opposite, but I want to assure you that I was coming to that point, because that is exactly what my honourable friends across think and they are the ones who are saying by their actions that school divisions are irresponsible. They are the ones that are saying by their actions, we can't trust school boards because if we tell them ahead of time what the grant will be and if we have increased the grant, they'll increase their expenditures. And if they increase their expenditures and spend it on the students of Manitoba, Mr. Speaker, in their mind that is not justified. I suggest to you that that is irresponsible in the sense that it is removing from the local school division boards an autonomy that should rightfully rest with them by law. And you are yourselves jeopardizing their own opportunity to use it within the law. You're causing them to break the law by not giving them the information when it is due, Sir. --(Interjection)-- Oh, yes, we're transferring more money. Oh, yes, we're giving them more money. Well we're sure slow in making those announcements, but it will come in the package of goodies.

But that is not all we will hear in terms of -- that is not all we will hear, Mr. Speaker, when the final announcement is made by the Minister of Education or by the Premier with regard to grant changes. He will say there will be a lowering of the general mill rate in the

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(MR. GIRARD cont'd). . . . Province of Manitoba. And that's a great achievement, because that says Mr. Speaker to the Public we are decreasing taxes; but it doesn't say that by that very action we are increasing the disparity that exists in our educational system in Manitoba. It is a retrogressive step and one that is callous.

Now how much will that decrease take, how much will that decrease be Mr. Speaker? Well I cannot say for sure because my source of information is not all that consistent I suppose. My source of information is the Rolling River School Division budget in this case and it says, Rolling River says, well the mill rate will be lowered to 6.7 mills where it is 8.4 today. Now it might well be that they will decrease it from 8.4 to 6.7; it might be decreased even more. And that will be the goodies that we will tell Winnipeg: Look we have decreased your taxes. And to the areas of low assessment, they'll say, your goodies are an increase of \$32 per pupil per year.

Well, Mr. Speaker, they won't say in that same announcement that the increase in costs, the total increase in costs of education is somewhere in the area of \$50 per pupil per year. We have had five years without an increase which would amount to some \$250 in total educational costs, but we've had \$18 grant one year ago. You know that is very significant -- and we're getting another \$32 this year Mr. Speaker. We're really doing something to equalize the educational opportunities across the province.

A MEMBER: You're a poor fisherman.

MR. GIRARD: Well if I'm a poor fisherman, Mr. Speaker, we'll soon find out. We'll soon find out because that budget is around the corner. I might tell you that -- at the risk, at the risk of endangering some of my friends who are no doubt in the civil service, I want to assure the Minister that my information does not come from the civil service, it comes from your own political people, from those same people you are thinking of yourselves in a more political way, and they have the information that I don't have on this side.

I am rather surprised, Mr. Speaker, that we haven't heard a great deal more from the Manitoba School Trustees Association and the Manitoba Teachers Society, they are not really speaking out; but I can assure you, Mr. Speaker, that they are very concerned about this matter and they are frustrated and there is no justification for this kind of delay of such vital information, other than saying to them indirectly, we don't trust you in the administration of school affairs.

I asked the Minister a few days ago -- and by the way, I suppose it would not be very strange if I suggested to you that the Minister of Education fails on most occasions to answer questions, and I sympathize with him because really I have the conviction that he doesn't really know what the answers are -- and I'm amused by the way that the Minister of Universities and Colleges must pull the right string in order to get the right noises, but I am amazed that even with that combination we sometimes get the wrong answer. -- (Interjection)-- Oh, yes, you've misled him in statistics once, you've misled him philisophically many times.

Mr. Speaker, I asked the Minister yesterday you know, how come it is that Winnipeg in operation costs alone spends \$925 per pupil per year, when the rest of Manitoba spends some \$650 per pupil per year on operation costs? And he says well, maybe that's because of assessment difference or the tax base difference; that is why. But what he was saying, Mr. Speaker, is that school divisions are spending on the basis of their means, Winnipeg has the means therefore they're providing the Cadillac kind of education that other areas cannot provide. What are we doing about it? We're providing the crumbs to the other areas in terms of \$32 per pupil increase in grants; and we call that equalization. We say we believe in equal opportunity for the students of Manitoba. I asked the Minister at the same time how come is it that Winnipeg can afford to spend 20 percent of their teachers -- or pay for 20 percent of their teachers above grant whereas the rest of the province spend somewhere around 7, 8 or 9 percent of their teachers above grant. And what does that prove says the Minister. The Minister doesn't even understand. As a matter of fact, the Minister has said that you know the ratio between students and teachers does not necessarily say you're getting a good educational system or a better educational system. He has said, you know, there is really no relationship. Well I say if that is the logical thing for you to say, Sir, why don't you have only one teacher per school? Why don't you extend the ratio to 40, 50 or 60 pupils per teacher, that would be much cheaper you know. Have you thought of that?

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(MR GIRARD cont'd)

A MEMBER: Yes, you really want to fix me, eh?

MR. MILLER: I want to know whether the member is aware that the City of Winnipeg pays more into the Foundation Grants than it receives under the Foundation Program by about two-thirds--one-third ratio.

MR. GIRARD. Oh, yes, Mr. Speaker, and I expected that kind of rationalization. You see, what he is saying, and what we have heard now, is the Mayor of East Kildonan, you know what we have heard now is that kind of attitude that says, you know Winnipeg is already supplementing the rural community, did you know that? And I say, yes I knew that, oh yes I am claiming they are, but I'm claiming that they're not supplementing them to the point where we can call equal opportunity of education in the Province of Manitoba. --(Interjection)--

MR. SPEAKER: Order, please.

MR. GIRARD: Oh, I am well aware that they are supplementing and you don't like that. You don't like that, that is why you decrease the general mill rate. That is why you have decreased it furthermore, because that is the only mill rate that will cause this kind of equalization between areas of high assessment and low assessment. That is why you introduced in this House a Bill to equalize the areas of Winnipeg itself. You believe in equalizing educational opportunities in Winnipeg, but not in Manitoba, not in Manitoba because that would cost too much money, we can't afford that. So we say, we believe in equal opportunity for students, but what do we do, we keep giving the crumbs -- and I repeat that, to the areas of low assessment and we forget that they might realize that they are not getting a fair shake.

I want to say more about the Greater Winnipeg special levy, Mr. Speaker, That levy, and I supported it, was destined to equalize the divisions within Winnipeg. If you had one division that had more assessment per pupil than another, we levied at a cost of the division that was spending the least number of dollars per pupil above the grant. And we were not very surprised on this side of the House when we found out that that area was Seine River School Division, namely St. Norbert. As a matter of fact, Mr. Speaker, when the Bill was introduced, very I suppose, accidentally or coincidentally, St. Norbert wasn't on, we had chosen the area but we had forgotten St. Norbert, and it was only at my insistence that the Minister included it in the Bill. And what happened? When the Minister included that in the Bill it provided an equal opportunity to the students of St. Norbert in terms of taxation as well as in terms of expenditure to the rest of Winnipeg. And now we have a very interesting situation. St. Norbert is in the Seine River School Division; they get the same number of dollars per pupil spent as those kids that are in Lorette or Ste. Annes or elsewhere, but the parents in St. Norbert are paying 19 mills less than the parents in Lorette, in Ste. Anne, Woodridge, or wherever. For 19 mills less they get exactly the same type of education. That 19 mills, Mr. Speaker, shows you the amount by which the rural community that is low assessed -- and not all rural school divisions are -- but that the amount by which the rural school division that is low assessed has in disadvantage to that of Winnipeg -- and Winnipeg I mean Metro Winnipeg. My students, my own kids in Winnipeg get more dollars spent in their education for fewer mills than anybody in my constituency and I think that that is just not fair.

Now I think, Mr. Speaker, I would like to talk a little bit about an area that concerns me as well, and that is of course the area of Sprague where we have very specific assessment problems; and I want to talk about the inconsistencies of the Minister of Education in his band-aid approach which effectively has destroyed the Foundation Program. The Minister in his wisdom, with all his power, decided to interfere in a locality that was governed by a school division board, and by interfering in that locality, Mr. Speaker, if he took any very stringent action, he would be breaking the law, because in the first place it was not his business, it was the business of that particular school board. The consolidation of schools is a matter which rests by the Act within the powers of the school board. But not when we have this Minister. He says Ninette is a demonstration project. We are going to demonstrate to the world that with extra money, you know, that little school can keep going. With extra grants we can keep it going. Do you deny, Sir, that there are extra grants going to Ninette?

MR. SPEAKER: Would the honourable member address his remarks to the Chair and not to the individual?

MR. GIRARD: Mr. Speaker, are you talking to me or to him?

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MR. SPEAKER: I'm talking to the member that's on the floor.

MR. GIRARD: Oh.

MR. HANUSCHAK: Mr. Speaker, I never said that with extra money we'll keep small schools going.

MR. GIRARD: Maybe he didn't say that, maybe he didn't, Mr. Speaker, I give him credit for that. But that's exactly what he did anyway, that's exactly what he did, but maybe he didn't say it. And now, Mr. Speaker, we find that Ninette, which is in a school division of higher assessment per pupil than the area of Sprague, can be qualified for a demonstration project, Mr. Speaker. It must be something exceptional, but that area in Sprague does not qualify.

MR. HANUSCHAK: Why not?

MR. GIRARD: The Minister asks me why not. I don't know, he ought to tell us why not. I'll give you an example why I reiterate that it doesn't seem to qualify. I've been talking of low assessed areas, and I talk specifically about Sprague, when you were Minister of Education in the last session but what has been done? Nothing. Sprague has received an extra grant at one time, because of a mistake or some budgetary information that was incorrect, and the Minister in all his kindness said okay we'll give you that one grant for the year and we won't deduct you that grant even if your enrolment decreased.

And so this year, Mr. Speaker, something else happened. I went to see the Minister and I said well you know, we have the same problems in Sprague, and I used the expression that because we're not providing education for our handicapped kids, I said this was only the tip of the iceberg, that the real problem is we're providing skeletal kind of education in areas that can't afford any more, And the Minister suggests to me, well why did they not apply for the same grant as last year? And so I said, I'll refer this matter to them. And when I referred this matter to them, Mr. Speaker, they showed me the letter that the Minister had signed himself saying, look fellows, you don't qualify. That seemed to indicate to me, Mr. Speaker, that you didn't even acknowledge their qualification for that one grant; that hardly tells me that you are going to consider providing reasonable assistance to that kind of area. So that their mill rate could drop, maybe not equal with Winnipeg, maybe that's asking too much, but let's say within 5 mills or so.

A MEMBER: Would the honourable member permit a question?

MR. GIRARD: Sure.

MR. SPEAKER: The Honourable Minister of Education.

MR. HANUSCHAK: Could he assure me that the information that he provided me in my office was identical with that that I may have received from the school district originally with respect to the special grant?

MR. SPEAKER: The Honourable Member for Emerson.

MR. GIRARD: Yes, I can assure him of that because there is only one special grant that has been received by that area of Sprague and I spoke of that special grant. Are there others? --(Interjection)--

MR. SPEAKER: Order, please. Order, please, Let's not have a debate across the floor. The honourable member may ask for the floor again.

MR. GIRARD: Mr. Speaker, in view of having revealed the changes in the Foundation Program and in view of the goodies that are going to be included in the budget, I say that that is negligible in terms of what we really need.

I'd like to point out one other aspect, because what this government has done is spread out the goodies very thin but covering the whole spectrum. To Winnipeg they are going to say, we're going to soften the burden by decreasing the general mill rate. That way you don't have to provide the remote areas any more of your money, we'll provide a little less and remote areas will not even notice it. You know, they probably won't even understand that we're doing when we talk about we'll decrease the general mill rate. So they've got their goodies to the high assessed areas.

To the low assessed areas, they say well we've increased your grant per pupil to \$50 that will sound real good, but we've left out the teachers. And do you know what they've done with regard to teachers? Oh they said well we'll look after your pension plan, that will be your share. And I suggest to you, Mr. Speaker, that this kind of band-aid approach, this

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(MR. GIRARD cont'd) is a veil rather than really attacking the problem. It confirms that the members, or the government, has no desire to provide equal opportunity for the education of students in Manitoba. It shows that they have no respect for the responsibilities of school division boards; it shows that they don't care about the aggravation within school divisions as well as inter-school divisions with regard to the frustrations because of the assessment differential problem. I suggest, Mr. Speaker, that they've made a shambles of the financing of education, and, Mr. Speaker, I feel very strongly that if I were in the Minister's shoes and had done that kind of thing I would seek to vacate that seat and sit in the back where I belong.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I thank honourable members for their contributions.

MR. SPEAKER: Order, please. May I suggest that the honourable member will be closing debate when he speaks.

MR. SPEAKER: The Honourable Member for Souris-Killarney.

MR. MCKELLAR: Mr. Speaker, I would like to say a few words on this. I know the First Minister is anxious to get this Interim Supply Bill through so that he can have his financing after the 1st of April, for a three month period which will likely look after during the election period, which I imagine is going to be called very shortly.

After having fought five elections I'm sure looking forward to the sixth election. I don't know whether the First Minister's got me beat one election or not but he went to Ottawa and had a Federal election I think, so he might be one ahead of me. But we both started at the same time anyway, 1958 anyway, and he's around and I'm around so the casualties have been pretty severe in this House since 1958. But more has changed than the personnel. This is what I want to speak on, the philosophy of the New Democratic Party and how it has affected the Province of Manitoba during their four years in office. This is what I want to speak on, as a rural member in the Province of Manitoba and one who has represented that particular constituency for 15 years and seen the development take place during the time that we were in office and prove to the members here how little development has taken place during the last four years.

We hear from the Minister of Industry and Commerce from his glowing voice on television and radio and read his name in the Brandon Sun quite frequently, of all the things that have taken place. I can't name one new industry that's set up in my constituency, but I can name some that have been, not totally destroyed, but partially destroyed. And I will relate that later in my few words.

We've heard about the quality of life, we've heard that mentioned by many of the Cabinet Ministers about how our economy has progressed to the point where we're riding so high, we're going above even the average level of the Dominion of Canada. But, Mr. Speaker, this isn't the way the people in my area tell it. They say that you got to have to have twice as much dollars to go half as far. And this is the problem of the day, this is the problem of the day, it's all across Canada. But the problem is greater in our province here.

MR. SCHREYER: One percent lower.

MR. MCKELLAR: It's greater in our province here, Mr. Speaker.--(Interjection)-- I don't relate DBS because I could all tied up in figures. I'm relating, I'm relating -- Mr. Speaker anybody can make a speech on figures. It's been made, many have been made in this House. Our Cabinet Minister used to make them, you're making them there, but nobody's ever proved anything with figures because the next fellow can tear them all the pieces and make a good speech out of tearing them to pieces. So I'm not going to use figures. I'm just going to use good common sense which usually is what farmers talk about, common sense. And they talk on the corner of the street, they talk in the curling rink, they talk everywhere that you want to talk to them, and I met many of them in the Town of Killarney last weekend during St. Patrick's Day.

MR. SCHREYER: Has the price of curling stones increased?

MR. MCKELLAR: I'll know better after this weekend when I'm in Boissevain.

Mr. Speaker, the working man tells me that he's not any better off than he was four years ago. The farmer tells me he's not any better off, he's just trying to pay some of the debts that he's created during the last four or five years during the poor prices and poor quota years. And I must admit that all is not the fault of here. A lot of the fault lies right in Ottawa and

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(MR. McKELLAR cont'd) they're only just realizing now what we've been telling them all those years, that you have to go out and get markets. You have to go out and get markets. And this is what they done. It doesn't take me very long to remember, like it was four years ago, we sold 20 million bushels of barley on export market. Now, Mr. Speaker, any farmer can tell you that he's not going to get very rich, and he's not going to get very rich today because barley's only worth 81 cents for No. 1 feed in the elevator, 56 cents gross in the elevator. I'm talking about the take-home pay in my pocket.

Mr. Speaker, if it wasn't for rye and flax and a few of the other things that are on the open quotas where you do get a dollar, that's what's helping the farmers right today. --(Interjection)-- Mr. Speaker, I'll talk to you about the final payment too. Final payments, I didn't get enough to hardly go to Winnipeg and back, that's about as much as I got.

Mr. Speaker, the quality of life hasn't progressed in the Province of Manitoba in the last four years and it won't progress in the next four years simply because the belief of the socialistic party says that you can tax people to the point of no return. Take the incentive away from the individual and what you got left. You've destroyed the doers, and I'm telling you, Mr. Speaker, we want more doers in Manitoba, more doers.

MR. ENNS: And more hewers.

MR. McKELLAR: And we hope to get them.

MR. ENNS: Hewers, hewers, hewers of wood and water.

MR. McKELLAR: Mr. Speaker, I don't need any help from my partner here, my colleague. Mr. Speaker, I'd like to relate here. I happen to be one of those who not only stop, look and listen, I guess I've been looking and listening for this session because it's exactly one month today since the session started and this is my first speech, and I want to say that with colleagues like the Member for Lakeside on my right and the colleague on the left here -- not my colleague but I mean the Leader of the Liberal Party on my left here -- you don't get much of a chance to get a word in edgewise and I'm just trying to, I always give a -- Mr. Speaker, since your job has been a little rougher this time I'll try to keep the comments on the other side, I'll try not to be too controversial in my remarks.

Mr. Speaker, I want to relate, and I think this is a good time as any, to what's happening in my area. I think the most important thing that's happened is the closing down of Ninette Sanatorium and the lack of any policy on the part of the government to come up with something that would relate to that particular part of Manitoba.

Mr. Speaker, we had an industry with a half a million dollar payroll, annual payroll, an industry which right now there's about four people firing the boilers, two people in the kitchen and one person in the laundry and that's the extent of the labour force in the Ninette Sanatorium. And today the Minister of Health and Social Development -- and I don't know whether he's all to blame or whether it's the part of the government itself and the policy makers within that government but I'm saying that --(Interjection)-- we want a personal care home, that's what we want. We want a personal care home, and that's what the people are asking for, and there's a meeting on next Wednesday night in Ninette and I'm sure that you must have got an invitation by now to go to that meeting. If you haven't it's there in the mail. I'm going to be at that meeting and I attended all the meetings that have been held at Ninette and they're anxious that something, some leadership come out from the government at this time.

Mr. Minister, I hope that you're there on that evening because it's a night that we don't sit in this Legislature, and I hope you do go this time. --(Interjection)-- Yes, I'll take a . . .

MR. SPEAKER: The Honourable Minister of Health.

MR. TOUPIN: Mr. Speaker, the question to the honourable member is: in view of his recommendation pertaining to the setting up of a personal care home in Ninette Sanatorium, could he inform the House on the number of patients that could be referred to that personal care home and the nearest hospital facility where such patients could be treated in case of emergencies?

MR. McKELLAR: I'd be glad to answer that, Mr. Speaker, I'd really be glad to. What land development corporation took a survey of that particular part of the province and have over a hundred applications in their hands right now for personal care patients that qualify for personal care. That's only one phase. Dr. Lommerse who has been associated with this informs me that he knows of other people who didn't respond to that advertisement in the weekly

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(MR. McKELLAR cont'd) newspapers in the southwestern part of the province. So that looks after that. And even if there was only one person out of every two went to Ninette to that personal care home, that still permits 50 beds to be set up at that time, at this present time. This information is there, WestMan have it under Mr. Rod Bailey, I know that.

Now getting back to hospitals in southwestern Manitoba. We have lots of hospitals within a 20 mile radius and I'll name them: Wawanesa, Glenboro, Baldur, Cartwright, Killarney --(Interjection)-- Crystal City is a little farther, I'm trying to relate in this general area; and if you want to go to Boissevain it's a little farther, it's 35 miles, Boissevain. Mr. Speaker, we do have lots of hospitals, we do have lots of hospitals these people can be referred to and I must say the doctors have been very co-operative in that part of the province in trying to support a personal care home in that area and I've heard them express their view at many meetings in Ninette when they attended. And I also want to say that the support that the rural municipalities have given towards the setting up of personal care homes, all of them in that general area have supported the setting up of personal care home in that area and they signed a resolution to that effect. They did that last fall back in harvest time at a meeting I -- they supported this resolution. And the resolution went to the Union of Municipalities and the Union of Municipalities brought this up at a meeting they had with your Cabinet. I don't know whether you were there but the Minister of Colleges and Universities was there, but he intimated that if they could get set up on a trial basis -- and this is all we're asking for, set it up on a trial basis, give the people a chance to prove themselves and if it doesn't prove out well you haven't lost anything anyway. But at least we've tried to encourage a new industry or carry on something in Ninette to take part of the loss of the half a million dollar payroll that was there during the period of time the Sanatorium was in operation. Mr. Speaker, this is one of the problems, and I'd be remiss if I didn't relate again once more, because I might not be back here, who's to say.

A MEMBER: You'll be back, Earl.

MR. McKELLAR: I'd be remiss if I didn't relate what the government did to another wonderful village in my area, the village of Wawanesa how they really hit it with both -- but the Wawanesa hadn't died, I tell you that and they won't die either. Wawanesa Mutual they went to other provinces where we don't have a socialist government and they built their premium income up higher than it was the year before. But they didn't do it in Manitoba, they didn't do it in Manitoba. These are real free enterprisers, Mr. Speaker, and they'll be around for a long while, you better believe it. They'll be around for a long while. Their premium income was over \$50 million this year; the assets of the Wawanesa Mutual Insurance Company is \$96 million and their surplus is \$23 million, and I tell you it's a company to be reckoned with in the Dominion of Canada.

But what's happening to a company like this? Not only they get a slap in the face right in Manitoba but those socialists up in B. C. give them a slap ten times worse than you fellows did and I tell you that's not the kind of appreciation that a company that's been established in 1896 deserves in the Dominion of Canada. Canadian company, most of the directors are from Manitoba doing a fine job - a mutual company. This is not a stock company -- I don't suppose you people over on that side know really the difference between a mutual company. Everybody that holds a policy is a voter at the annual meeting, every person that has a policy. This is the kind of a company, the profits are turned back to lower the rates and this is the philosophy that we were telling you all the time existed.

But another factor, Mr. Speaker, that I want to relate, of all the income tax loss to the Province of Manitoba, because of the lost revenue, and I know their income tax, while their premium income was up, their income tax that they pay was down considerably this year. This is one of the things we want to encourage, is head offices in Manitoba. The great thing that the First Minister's been trying to relate about all those high-priced companies, your banks and insurance companies that put their head office in Toronto. Well, Mr. First Minister, we had one of the largest companies, and we have one of the largest companies, and you're trying to hit it and you're hitting it and I wouldn't be a bit surprised, Mr. Speaker, I was listening with great alarm at some of the things the Member for Emerson was telling me about what he thinks should be in the Throne Speech --(Interjection)-- no, Budget Speech -- but I don't know what's going to be in the Budget Speech, but I'll bet you anything, that I know what's going to be in the election campaign material, that we're going to look into the study of whether we go into fire

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(MR. McKELLAR cont'd) and life insurance. Now I bet you that'll be in because I know one group of socialist aren't going to be outdone by another, and I'm sure that this will be in the election material that we're going to receive.

A MEMBER: You have a fishing license but you're a poor fisherman.

MR. McKELLAR: Mr. Speaker, I'm not one of those that go around fishing and hunting; I'm one of those that love animals, love fish, and I just let them look after themselves. I've never fished --(Interjection)-- You keep quiet. I've let the other people do all the hunting and fishing and I don't even -- if I had a little more help from my partner here, if he'd help me instead of hindering me he'd be a little better off.

Mr. Speaker, I'm going to relate to agriculture here now because I wish the honourable --here he comes now-- it just happens that I just hit it at the right time.

And I want to tell you a little experience of what the farmers of Manitoba had, what the problems we had that were created by the Minister of Agriculture during the last 16 months. You know, Mr. Speaker, one of the best piece of advice that my father ever gave me was, he said, "if you did everything opposite to what the government tell, you'd be sure to make a good living farming." And this is the advice I've always followed.

A MEMBER: When did he say that?

MR. McKELLAR: He told me that when I left school and that was a long long while ago, too, and I won't tell you what year. And I tell you that's been right, that's been right. I can remember so well back in the 30's when they told us to summer fallow, and you get a dollar an acre if you summer fallowed, and all this and that. Well he said, we'll go out and sow more grain than we ever did, because that's what we'll do, and this is -- we're right.

Now I want to tell you what advice the Minister -- he was out to Brandon a year ago in January, and he had a large group of farmers there and he told them, there's no future in oats and flax, just no future in it; don't grow it, because you're going to end up with -- if you did have it you'd regret it.

Well I want to relate what happened to oats and flax this year. I just want to tell you, don't go to if it happens to be 70 bushells an acre, and the price at Fort William is about a \$1.15 and the price here is only 56 cents on oats, but I mean we're going to get a final payment. Seventy bushells an acre, that's no future, he said grow barley, grow barley, grow barley.

MR. USKIW: . . . don't ever recall advising anyone, anywhere on any particular commodity. I think the honourable member would appreciate if I put the proper story on the record and that is --(Interjection)-- Mr. Speaker, we have been pursuing a policy of diversification not singling out any single commodity.

MR. McKELLAR: . . . commodity thing all the time but that doesn't get down to oats and flax. This is what -- and I know where they got the information, they got it from Ottawa and that's the kind of information -- I shouldn't maybe condemn the Minister of Agriculture because the same guys in Ottawa who run the show are to blame too. So what happens if you listen and sow barley, 20 bushel quota of barley right now. Yeah at 81 cents a bushel. How much money are you going to get in your pocket that way when --(Interjection)-- Mr. First Minister, you don't know whether you're going to get the final payment; you could be bankrupt before you get the final payment, and many farmers it is happening to them now.

I want to tell you about flax too. There's a great story on flax this year because the Member for Minnedosa and I have been trying to make a dollar, and we haven't been too successful lately, but I want to tell you about flax. Don't grow flax, they don't need any more oil in the world, they're going to use all substitutes. So what happens this year? People who didn't grow flax are really kicking themselves because they took the advice of the Minister of Agriculture and his people, and it was good advice at that time but as I said you always want to do the opposite because you're always going to hit it right on the head. And this is what happens. Flax was selling three weeks ago at \$5.57 --(Interjection)-- \$5.57. \$4.10 today. But some of us sold over \$5.00; we still made a good sell. But I tell you at a 25 bushel quota and not many of us had that big a yield, most of us had 20. Look at what that meant to the farmers of Manitoba, look what it meant. Compare that with wheat, 8 bushel quota on wheat at \$1.60 a bushel. My goodness sakes, Mr. Speaker, we can't afford to take the advice of the Minister of Agriculture and his department; it's too expensive. We'd all go broke. So I want to advise the farmers of Manitoba. Do the opposite to what the department tells you and you'll hit it right on the head.

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(MR. McKELLAR cont'd)

Mr. Speaker, the one great prospect in agriculture right now is livestock and why is livestock so good? For the simple reason that people were telling them to get out of the cow - calf business and telling them to get out of the feed lot business, and the farmers were confused and a lot of them went out. So we have a shortage here right now in Canada today, a shortage of cattle. We're not supplying our own demands, our own needs in Canada right today. --(Interjection)-- Yeah, but we're still not -- we're eating more than we're --(Interjection)-- I know, but it has not been good enough, we should have been starting earlier, we should have been starting earlier, we should have been starting earlier --(Interjection)-- We told them; George Hutton told them 20 years ago, 15 years ago, to get into business. We tried --(Interjections)-- No, they didn't. No they didn't. When we took over we had 49 different kinds of cattle, and nobody could identify them by the spots on them either. We got the farmers going into pure bred cattle and my seat mate here is a prosperous -- and other members behind me like the Member for Gladstone and the Member for Rock Lake. I'm not one of those that has cattle so I can't really talk with authority --(Interjections)-- because I had . . .

Mr. Speaker, there's other things I want to talk about here, talk about the price of food, because this is important right at this date. And the members, some of the members get up and say, well we put on a five percent tax on production machinery a year ago. That didn't affect it -- everybody's paying the five percent tax and nobody -- But my goodness, Mr. Speaker in the next breath they're saying the cost of food's going up. Well I happen to live in a hotel five months of the year and I know what's starting the cost of food to go up, the tax on production machinery is only one relationship. The Minister of Labour he raises the minimum wage so the hotel industry are paying us for the minimum wage, so they got to go up, and they're going to go up again. And what's going to happen to my food prices and the other members who live in hotels and the other people, our food's going to go up, and why is it going up, simply because governments at the provincial level and the federal level don't realize that every time they put on a tax, it's going to affect the economy through your pocketbook somehow. And it's a simple fact of life. The Member for Morris has been telling you here -- I've heard him ever since he came into the House here four years ago -- that governments create increased costs to consumers. So it's nothing new and you wouldn't even have to have a Consumers Affairs if you'd only look at the taxes that you apply to the people of Manitoba every year at budget time.

Mr. Speaker, I don't want to refer to the Hydro development because that's been talked about, only to say that it's interesting to listen to all the debate that's gone on here since I came in, in 15 years, the Hydro development. And I've been one to listen because I'm not an authority on Hydro, but lo and behold I can remember so well four years ago, about right now, when the speeches were coming in that door, coming in page by page, and to the extent where we, I think we heard from every professor in the Province of Manitoba at that time. I can remember the First Minister wasn't here at that time, he was in Ottawa. And the same -- I guess the same men are writing speeches today, I don't really know, I don't pay that much attention to universities because I think that they have a job to do out there, and I wish they'd stay out there and do their jobs that's all I . . . But that doesn't happen that way. But this is one of the problems in our whole society that I think we got too many experts, too many experts, too many experts, and we need more people, more doers, more doers, more doers.

Mr. Speaker, only to relate on this . . .

MR. SPEAKER: Order please. The Honourable Minister state his point of order?

MR. SCHREYER: Mr. Speaker, the Member for Souris-Killarney used a particular expression some minutes ago, and it was also referred to by the Member for Lakeside speaking from his seat, but I fear very much that it might be misspelt in Hansard; it'll be very embarrassing. I wonder if we could get clarification as to what connotation, or rather what word he was using.

MR. ENNS: Hewers of wood and drawers of water.

MR. SCHREYER: Oh!

MR. SPEAKER: The Honourable Member for Souris-Killarney.

MR. McKELLAR: The people who pay the taxes, they're the ones -- the people who pay the taxes.

Mr. Speaker, when the First Minister and I came into this House the budget was 80 million Today the First Minister is asking for one quarter of 615 million, I think somewhere in that

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(MR. McKELLAR cont'd) approximate, that figure. If you look at that, that's over 750 percent more than it was in 1958. Now it took us about 83 years to get up to 80 million, in the last 15 years we've gone from 80 million to 615 million, and I guess if you want to play with figures you could really have some fun. But are we any better off? We got 60,000 more people, approximately 60,000 more people in 15 years. The same people with that position are paying practically eight times the taxes they were previous to that -- provincial, I mean provincial taxes, and maybe federal taxes too. But are we going in the right direction, Mr. Speaker? This is what concerns me. Are we giving to our next generation, future generations a tax load which they will not be able to support? Last year we had \$400 million capital supply bill put on our desks, and it was passed. How much are we going to have in our capital supply bill this year? This is the thing that concerns me. This deficit financing, deficit financing, by all the governments in Canada. In the Federal Government we have a deficit financing of a billion dollars. I understand Ontario are having deficit financing of over \$400 million. And this is one way the governments can manoeuvre things is by financing on the capital supply rather than putting on current. And I just wonder, I just wonder how the future generations in our Province of Manitoba are going to pay the bill which we as members of the Legislature in the Province of Manitoba are passing right here today.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I beg to move . . .

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I do intend to say a few things on this bill. I did not take a part in the debate but I think that we should not let some points go unchallenged and somehow the government has created an impression that there has been no tax increases in the last four years; and I believe that should not go unchallenged because there has been. I'm sure that we all remember even last year we had a sales tax, we had a gift tax, and during the past few years we had such things as the park fees, the corporation taxes increase and I'm not arguing with the government because I voted for some of these things. But I don't think that the government should create the impression that there has not been any tax increases. There has been personal income tax, the tobacco tax, the liquor tax and court fees, many of these have been increased and I don't think the government should go unchallenged, or the statements of the government should go unchallenged that there's been no increases in the taxation.

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

MR. SCHREYER: Yes. The Member for Assiniboia is making a sweeping statement which is quite inaccurate. The statement which has been made and which can be attributed to me has to do with the combination of income tax, that is personal and corporate income tax, and medicare premium taxes, which when taken together and added up are lower today per level of income than they were four years ago. Of course there's been an increase in the tobacco tax, the liquor tax, and he mentions what, gift and succession duties. Well we received our share from Ottawa in previous years so that has to be accounted for.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I don't know if the First Minister had a point of order because I said it's my opinion and I didn't make any reference directly to the First Minister. I wish he would listen to some of the members that spoke on this side.

And I believe the Member for St. John took a part, a very active part just the other day, and in my opinion this is the impression that was created that there was no tax increase, and I wish to correct that situation. So I'm sure that this should not go unchallenged and that it should be put on the record that there has been tax increases in certain fees and in the taxation.

And I believe the other day the Member for Fort Garry, I believe, struck a very sensitive nerve when -- there was a lot of chatter on the government side; much more than one would have expected when he talked about the medical profession, about the doctors, and in my opinion there is a certain gulf that has developed between the government and the business community, not only the business community but some of the professions, the medical profession, perhaps the drug industry and some other; and in my opinion I think this is very unfortunate, Mr. Speaker, because surely the First Minister must agree, he must realize if he can work in some harmony with some of these people the public will only be the beneficiary in the long run. And I'm sure he would agree with that, instead of having this gulf developing between the business community and the government.

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(MR. PATRICK cont'd)

I know that the other day the Minister of Industry and Commerce has indicated to the House how great the economy of Manitoba is and he stated that the income has increased. Well this may be so to some extent but my information is according to the income tax green book, that per capita income of the city has dropped in comparison to the other -- I'm saying in comparison, or has not kept up in comparison with the other cities in Canada. A few years ago it was in the 50th position, today it is in the 56th or 57th position as far as per capita income is concerned in comparison to the other cities in Canada. --(Interjection)-- The green book of taxation statistics that was issued by the Federal Government, or by the Department of National Revenue last year, this is the statistics --(Interjection)-- I haven't got the book with me but if the Minister wishes to take a look at the statement that was reported, and it's even a year old. So perhaps today the situation is perhaps much worse. I know that the government to a great extent is patting itself on the back to what a great job it has done, and perhaps on the social side it has done many things that I could agree with, and as I mentioned in certain areas of the taxation field that I supported it, and I supported the personal income tax when it was to reduce the medicare program. But on the other hand I did not want this to go unnoticed that there was no tax increases.

Mr. Speaker, even today we still have the same problems that we had some years ago which the government, or the members when the government was on this side of the House and they had ready-made solutions, well developed, well thought out, and according to the Member for St. John, you know, they had ready-made solutions that they were going to implement. But today you still have some -- over 2,000 families in the centre core of Winnipeg that make less than 3,000 a year. They still lack proper housing; they still lack proper education; they still lack job opportunities, so surely the government must be concerned about that and that they haven't found all the solutions to many of our problems.

On the industrial side I am concerned that perhaps the government's record is not as good as it should be, and I am sure that the First Minister would agree with that. There was one more point that I wanted to bring to the attention, to at least some of the members of the House and to the members on my right; we are -- at least the Liberal members are coming for some criticism from some members as far as the Hydro development is concerned, and it's only not too long ago, last year, that the Member for Riel had resolutions asking for public hearings, and all I'm asking for, and I'd like to hear, is to make sure that the government is making the right decision, not the wrong decision, to make sure.

We have already indicated to this House the problems with the heavy water plant in Nova Scotia, the cost, and perhaps the government did not have proper research and sufficient research. We've been told about the CFI; we've been told about the Portage diversion; and there's many other --(Interjection)-- Well, even your leader -- your leader has indicated to the House last year that it was a wrong decision of the government to have constructed the diversion. So what I'm saying --(Interjection)-- I hope that the government has done sufficient research and will make the right decision, and there's nothing wrong to hold hearings. On the other hand I wonder if the member, at least a few of the members to my right, have any communication with the members in the Federal House, the Conservative Members, and at least three of them have indicated that they would like to have more hearings as far as the Churchill Diversion is concerned, and in fact one of them has quoted, and I'm sure that the Member for Lakeside has read it, I would like to quote: "Keith Taylor, the Progressive Conservative member for Parliament for Churchill has attacked the Manitoba Government in respect to the Churchill diversion", and I will quote the paragraph that's pertinent. In quotation: "I'm not satisfied that there is a need for this diversion. If the power was just for our own use people could adjust to it, but treating Hydro power as an exportable resource to another country is quite a different matter" So ... all I'm ...

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

MR. SCHREYER: Yes, Mr. Speaker, I suppose by nature I'm too easy going for this position. I'm reminded that last year interim supply was brought through in one day, be that as it may, there's been valid discussion good discussion thus far from the Member for Souris-Killarney, etc. The Member for Assiniboia is now dealing with a matter that is quite extraneous to interim current supply. We're not dealing with capital supply as such. Hydro

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(MR. SCHREYER cont'd) being a Crown corporation there is no request for current supply, it's capital supply. I will have capital supply before honourable members in a few days. We have the Committee of the House dealing with Hydro. I really must insist, Sir, that this is one very definite case where we are deviating from the rules.

MR. SPEAKER: point is taken. The Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I thank the Honourable Minister and I will not cause you any trouble, but I am just replying to some of the remarks that were made on this bill from some of the members on my right, in fact the member that just sat down made reference to the Hydro, and it isn't my intention to debate it, but I'm just replying to some of the points that was raised to my right.

The other point that I wish to bring to the attention to the members of the House and to the government, I believe that they should make their statement known in respect to the mining in the Province of Manitoba, and I think that they should deal with the Kierans Report as soon as possible. I don't believe it's good enough to listen to the answers from the Minister of Mines and Natural Resources, because I know that the Member for Crescentwood has indicated, or according to the press reports, that he has fully supported the Kierans Report and he believes in nationalization of mining industry within the next 10 years, if he's reported correct. Some of the other members seem to agree with the Honourable Member for Crescentwood because even last year --(Interjection)-- well, okay.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, with respect to the member's comments that we are perhaps taking too long to come to a policy position on the Kierans Report. Would the member regard it as significant that if we establish a task force as we are doing and hope to come up with policy position in six months, would he regard that as being fair progress, given the fact that the Federal Liberals took six years to come to a position on the Carter report. Six years, in this case we pledge six months.

MR. PATRICK: Mr. Speaker, no, I would say that perhaps six months isn't too long but I think it's at least incumbent on the First Minister to make a statement at this stage that he doesn't believe in total nationalization of the industry --(Interjections)-- I think that at least there would be some ease in the mining community that this would not take place. And the reason I say this is because even last year, not too long ago, not too long ago, Mr. Speaker, the member who was then the Minister of Finance, the Member for St. Johns, we were debating some issue and we were talking about some of the comments that were made by the Member for Crescentwood, and I believe it was to do with the Consumer Affairs' legislation the Member for St. Johns said, and I'm quoting from May 24, 1972 Hansard, the Member for St. Johns said "The thoughts expressed by the Member for Crescentwood in the main and probably expressed in different ways, are shared by me and shared by his caucus." So it would appear not only whatever the Member for Crescentwood says are shared and agreed by the Member for St. Johns, well then I'm sure that it's agreed by many of the other members as well. So for that reason I feel that surely it's important, this issue, it's very important that the member --(Interjection)-- No, I am a fisherman and I've got some big ones in my days, Mr. Speaker, but no, so perhaps I can fish something out of the First Minister that he would make the statement and I hoped that he would, I hoped that he would. So I don't know that if the Member for St. Johns agrees with everything what the Member for Crescentwood believes in or says, but in the main he said last year that he does agree with his statement --(Interjection)-- I don't know, Mr. Speaker

MR. CHAIRMAN: Order please. The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I understand the Member for St. Boniface wants to make a speech, so perhaps he'll have his turn after I'm finished. Mr. Speaker, the other point I wish to make in the business climate and I'm somewhat concerned, and last year we were chastized by -- and even this year I was chastized by the Minister of Industry and Commerce for creating a bad climate by asking him a question, if there were reductions in the Hydro users, and he said it's a doom and gloom question that we shouldn't be asking him, but it isn't the members on this side that has created this picture of perhaps uncertainty. I would feel that it's the kind of debate that has taken in this House such as when you talk about -- last year we were talking about Corporate and Consumer Affairs and you had one member state that the real criminals are not these petty thieves, they are not very important. The real criminals are the Hudson's

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(MR. PATRICK cont'd) Bays, the Safeways, the Great West Lives, the Westons, the B. C. . . . , the Winnipeg Supply & Fuel, the Greater Winnipeg Gas Company - that was stated in this House and they were called the crooks, by the Member for Crescentwood. If the First Minister wants to copy the page, 589.

Well, in my opinion, this is the kind of debate that probably creates a bad climate, and it's up to the First Minister or to the Minister of Industry & Commerce not to be attacking the members on this side because certainly we have not made references to any industries, to any companies in that respect. So, Mr. Speaker, I will have an opportunity to raise some of these matters when they come under the Estimates. I wanted to . . .

MR. CHAIRMAN: Order please. Does the Honourable First Minister have a point of order?

POINT OF ORDER

MR. SCHREYER: Yes, my point of order is to ask honourable members to refer themselves to citation 379 of Beausnesne. I perhaps should have raised it earlier, Sir, but there may have been some accusation of wanting to get Interim Supply through in an inordinately short way but I would ask those particularly interested in the rules to refer to citation 379 of Beausnesne, which states among other things the following: "That the Interim Supply Bill is usually passed with extraordinary dispatch" and I think honourable members will agree that this has hardly been extraordinary dispatch. However, Sir, I would trust in the good judgment of the Member for Assiniboia to proceed with dispatch, at least from this point on.

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MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I'll proceed with dispatch. I'll be dispatched.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I beg to move, seconded by the Honourable Member for LaVerendrye, that debate be adjourned. I'll be speaking tomorrow.

MOTION presented and carried.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Before agreeing and really there ought not to be a problem about agreeing, do we have the assurance from the honourable member that if for unforeseen reasons he is not able to speak tomorrow, that he would forego, so that we could deal with it?

MR. SPEAKER: Is it agreed? So ordered. The Honourable First Minister.

MR. SCHREYER: Then, Mr. Speaker, I will now move, Mr. Speaker, the motion that Mr. Speaker -- I don't have the paper, Sir -- that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee of Supply to consider of the Supply to be granted to Her Majesty. Seconded by the Honourable the Minister of Agriculture.

MOTION presented and carried. The House resolved itself into a Committee of Supply with the Honourable Member for Logan in the chair.

. . . continued on next page

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MR. CHAIRMAN: Resolution 86(b)(1). The Honourable Member for Rhineland.

MR. FROESE: Yes, Mr. Chairman, yesterday afternoon just before we adjourned I was touching on the Lower Red River Valley Water Commission Report or a statement made to the Resources Committee at Morden, and I dealt with a number of matters bringing to the attention of the Minister the situation that is presently the case in the area and that we might be facing a severe drought. I didn't, however, deal or finish the report because there were some recommendations here, some reasons given why they feel the matter is very urgent at this time, and I would briefly read the few paragraphs citing the urgency of this matter that this be dealt with, and it says,

"The report recommended the development as being economically justifiable in both United States and Canada." This was the earlier report made.

"(b) In the cost benefit ratios no account was taken of the possible loss of food processing industries, the loss of agricultural production due to a partial drought or a long period of dryness, nor of the hardship that would be created to the residents by such a drought;

"(c) Costs of the projects may have increased since the engineering report was begun, but primary and secondary benefits have increased more dramatically;

and "(d) The cost of surveys on the Pembina project by senior governments have already exceeded \$3 million. This is the amount that has already been spent on the surveys in connection with the Pembina and the Pembilier dam;

"(e) The Pembina development will be implemented eventually because of the sheer force of necessity to its communities.

"We believe that this project cannot be delayed any longer. The Pembina triangle has many resources. It is the most densely populated rural area in Western Canada. It has led other communities in industrial development. It has the longest frost free summers, fertile soil that is ideally suited to the production of canning root and other vegetable crops. Its citizens are diligent and, given a chance, will further industrialize southern Manitoba. But it lacks the greatest natural resource, which is water. Without an ample supply of good water these communities face stagnation and will remain designated areas."

Then they have a caption "Concerns" -- "The constant concern that further dry periods could create annual losses of millions of dollars of factory and agricultural production is a reality. One year's loss could have equalled the total cost of the Pembina Basin project and this large sum could be annual if extended dry periods were experienced. It would also create massive unemployment in this area, especially for young people coming off the grain farms that can no longer support them because of mechanization. Also unemployment in the skilled trade, the professional class, the college graduates who now look to this area for employment and who might otherwise migrate to the large urban centers in Canada and the United States. We also require this project to provide an atmosphere of confidence that will attract capital for the economic expansion and development of the whole area and all its diverse aspects."

These were the comments made and included in the brief that was presented to the Water Resources Commission and I feel that it is something urgent. If we should have dry spells and if we should have a real dry year, what will the government do? What can they do? And these people are really up in arms about it because if nothing is done they'll have to do something on their own and try and build a dam on their own on the Pembina to retain some of that water that is now flowing down the Red and into the lakes and is gone.

We need this project, I feel, in the worst way, especially now, more so because of the drought than before because of flooding, because we need water. We need water for our cattle. We need it for the various purposes. As I mentioned before, the towns of Gretna and Altona are completely dependent for water supply from the Pembina and I feel that the government should take a much greater interest and do something about it. Surely, as I mentioned yesterday, the Water Supply Board has an interest in this and I feel that the Minister of Agriculture should get up and be counted on it because he too will have to answer if a severe shortage will develop. Surely enough, this whole thing has been before government for a long time and away back in 1967, I think it was, the International Joint Commission recommended in 1967 that this project be proceeded with, and yet today, this is 1973 and nothing has happened. Surely enough, Mr. Chairman, the Minister should give us an account of what is transpiring to see whether something cannot be done in the near future to rectify this

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(MR. FROESE cont'd) situation and bring about a supply of water for the whole area.

MR. CHAIRMAN: Resolution 86 -- The Honourable Minister of Mines and Natural Resources.

MR. GREEN: Mr. Chairman, I won't go into a prolonged answer. The fact is that the study that my honourable friend is referring to in 1967-68, those years indicated that there would be a \$23 million expenditure involved with the Pembilier dam and I'm now going to quote figures from memory. I believe they are approximately right, that the costs would be divided \$13 million to the United States because they would obtain the biggest benefit, \$10 million to Canada; that the Manitoba Government went to the Canadian Government and asked for a sharing of the \$10 million and, what was the sort of accepted formula \$5 million and \$5 million; that the studies were looked at and it was determined that there wasn't a net cost benefit for the procedure with this project.

Now the honourable member describes some of the problems that could be solved by this program. The honourable member studiously avoids talking about the cost of the program in terms of the problems that it will solve. There hasn't been any suggestion by the honourable member that the cost benefit studies were wrong or that the figures that I have presented and which he was aware of at the time were incorrect, but not in any way disputing these figures he steadfastly pursues the suggestion that no matter what the figures say there is benefit to Altona, there is benefit to Winkler, there is benefit to the area, and therefore the government must proceed with the project.

Well, Mr. Chairman, I can't deny the benefit nor can I deny the honourable member's enthusiasm in speaking for his constituency as an Opposition member such as the Member for Lakeside referred to yesterday, but I can also say that it is the responsibility of the government to look at these benefits, to look at the costs, and to conclude as to whether, because the Member for Rhineland represents that constituency, all of the citizens of Manitoba have to pay for benefits that would accrue to his constituency in such an amount as would not be economically sound, and if the Member for Rhineland expects that the government is going to act that way, then I can tell him that it won't. What we have done is we have done exactly what the Member for Lakeside said. We realized that the cost benefit figures were taken some years ago -- by the way, if the honourable member wishes to know, some of the benefits are no longer there because there have been alternative water supplies in certain of the other areas so that some of the things that were included as benefits in 1967-68 are no longer included as benefits and that will adversely affect the cost benefit. -- (Interjection) --

Well, so there are other benefits now. Are you willing to calculate them? Or do you say that regardless of the calculations it is my constituency and he must build this \$23 million project there? Because that's the way the honourable member is talking; and by the way, it's not \$23 million, it is now at least \$33 million because the \$23 million was figured that many years ago and we've seen what the normal costs, not even taking into account what can happen with estimates, and the members of the Opposition have been dealing with some estimates and they said that what was estimated at \$55 million is now costing \$82 million. And you know this estimate is never based on then what are the tenders. And if the honourable member wishes to know what can happen as between an estimate and a tender, an estimate is a sort of engineer's broad brush calculation as to what that kind of project should cost, and is at best what we used to call a guesstimate. And if you want to know how accurate that is, let us look at what happens when you submit the tender, that on one project that the Hydro people told us about, that is the dredging -- we are not talking about the estimates, we are talking tenders -- and when tenders are submitted, they are submitted with a fine pencil and people have to write down and calculate very carefully what it is going to cost, they have to take measurements, they have to take their best experts to try and figure out what it's going to be. And therefore you would think that the tenders would be relatively the same.

Now Hydro told us that there were tenders on one project where the minimum tender was \$12 million and the maximum tender was something like \$35 million -- a difference of 300 percent after they went to their pencils and started figuring out. So if you are critical of what an estimate subsequently winds up to, let us realize what it can be when you even go further than broad brush estimates and have people who are going to either earn or lose money submitting tenders.

So we are taking an estimate now of possibly \$33 million if we merely take the lowest

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(MR. GREEN cont'd) inflationary increase since the time that that thing was figured, which must be in '67 or '68. '63? If it was \$23 million in '63 then it would be conservatively or Social Creditly speaking \$46 million now -- if that 23 million was figured in '63. Now, I imagine that the honourable member is satisfied that we've said yes, we have to have another look at it; we have to see what the benefits are; we've had the Water Commission, had this matter referred to them; the Water Commission is holding hearings. They've heard the kind of briefs that the honourable member has presented to them, and it'll come back to us, and when it comes back to us if it shows that the spending of those \$46 million hypothetically will yield a benefit of \$2 million a year, then, Mr. Speaker, nobody is going to suggest that it be proceeded with, because the Honourable Member for Rhineland would not put away \$46 million to get \$2 million a year, and I won't either, because \$46 million to get two is less than three percent. -- (Interjection) -- Oh well, the honourable member says we could lose much more, but he has not taken his figures or calculated. The reason that he is satisfied that he could lose much more, let's face it and I'm really not criticizing him, is that it's his constituency.

Now, if I said, Mr. Speaker, that in Inkster constituency we're going to spend \$46 million and there will be a benefit of \$2 million in employment and in better conditions for the people and more water or more something else, would the Honourable Member for Rhineland say, Yes, that sounds like good economics; the people are going to live better; it's going to be nicer for the honourable member -- and, by the way, he'll be able to go back to his constituents and say Manitoba put \$46 million in the Inkster constituency to get \$2 million advantage. Would he then congratulate me and say, "Oh, the Minister of Mines and Natural Resources, he's . . ."

MR. FROESE: What about Hecla Island?

MR. GREEN: ". . . he's the man of action. He has spent \$46 million."

Well, Mr. Speaker, Hecla Island is a project which you will talk to under the Estimates of the Minister of Tourism and Recreation. Hecla Island is not in my constituency, it's not in the Member for Rhineland's constituency. Are you now saying that we shouldn't have spent the money on Hecla Island because it's not in your constituency? Because that's what it comes down to. And I am saying that I respect the position of the Member for Rhineland. I expect that he will make a good case. I expect that he will urge the government. But to say that we are doing nothing because we are trying to respect the amount of money that this thing will cost us as against the benefits that will arrive, is to suggest that if he was here he would not make that respect. He would build this dam in his constituency if it cost \$100 million and yielded \$1 million in benefit.

MR. FROESE: I haven't said that.

MR. GREEN: Oh oh, he hasn't said that. Okay, Mr. Speaker, I'm glad that he hasn't said that. Then what he is now doing is saying that I am right. That what he is now doing is saying . . .

A MEMBER: He'd never say that.

MR. GREEN: No, he won't say that but his reaction says that I am right. That what he would do, because he's responsible even though he is Social Credit, is that he would figure out the cost, he would figure out the benefit and if the costs justified the benefit he would go ahead with the project. Isn't that what he would do? Isn't that -- would the honourable member speak from his seat again? Isn't that what you would do? No, he won't answer that question, Mr. Speaker. What we do know is that he won't spend \$100 million to get \$1 million. Would he spend 80 million to get 1 million? -- (Interjection) -- Well, Mr. Chairman, you know, there are communities all over Manitoba that have water problems; they are solved by the Water Supply Board; that sometimes this cost more or less. We don't spend \$46 million in a place because somebody is short of water. We do not do that. Now the honourable member says that if it's -- (Interjection) --

Well, Mr. Speaker, the fact is that somebody figured out, somebody figured out and I wasn't there when they were figuring this out, somebody figured out that if you spend \$64 million around Winnipeg, it will have blank dollars of value in flood control. Now I don't have to answer for that because I wasn't part of the administration, but I am fairly satisfied that when they came to the House to ask for this to be done, they showed that the \$64 million expenditure or whatever the estimate was -- what was the estimate? -- It was 62 -- what was

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(MR. GREEN cont'd) the estimate when they first thought of it? 62 and they spent 62. That's pretty good. Mr. Chairman, you have to give them marks for that. The fact is that if they estimated 62 and they spent 64, well let's say that they were right on, when they projected the program they said, "Here is the list of benefits that will accrue," and I would venture to say that the list of benefits that they said would accrue justified the expenditure of \$64 million on economic terms. Mr. Weber here is nodding that that is so, I would be very surprised if it were otherwise and so would the Honourable Member for Rhineland. And all I can say to the honourable member is exactly the same thing will be done for Altona and Gretna, and if the Altona water supply were a problem and we could solve that water supply by spending less money than by building the Pembilier Dam . . .

A MEMBER: How?

MR. GREEN: Well, Mr. Chairman, then you say -- all right. The Member for Rhineland says that the only way of solving the Gretna-Altona water supply is to spend \$46 million.

MR. FROESE: No, to build another dam on the . . .

MR. GREEN: The honourable member says that he will accept no other answer and I am telling him that if that is the only answer that he can project, then that is going to have to be looked at very carefully because I think that there are other ways of dealing with the water supply in those two areas just as there have been other ways of dealing with water supply in other areas, -- (Interjection) --

MR. CHAIRMAN: If the honourable member wishes to be recognized, I'll recognize him in his turn.

MR. GREEN: I almost, Mr. Chairman, I know that you're right and you have to enforce the rules, but I almost welcome the honourable member's interjections. All I am saying is that we have heard his position. No doubt the Water Commission Board has heard the submission which he has read to them and no doubt they will be making a recommendation. And I'll tell you something else, Mr. Speaker, just as I stand here. If the Water Commission does not recommend that they build the Pembilier Dam, if they do not recommend that the benefits justify the expenditure, the Member for Rhineland -- and I respect him for this -- will say that the Water Commission is all wet and that they didn't properly consider it. I predict that he will say that in advance.

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

MR. FROESE: Yes. I wouldn't say that they're all wet because I don't use that expression.

MR. GREEN: If he doesn't use the expression that they are all wet, he will say, Mr. Speaker, to use his expression, this is a terrible "sityeation". That's what he will say. So he will say something but he will certainly not agree. Mr. Speaker, I wouldn't expect him to agree, and it's out of respect for the honourable member that I make this statement, that he will not accept anybody's judgment that doesn't say that we should spend this \$46 million, or whatever it is, and build a dam.

MR. FROESE: Give us an alternative.

MR. GREEN: Well, Mr. Chairman, there may not be the kind of alternative the honourable member would like. There are parts of Manitoba, you know, there are parts -- the people in the Pasquia Settlement, they say that I have to, otherwise I am not doing my job, spend \$1.2 million under drainage in that one area of Manitoba, and that if I don't do it I have to give them an alternative. And I say that the alternative in certain cases is to live as nature has provided. You know, that's part of the alternative. To go back to yesterday's expression, that you cannot expect the public as a whole to solve every problem. That Socialism doesn't go that far. -- (Interjection) -- The honourable member is another one of those dam socialists. He believes that socialism is good if it builds a dam in the Pembilier Valley. That's . . .

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: I think using the word "damn" is not parliamentary.

MR. GREEN: Mr. Chairman, we are talking about a dam.

MR. FROESE: The reference was made to me.

MR. CHAIRMAN: I'm sure that the Honourable Minister meant d-a-m.

MR. GREEN: Yes, I don't know whether it's possible . . .

MR. FROESE: He said "damn socialists" and I'm . . .

MR. GREEN: Oh, yes. I tell my honourable friend with the greatest of affection, to

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(MR. GREEN cont'd) use a phrase of the Minister of Labour, that he is a dam socialist. He believes that socialism to build dams in Rhineland constituency is a good thing, and I don't think that there is anything unparliamentary about that, Mr. Chairman. So I tell the honourable member, and I'm trying to be friendly although it's difficult, that we are examining this problem, it's before the Water Commission, the briefs will be presented, the results will be tabulated, and I don't know whether the dam will or will not be built.

MR. CHAIRMAN: Resolution 87(b) -- The Honourable Member for . . .

MR. MCKENZIE: I just have one brief question of the Minister. I think the sewer and water, the rural villages, come under the Minister of Agriculture Estimates. Sewer and water problems . . .

MR. GREEN: The Water Supply Board is now operating under the jurisdiction of the Minister of Agriculture.

A MEMBER: I will tackle him then.

MR. GREEN: Yes. I would be willing to deal with it but I know that you'd rather ask your question of the Minister of Agriculture.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): The Minister of Mines and Natural Resources is confusing this in some degree because he's talking about the price of it. To start off with, it's shared between the Canadian and the United States government, and then it's shared between the Province of Manitoba and the Federal Government so we're not talking about the amount you're using at all.

And the other thing is you say you've been active on it and actually I've called for an Order for Return for a number of years. I didn't have it in last year, but I know it's been, and there's been nothing done between your department and the federal department in Canada.

MR. GREEN: Mr. Chairman, the honourable member is quite correct. When I was using the figure "46" and I said, "expect the province to spend 46" I was talking about a global figure which is the total value of the project. If it broke down in the same way as I broke the 23 million down, and I did do that, then it would be 13 and 10, I said, so it would be 26 and 20; 26 million for the United States, 20 million for the Canadian side and, if the federal participated, it would be 10 and 10. But I thought that my honourable friend would make those calculations by himself -- it comes out the same. All you have to do -- (Interjection) -- Well I certainly did not -- I will accept the honourable member's correction, I certainly didn't intend that, and when I dealt with the \$23 million, I did make the breakdown, did get to the 13-10, broken down again 5 and 5, and it still comes out the same. You have to figure out the benefits on \$46 million. I would therefore ask that my remarks be amended and that we deal with 10 million, 10 million, 10 million wherever I've said 46 and the benefits to be calculated accordingly.

The honourable member asked one more question. Oh, he says we didn't do anything. We gave the honourable member our letter to the Federal Government in 1970 which indicated that we understood that we could agree that on the basis of the mathematics at that time we couldn't proceed. What we have done now is not approach the Federal Government because we are not satisfied at this point that there is something to approach the Federal Government on. We are now examining whether the cost benefits justify an approach to the Federal Government. The Member for Pembina, he would agree with that, that before you go and plead to spend money, you try to find out whether what you are spending is worthwhile or not. I know the honourable member is just as stingy as I am and he would approve of that kind of procedure, except maybe when it comes to Pembina constituency.

MR. CHAIRMAN: Resolution 86(c)(1) -- The Honourable Member for Pembina.

MR. HENDERSON: The only problem is that the Minister here is trying to get a concrete figure. You can't tell what are the benefits of this just by speaking off the cuff. Naturally I'm not in favour of anything that's silly.

MR. CHAIRMAN: Resolution 86(c)(1) -- passed, (c)(2) -- passed. Resolution 86 in the amount -- Resolved that there be granted to Her Majesty a sum not exceeding \$5,912,400 for Mines, Resources and Environmental Management. Passed? (Agreed.)

Resolution 87. Resolved that there be granted to Her Majesty a sum not exceeding \$115,000 for Mines, Resources and Environmental Management.

Resolution 88 -- The Honourable Member for Brandon West.

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MR. EDWARD MCGILL (Brandon West): Mr. Chairman, I have a few comments and questions for the Minister in respect to the Manitoba Development Corporation. First I'd like to refer to two important announcements concerning this corporation that were received subsequent to the last session, and the first one of course would be that of the separation of the Chairman and Managing Director, Dr. Briant. It was announced that Professor Briant of one of the eastern universities -- the name I was going to say escapes me for the moment but I should know it as well as I know my own -- Dr. Briant apparently returned to the university after having completed his year's leave of absence.

Now the announcements relative to his separation were merely that this had occurred and that there was no particular problem with respect to the corporation. It was an attempt, really, to understand the background for this change and the replacement of the Chairman by a man with a basically business background rather than the academic background possessed by Dr. Briant. It was in an effort to evaluate this that really we were anxious to receive the annual report of the corporation, and this we have received and we are able now to make our own evaluations of this change on the basis of the report plus the quarterly reports that are provided by the Minister responsible through the Manitoba Gazette. And I think we have those quarterly reports up to and including September 30, 1972.

This is one important announcement, Mr. Chairman, and I hope the Minister will be able to comment on this. He might also tell us at that time if Dr. Briant has any present connection with the corporation, whether or not he is retained in a consulting capacity or whether he does in fact at this moment represent the corporation in any way or if there are any retainer fees that are paid to Dr. Briant for any services which he is now rendering to the corporation. This might be part of the Minister's reply in respect to my question regarding Dr. Briant's termination with MDC.

The other announcement, Mr. Chairman, of course, that is I think of the utmost importance although there was no real rationale presented at the time, was that a month or two ago the responsibility of the Minister of Industry and Commerce for this Corporation was terminated and it was transferred to the Minister of Mines. I believe that the press reports and the Minister was quoted as saying this meant no particular change of direction in the thrust of the MDC but that perhaps the difference in the personality of the Minister might have some bearing on the way in which the corporation would conduct its affairs.

So really, those are two particularly important announcements and with these in mind I have attempted to look at the annual statement and try to draw some conclusions. Before, however, going to an examination of this report, Mr. Chairman, I would like to comment on the changing role of MDC over the past few years, and it is really on this basis that our reservations in respect to the corporation have grown and it is really the basis upon which we have been quite critical, I believe, in the last year or two.

I think perhaps we can describe the present function in no better way than to quote the secretary of the Planning and Priorities Committee of Cabinet, who says, "For the last few years the MDC has been performing two central functions: (a) acting as a major financial intermediary; and (b) shaping the structure of the economy by direct involvement in productive activities through the use of Crown corporations and joint ventures. The real difference, I think, from the original concept of MDF and the present thrust of MDC is that it now really has a twofold function, and my concern is that I question whether this twofold function can be administered objectively by the Board of Directors without there being some conflict of interest and without having a growing difference in the objectives of the Corporation. I question whether MDC can really pose as a corporation genuinely concerned with the growth of the private sector in Manitoba, dedicated to the purpose of assisting the growth of the private sector and at the same time becoming an operator in the private sector and converting it to a competitive situation with the public sector. Isn't this really, Mr. Chairman, the platform upon which the real conflict comes, where we begin to really, in a practical sense, feel the conflict between public enterprise and private enterprise in a competitive situation.

To cite, or to take a hypothetical example, we might have a new project in the food-processing and canning industry that might have ambitions in building a new canning factory in the Red River Valley. We are told that Manitoba possesses unique special advantages in the growth of vegetables and the flavour of vegetables and that our canning business should grow. If such a corporation should have that ambition and go to the MDC at this stage for a

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MR. MCGILL cont'd) loan in order to start up an operation, I'm wondering how MDC would take a purely objective view to this kind of an operation. They already are 100 percent owners of a canning corporation, Morden Fine Foods I believe it is called, and one that is developing a good reputation. I think their product is finding a reasonably good market. But they may still feel that they are not in the position to . . .

MR. CHAIRMAN: . . . order in the Chamber. It is very difficult to hear the honourable member.

MR. MCGILL: . . . to withstand competition at this stage. So, Mr. Chairman, how would then the MDC with its dual function attempt to deal objectively with that kind of an application? And this is only one, this is a purely hypothetical view. I have no reason to believe that there are any such things on the order, or in the application form at this stage. This, I think, is our basic concern and this is our reason for believing that MDC in its present form is not a suitable vehicle to, on the one hand, promote private enterprise, private corporations, who might either immediately or in the future become competitive with the public sector. Which is your greatest interest? Where does your real interest belong? If I am to read the Guidelines for the Seventies I would have to believe that you are more interested in developing the public sector. Then, Mr. Chairman, I would think the Minister has to explain how he is going to, with this single Corporation, provide an equal opportunity and provide an equal ability as a lender of last resort for people who are applying in good faith for assistance from the Corporation.

Now with these in mind, Mr. Chairman, I want to look at the annual report of the Manitoba Development Corporation which brings us up to March 31, 1972, and before dealing with the details, again let me point out that this report in my view is somewhat deficient. It doesn't fully represent the affairs of the Manitoba Development Corporation because it fails to evaluate the investments of the government in Crown corporations and in corporations in which they have some equity investment.

It's pretty obvious, Mr. Chairman, that those investments are recorded in the annual report at cost, and I don't think it's a fair assumption for any corporation to take that those investments they made a year, or perhaps two ago, are still of that value. As a matter of fact, I can think of one or two in the list here that might well be below the value at which they were acquired by MDC. Therefore, Mr. Chairman, I suggest that this whole statement comes into question as to its real reflection of the present state of affairs in MDC because there is no attempt to value investments at market. If cost is the lower, then it's acceptable but if the market value is still lower than the cost I think it should be reflected.

Now with that in mind I would, Mr. Chairman, direct your attention to paragraph (3) of the auditor's report, on page 7 of the annual report of MDC. I think this is a very significant statement by the provincial auditor and I would like to read it into the record. It says, Mr. Chairman, "The allowances for uncollectable accounts and losses on investments, except for The Pas Forestry Complex, are on the basis of estimates supplied by officials of the Manitoba Development Corporation."

Mr. Chairman, what the provincial auditor is saying, it is necessary for him to qualify his support of this statement by saying that the accounts receivable and the loans and advances are valued on the basis of the reports of the MDC themselves. Now I think it's unlikely, Mr. Chairman, that they are going to make the situation any worse than it presently is recorded, so that I question whether this annual report is acceptable with this qualification because, after all, the whole report is loans and investments; two-thirds of the assets of MDC are based on the loans and investments that the Corporation has made. Now, Mr. Chairman, I put it to you -- how can you accept a report when those loans and investments have been evaluated by the MDC themselves and not by any independent auditor looking at them in an objective way?

I hope that the Minister will be able to review this point and to suggest whether or not he feels that this is an acceptable qualification of the annual report of the Manitoba Development Corporation. Certainly a shareholder of a private company would be somewhat amazed if he came to an annual meeting and the auditor had to say that the accounts receivable and so forth were merely evaluated on what the directors of the corporation said and not upon his independent . . . (Interjection).

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(MR. MCGILL cont'd)

Well, Mr. Chairman, the Minister has taken some different opinion and I hope that he'll explain his positions relative to this at the proper time. I am in no way critical of the provincial auditor. I think the provincial auditor has stated quite clearly that he considers it necessary to qualify his statement and his endorsement of this form.

Now, Mr. Chairman, I would like to examine one or two other points and to question the Minister on matters in respect to the amount of interest that is charged by the government for advances to the Corporation. I notice that on Page 10 Exhibit B, the interest under expenses for 1972 is \$10,376,000 and in 1971, \$10,106,000, but in the year the advances from the province have increased by \$27 million. Now under the Act I think the interest rate charged from time to time by the province to the MDC for advances is calculated and determined by the Lieutenant-Governor-in-Council -- by the Minister of Finance, thank you. I must have misread the Act then in that respect. But if that is so, then I would assume that there's been some reduction in the rate of interest chargeable upon the advances of the province to the Corporation. They now total \$145 million as of March 31, 1972 and my calculations would indicate that there's been a reduction of perhaps at least one percent on the total borrowed amount and if so, I would like to have some explanation as to how this was determined. I am quite sure it's in order but nevertheless I would appreciate an explanation.

Now, Mr. Chairman, perhaps the Minister would look now at Exhibit -- Schedule I, I'm sorry; Schedule I. I am prepared to wait until the Minister gets a copy of the MDC report if he doesn't have one now.

MR. GREEN: I want to warn the honourable member that there are many of the details of the financial statement I am not going to deal with. I don't want to stop him in his address but the chairman of the Fund will be called before Economic Development Committee to deal with many of the details that he's talking about.

MR. MCGILL: Thank you, Mr. Chairman, I appreciate the Minister's explanation. I am merely putting these questions to the Minister as the Minister responsible, and if he wishes to have someone else make the explanations or answer the questions that's perfectly acceptable, but on Schedule I, I think we get down to perhaps the real reason for some changes that have been made in MDC as to its directions and as to its personnel. We note that total loans and receivables and equity investments in the year ending March 31, 1972 amounted to \$11,008,000 and we had losses amounting to \$6,004,000 or \$6,005,000 roughly. Mr. Chairman, that seems to me to be an absolutely incredible performance for the year by the Manitoba Development Corporation. What other corporation in the business of lending money could possibly survive if they lost more than 50 percent of their total loans in one year? This seems to me to be an absolutely amazing performance for the year and I'm now able to understand, I think, somewhat more clearly why it was necessary to make some changes on the Board and in the management of this fund.

On Schedule II we have a total of \$2,007,000. Now admittedly these are loans and equity investments in corporations which are now in receivership, but the losses there amount to \$1,009,000 which is an even greater percentage, so I suggest, Mr. Chairman, that this kind of administration and this kind of performance by the Manitoba Development Corporation is absolutely unacceptable from the point of view of the public taxpayer. I can't see how this kind of an operation could continue with that rate of loss.

Now the amount of business that was conducted by the Corporation during the year under review, was reasonably, I suppose in total was somewhat equal to previous years -- I don't have those figures directly in front of me -- but in order to achieve this result, Mr. Chairman, they apparently worked very hard at it, because I noticed that the salaries paid to the directors and the employees of the corporation increased by 105 percent. Now, Mr. Chairman, why should it be necessary to more than double the salaries paid to the corporation and to achieve a performance of the kind that we have now understood to have occurred after examining Schedule I and Schedule II? -- (Interjection) --

Well, I think that either they worked overtime or they must have greatly increased the staff, but it seems to me a somewhat alarming increase in view of the performance and the results achieved.

Mr. Chairman, I'd like to look at one or two of the firms in which there have been equity investments reported since the completion of the report dated March 31, 1972, and there are

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(MR. MCGILL cont'd) two listed in the quarterly reports. One is Misawa Homes in which there is an equity development of \$400,000, and I would just appreciate an explanation from the Minister on this activity. I don't know really what that represents. The other one I note is Phoenix Data Limited in which an equity investment is reported here during the period from July 1 to September 30th, that's the third quarter of '72, of a million dollars.

Now Mr. Chairman, we were given a preliminary report by Dr. Briant on June 30/72 in which there was a note. He listed all of the corporations in which the MDC had an equity position as of March 31/72 and he listed Phoenix Data Systems as being 100% owned by MDC as of March 31/72. Now either this report is somewhat anticipatory or there was an additional investment in the third quarter in Phoenix Data in the form of equity, and I don't quite understand that, because if we owned 100% equity on March 31 then it's not likely there was any more equity to buy in the third quarter, but there may have been loans in addition to the original investigation. -- (Interjection) -- Well, how can you increase 100 percent equity? -- (Interjection) -- In other words, water the stock by that amount. Yes.

MR. GREEN: . . . the honourable member is trying to give an explanation, perhaps I shouldn't have because I got a response which he knows is incorrect. You can have -- it's possible, and I'm not referring to the actual case, it's possible to start off with a company of 100 percent equity of \$100,000, and then it's possible to put in another \$20,000 and issue more shares from Treasury, you still have 100 percent equity of \$120,000. No water has taken place; you've issued more shares and got more cash. The shares are still worth a dollar apiece.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, I won't argue with the semantics here. I've always understood that if you owned all the stock and then you issued more shares, then you were decreasing the value of the shares already issued.

MR. GREEN: . . . then the honourable member should know that. He has a pretty good reading of financial statements. If you put dollar value in for the new stocks then you haven't watered anything. Maybe that's the way the honourable member operates, I don't know.

MR. SPEAKER: Order, please. The Honourable Member for Brandon West.

MR. MCGILL: Well, Mr. Chairman, I hope that the Minister will be able to tell me, perhaps the Minister when he gives me some estimate of our present investments in these firms he'll be able to tell me how the shares of Phoenix Data have appreciated because I would like to know whether they're worth as much as they were when we bought them or more, or less.

Now in respect to the operations of this corporation, I wonder if the Minister could tell us too what percentage of utilization this computer is receiving at the present time. I understand it's a computer with very large capability, that it has the ability to do jobs of a large scale, and I'm wondering how it's relating to the computer centre in the Norquay Building, whether it's competitive with or whether it's complementary to. I noticed in the paper on Saturday last that there was in the Career Personnel Wanted ads three or four openings advertised for the Computer Centre in the Norquay Building, so I assume that that operation is expanding. Now whether or not, I would like to know how the Phoenix Data Corporation works in with this, whether it's related in any way to that, and whether or not the Phoenix Data is able to show an increase of business which would relate to the increase of staff which has occurred in the last few months.

Mr. Chairman, there's one other corporation which comes under the purview of the Minister of Mines since he took over MDC, and I think now of the A. E. McKenzie Company Limited in Brandon. And in this respect I would like him to confirm for me some misunderstanding which has apparently entered the government news services in respect to the province's position on the A. E. McKenzie Company Limited. I quote from the September 24, 1971 News Service, and at the bottom of the page it says: "90 percent of the Company's shares are held in trust for Brandon University which receives 90 percent of the firm's profit, and these shares are held by the Provincial Government under a special act of the Manitoba Legislature; the remaining 10 percent of the profits accrue to the estate of the late founder of the company, A. E. McKenzie."

Now on December 17th, the same news service, we have on the second to the last paragraph, and it states here: "The company came into provincial ownership in 1945 when its

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(MR. MCGILL cont'd) founder President Dr. A. E. McKenzie willed it to the province in return for a government guarantee of financial support to Brandon College, now Brandon University. Now I think obviously, Mr. Chairman, there's some confusion about who owns A. E. McKenzie Company Limited. It was my understanding that the province had the shares in trust, the latest report I have from the News Services that the province owns A. E. McKenzie Company Ltd., and in return for that ownership will give certain financial support to the Brandon University.

So in the Minister's reply perhaps he could clear up that confusion and might he also indicate to us when we might expect the financial report for the year ending October 31, 1972. As I pointed out earlier in the session, the Minister of Industry and Commerce has usually reported the financial affairs of A. E. McKenzie Company Limited on or about December 1st of each year, and we're looking forward to a report for the year ending October 31, 1972, because I think in the present situation where Brandon University has some financial problems, it would be encouraging for them to know whether there were some possible dividends likely to accrue from A. E. McKenzie's operations. We know that there was a turnaround, the Minister reported that to us, and that the year previously they did make a five-fold increase in profit, so we're hopefully looking for an announcement from the government side that would indicate that there has been a continuation of this profitability in the A. E. McKenzie Company Limited and that possibly Brandon University will find some answers to its problems in that respect.

Mr. Chairman, these are some of the major points. My time is not going to permit me to deal with one or two others of the corporations in which the MDC has a major equity, but I would like to perhaps terminate at this time in the hope that the Minister will have an opportunity to give some preliminary answers at least before the termination.

MR. CHAIRMAN: The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I would like for just a few minutes to try to deal with some of the matters raised by the Honourable Member for Brandon West that I have some recollection about, and I'm certainly not current in my recollection, but dealing with A. McKenzie Seed, as I recall it the agreement made with Mr. McKenzie was that he transfer some 90 percent of the shares to the Government of Manitoba -- transferred, gave, 90 percent of the shares, I believe. Now the member expresses surprise but that's my impression. I think in doing that he made that company tax free, and there was no income tax payable as a result of his having transferred 90 percent to the province; it's when the province owns 90 percent of a company that it becomes tax free. He gave that to the government and the Provincial Treasurer, I believe, was the registered holder of those shares for quite some time, and I believe that the only understanding was that dividends declared to the shareholders would accrue, the 90 percent would accrue, to the benefit of the University of Brandon, then the Brandon College. I think that's the agreement in essence as I recall it.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: May I just reply, and I wonder if the honourable member would look at Page 21 of the Public Accounts of Manitoba. Under Trusts and Special Division it lists A. E. McKenzie Foundation 1,031 shares, par value \$100.00 -- \$103,100 listed under Trusts and Special Division. I wonder what that . . .

MR. CHERNIACK: Well then, I would invite the honourable member to discuss that at the time the Committee on Public Accounts meets, because it may well be that it is considered by the province to be a trust, but I'm saying that the trust that I'm aware of is that any dividends declared by A. E. McKenzie Seed would then accrue to the benefit of the University of Brandon. That's my recollection. If I discover I'm wrong I will certainly report it to the committee.

On the question of interest, again I'm speaking from memory, our interest with MDC. The Minister of Finance writes to the MDC monthly informing the MDC of the expected cost of long term borrowing in Canada by the province, that that would be the interest rate above which MDC shall lend money, below which it may not lend money currently. If I'm wrong in my recollection I will so inform the committee.

The interest charged to MDC is related to the interest cost to government for the monies loaned. If there is a direct and recognizable sum of money which is borrowed by the government and loaned to MDC, then the rate used by them, rate payable by the province, is

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(MR. CHERNIACK cont'd) charged to MDC plus I believe one-eighth of one percent as a charge by the government. That's traditional, has been that way all along.

There's a great deal of money, and that may show up somewhere in the statements, that is unfunded, that is current loans to MDC on demand, that is monies borrowed by the bank, and the rate of the bank is used in determining it. So there are different rates charged related to how you can recognize the money which is being loaned to MDC; the average is somewhere around six percent and I'm out in fractions only, and I believe it's down this year. The rate is down because generally the rate of borrowing is down. I looked at the Estimates of capital -- interest on capital under the Department of Finance and I believe that it's expected that we will be receiving some \$13 million as compared with \$11 million estimated last year, and the honourable member will find it in the Estimates book under the Finance Department, on that page which deals with servicing of capital debt.

Now I believe that's all the information I can give; if I gave any wrong information I will report it to the House because I still have access to the people who really know and can check me up on it.

MR. CHAIRMAN: The time being 5:30, I'm leaving the Chair to return at 8:00 p. m. this evening.