

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2:30 o'clock, Tuesday, May 18, 1971

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting petitions; Reading and receiving petitions; Presenting reports by Standing and Special Committees.

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 150 students, Grade 11 standing of the Glenlawn Collegiate School. These students are under the direction of Messrs. Wheeler and Mackie. This school is located in the constituency of the Honourable Member for Riel. We also have 35 students, Grade 11 standing of the Shevchenko Collegiate. These students are under the direction of Miss Wood. This school is located in the constituency of the Honourable Member for Emerson.

On behalf of all honourable members of the Legislative Assembly, I welcome you here today.

REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: Adjourned debate on the proposed motion of the Honourable Member for The Pas. The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, in addressing myself to the report from the Municipal Affairs Committee being made to this House, I wish to make several remarks. I did attend some of the meetings of this particular committee on my own volition. I think I would have attended more had I been aware of the meetings beforehand, however on certain occasions I learned of these only through Press reports. However, I feel that the various matters that were left to the committee are very important in my opinion and I feel some of these should be acted on or given our views on before the report is finally passed.

I was rather struck by the vagueness of the various recommendations that the committee is presenting to the House in connection with the various matters. For instance on cable television, as proposed an amendment of Bill No. 7, they recommend that it be implemented in principle but that details be left for further examination. When you go to Bill No. 148 on tax deferral, the same thing, just implement in principle, and the same for Bill No. 7 to be approved in principle in connection with exempting of corporate non-family farms.

Mr. Speaker, I feel that we should have more definite proposals to be put forward by the committee in these respects, or is it that the majority of the committee representing members of the government are not free to act and are not free to bring in recommendations binding on the government. Certainly these are the deductions that you have to make from the report, and I for one would have liked to have more definite recommendations than what it contains presently. There are several of these matters that I wish to speak on, and probably because the report in my opinion is deficient in several areas.

One has to do with the matter of tax deferral. I know we mentioned it last night under the Estimates of the Urban Affairs Department discussions, however, I feel that this merits further commenting on. The matter of tax deferral is something new in Manitoba. If it is implemented it will be a first, and when we are talking of tax deferral we are talking more or less of farming now and paying taxes later, and whether when we farm now whether we will have the money later on to pay those taxes, this is the question, because in the United States where they have tax deferral legislation on their books some of these people find it very difficult, and also the large amounts that are deferred on the tax rolls pertaining to these farmers. In some cases this amounts to more than \$30 an acre, and one case mentioned in "The Furrow", which is the farm periodical, claims that one farmer had a bank roll of \$6,381. This is a large amount for any farmer to come up with once the loan has to be paid.

We don't know in what terms the report is speaking of, whether this is a three year or a five year plan. Certainly I would like to know more just what they're proposing when they're speaking of tax deferral. We find that in Ontario the farmers last year, the farmers organization there recommended to farmers not to pay their school taxes because they had reached such proportions that they too found themselves in difficulty and they wanted to pressure the government that the property taxes supporting education be reduced if not eliminated from farm property. I think we should pay and heed attention to this matter because the tax burdens on

(MR. FROESE cont'd.) . . . . farm property reflect neither the ability to pay nor the services they receive from government. In some cases high taxes based on potential rather than on actual use of farm land may be the final economic insult that forces the farmer off his land and out of business. Certainly I think if tax deferral is brought in that we should look for modifications so that it will not be a further burden and a heavy burden on the farmer of Manitoba.

The other point that I feel is also very important is land assessment, and that we should assess land on productivity rather than on market value. And here again there were briefs presented on this very matter which I felt were very important and really hit the point, because the net income of farmers today is very very low. It is one of the lowest on record and farmers as a whole are presently a low income group because net farm income has consistently gone down from 168 million in 1966 to 113 million in 1969 and there was a further reduction this last year, so that we have to pay great attention not to hurt the farmer more and to hurt them unnecessarily.

Certainly my concern lies in the increased burden of the cost of education in the form of taxation on property and in particular on farm lands. This is a matter of great urgency that must receive attention from our provincial government as a senior government in Manitoba. No other form of taxation can take away your home or farm as a result of inability to pay, not having an income to pay your property tax with. The proceeds of these taxes may well go towards the payment of educating children whose parents may have an income many times over that of an individual who is subject to losing his farm, and yet these very people with the higher income may not be subject to property tax let alone a farm land tax. It is unduly harsh because of the amount of taxes owing may be comparatively low in comparison to the investment in a given piece of property which may be up for tax sale, but because of inadequate returns to the farmer, so often beyond the farmer's control he is subject to losing his life's investment.

Parts of the municipality in my Riding, the Municipality of Stanley and Rhineland, were hard hit because of excessive moisture and flooding of crops. Many farmers re-seeded only to be hit by further flooding and severe frost damage to crops resulting in very poor and low returns this last fall. In fact a number of farmers had no crop at all and yet are unable to collect under the crop insurance plan because of the deadlines by which your crops are to be seeded. I brought this to the attention of the government last spring and I think they made an effort to extend it, the deadlines, but the Federal Government would not accede. This is at least what I understand from the Minister when he was reporting.

MR. SPEAKER: Order please. The honourable member is debating crop insurance under the question of the Municipal Affairs Committee Report. I wish he would get on this subject. The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, the report deals with assessment and taxes and this is certainly a subject matter that I wish to discuss here today. I feel that assessment on farm land is far too high, especially in the two municipalities in my riding. This has a direct result on the total amount of taxes that the government collects through the general levy which is received by the government, or at least offset by the grants that are earned by the school districts and division in my riding, and therefore because of the high assessment they have to pay increased taxes.

Not only is that the case, but because if farm land in the municipality is assessed unduly high in comparison to the towns and villages in that same school division, this means that the proportion is much higher that the farmer has to pay to that of the residents of the town or village, and I feel that there is a discrepancy here that should be corrected. This is why I have requested last year that the municipalities be reassessed on a basis and on a formula different than what has been in practice for all these years. Another of the difficulties is this, that when assessing farm properties they take into consideration the market value of land - and here again the municipalities were assessed when land prices were at their peak in 1966 and '67. These were the years when land was selling at its highest price. Since then prices have come down very considerably and very sharply, and yet the assessment is still where it was at that time; in fact it's a little more yet.

The Municipality of Stanley, the assessment was increased in 1966-67 from \$5,000 to almost \$10,000. It was a 98 percent increase. Likewise for the Municipality of Rhineland, you had the very similar increase, and because of these high assessments your taxes naturally go up and the portion that the province receives is double to what it was before. So instead of

(MR. FROESE cont'd.) . . . . . assisting the farmers in Manitoba they have been putting on an additional penalty. This is what I'm trying to point out to the government here in Manitoba and asking them to consider bringing about a formula that will not take land prices into consideration to the extent that it does now but rather that assessment be based on the productivity, because we find from the report made by Dr. W.J. Craddock, who did a study on inter-retail competition in Canadian cereal production here from the University of Manitoba, he points out the fact that the cost of production of grains in Manitoba is - and especially in the Red River Valley - is very considerably higher than that of many portions of western Canada and also even parts of northwestern Manitoba. He claims that the cost of producing wheat in the Red River Valley costs \$1.44 a bushel. This is based on a 23-1/2 bushel per acre crop, an average over the last ten years. Compared to that, in certain parts in Saskatchewan the cost is only 95 cents, so you have a difference from 95 cents to \$1.44 in the producing of a bushel of wheat, and certainly when you then add on the fact that you have a higher assessment and that you pay higher taxes as a result in addition to this, the farmer in the Red River Valley is hurt very severely.

This is a point that I wish to bring to the attention of members of this House. The Municipality of Stanley pays 64 percent on their school taxes from property taxes and in Rhineland it's 69 percent, yet for the province as a whole it is only 53 percent. This is in '69. I don't think that that is the complete answer. I feel that we should not go unitary at least until we have a reassessment of the properties, because if we don't have a reassessment now, when will we get it? I don't think we will get it once the divisions go unitary and certainly we will have fewer people in the area in office pressing for these very matters that have been brought to the attention of the committee.

We have many special crops grown in the area and we find that land that is changing hands is mostly of the type where they produce special crops that may be of higher value, and that only choice pieces are moving. As a result, too, we find that when they take market value into consideration in assessing that they take into consideration just these parcels that are sold at excessively high prices, and naturally only those that are moving, and these are the only ones that are moving. So I feel that this is another unfairness in the way assessment is made in the Province of Manitoba.

I could give much more detail to members of the House on this matter but I will forego that at this time. However, I feel that we should be reducing the amount of taxes that we collect on farm property that is being used for education. I think we should reduce it very drastically, if not eliminate it completely, and get the revenue elsewhere than from farm land, because in my opinion the ability-to-pay principle is certainly not recognized and applied when we ask farm operators to pay the education tax, the cost of education. Certainly farmers are not taxed on their income, they are taxed on their investment the way we are handling it presently. There is actually no relation between the income of the farmer and the amount of property tax that he has to pay, and these are some of the inadequacies of our present system and the way farmers are being assessed and taxed for educational purposes.

Certainly there would be much more equity if we brought about a new formula whereby the productivity was taken into consideration rather than the market value for farm land. Certainly I feel that a revision should be made all at once in connection with the reduction of taxes on farm land, not to have this done in piecemeal by gradually bringing it down because I think a lot of the value will be lost. At the same time, I feel that large economies can be made and should be made in the education field, and certainly when we reach the educational Estimates I'll have more to say in that respect at that time.

When I take a look at other matters that the committee reported on, such as the building code, I certainly don't subscribe to this. I don't feel that all of Manitoba should be under one code, especially the rural parts. I think we should make allowances and that we have greater variations.

On the matter of Bill 102, I did happen to be attending one of the committee meetings when representation was made in connection with this bill, and I feel some of the matters brought forward are quite valid and certainly should be taken into consideration when legislation of this type is considered and brought in before this House.

There are various other matters such as licences, licence fees on mobile homes. Certainly I think this is timely.

The matter of having an assessment made every five years, I think this is a welcome

(MR. FROESE cont'd.) . . . . . thing. I think we should have had this long ago because I find that too many municipalities are not assessed for 10, 12 or more years, and when the assessment is then brought in we have such a great variation between the previous assessment and the new assessment.

So, Mr. Speaker, I certainly am not in accord with all of the provisions in this bill. Certainly a number of them are too vague and should have been more explicit in my opinion, and when the legislation will be brought down respecting the matters contained in the bill I will have further matters to say.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Winnipeg Centre.

MR. J. R. (Bud) BOYCE (Winnipeg Centre): Mr. Speaker, I hope . . .

MR. SPEAKER: Order please. I have already taken care of that matter. The Honourable Member for St. Matthews. I should like to remind the gallery that they are visitors here. I wish they would conduct themselves as such and extend the courtesy to this Chamber that it deserves. We do not think that any object should be thrown down below. Thank you very much. The Honourable Member for St. Matthews.

MR. WALLY JOHANNSON (St. Matthews): Mr. Speaker, I move, seconded by the Honourable Member for Gimli, that debate be adjourned.

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

MR. SPEAKER: Notices of Motion; Introduction of Bills; Orders of the Day.

#### ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q.C. (Leader of the Opposition) (River Heights): Mr. Speaker, my question is for the Minister of Finance. I wonder whether he can indicate whether for the fiscal year ending March 31, 1971, the government has received the revenue from the programs in corporation tax, personal income tax and in terms of the cost-sharing programs as well.

MR. SPEAKER: The Honourable Minister of Finance.

HON. SAUL CHERNIACK, Q.C. (Minister of Finance) (St. Johns): I tried to listen as carefully as I could but I certainly lost the sense of it when he started talking about -- towards the end of the sentence.

MR. SPIVAK: Mr. Speaker, I'll repeat the question. I wonder if the Minister of Finance can indicate whether the provincial government has received the revenues for the fiscal year ending March 31st, 1971, from those monies that are collected by the Federal Government - corporation tax, personal income tax, and in addition the monies on the cost-sharing programs for the fiscal year of March 31st, 1971.

MR. CHERNIACK: Mr. Speaker, during the Budget Address I think I referred to the fact that in the last fiscal year we received a speed-up of one month, that is a thirteenth month which was - and possibly I didn't spell it out - that was the payment that was normally coming in the third month, and therefore I have to indicate that monies collected in March will not be paid to the province until towards the end of May or thereabouts.

MR. SPIVAK: A supplementary question.

MR. CHERNIACK: Possibly I should just elaborate and say the shared-cost programming is not on a monthly basis; I think it's on a requisition basis. I can't answer that question.

MR. SPIVAK: A supplementary question dealing then with only the personal income tax and corporation tax. At the time the budget was prepared, I take it then that you had received, with the exception of the last two months, you had received payment for ten months of the fiscal year at the time this budget was prepared, ten months for the fiscal year of 1970-71, the monies from the Federal Government on the personal income tax and corporation tax.

MR. CHERNIACK: Oh, I can't be that precise, Mr. Speaker. That assumption may be a fair one, it may not be. There could be a month's payment that may or may not have arrived. I would think that certainly we received 13 months in the last fiscal year. That I made clear, but of course part of that 13 months was a carryover from the preceding fiscal year. Let's say the payments received in April, May, 1970 would have been from the preceding fiscal year, but 13 months were received.

MR. SPIVAK: A supplementary question. Then I take it at this time the government does not know what the full revenues will be for the fiscal year ending March 31, 1971, from

(MR. SPIVAK cont'd.) . . . . . cost sharing -- not from, the money collected from personal income tax and corporation tax.

MR. SPEAKER: Order please. I would like to suggest that when members are placing questions, they place them not in the fact that they are assuming but in a direct way so that they can be answered. An assumption may be placed upon something but not necessarily so that one cannot determine what the question is. I find it difficult trying to rule when I can't determine whether the member is stating an opinion and wants to corroborate it or not. If members would state their questions specifically there would be no problem. The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, the government is aware of the monies received in total in the fiscal year 1970-71.

MR. SPIVAK: Mr. Speaker, my question to the First Minister, has he received all the money for the fiscal year '70-71?

MR. CHERNIACK: The books have been closed.

MR. SPEAKER: The Honourable Member for Virden.

MR. MORRIS MCGREGOR (Virden): Mr. Speaker, I'd like to direct my question to either the Minister of Municipal Affairs or Minister of Industry and Commerce. Has the Government of Manitoba anything to report on the discussion with the Government of Canada regarding payment in lieu of taxes on behalf of Rivers Airport to Daly Municipality? This is a municipality with a total assessment of \$3,000,000.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs) (Selkirk): Yes, Mr. Speaker, the Province of Manitoba had entered into discussions per delegation by way of correspondence with the Department of Defence in connection with grants in lieu of both the Rivers and the Gimli bases. We have been assured that the grants in lieu of taxes will continue from the Federal Government as long as the bases remain federal property, so it would appear that in the instance at hand, that in regard to Rivers, that we could expect the continuation of the grants through the Municipal Division of the Department of Finance at the federal level.

MR. SPEAKER: The Honourable Member for Virden has a supplementary?

MR. MCGREGOR: A supplementary is this. There has been a high of some 50,000 and a low of 15 would I be assuming, which level would the future show?

MR. PAWLEY: Mr. Speaker, I have been advised that the Municipal Division of the Department of Finance is presently working out the exact calculations as to the precise sum that will be paid, so that at this time I would be unable to indicate the exact sum but it would be along the same lines as that which has been paid previously. I would take the question as notice that when I have the exact sums I would so advise.

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

MR. LAURENT L. DESJARDINS (St. Boniface): (Mr. Desjardins spoke briefly in French.) Mr. Speaker, I was stating that the evening known as Pea Soup Night will be held again this year sponsored by the Societe de St. Jean Baptiste and this will be a week from tomorrow, Wednesday, May 26th at the former Juniorate Hall - that's the gym there, the corner of Provencher and Des Meurons. This is the former Juniorate, where the new cultural centre for St. Boniface is to be built. Now on that same evening we received an invitation from the press gallery to meet with them at the Dakota Hotel from 6 to 8. I wish to say that it certainly will be very easy for the members to attend both. It doesn't matter if they are a little late, that Pea Soup night doesn't get going until 8:30 or 9:00 o'clock. At Pea Soup night I might say that all the members are invited - not their wives, just the members - and the heads of the departments and also members of the news media. Thank you.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. INEZ TRUEMAN (Fort Rouge): Mr. Speaker, I have a question for the Honourable Minister of Health and Social Development. If the province will be running a hostel program for transient youth this summer, will there be legislation introduced to make this possible or, if not, under what statutes is this being done?

MR. SPEAKER: The Honourable Minister of Health and Social Development.

HON. RENE E. TOUPIN (Minister of Health and Social Development) (Springfield): Mr. Speaker, there is no need for legislation for the province to either itself run or make use of private agencies to make the services of youth hostels available to the province.

MRS. TRUEMAN: A supplementary question, Mr. Speaker. If the province is running

(MRS. TRUEMAN cont'd.) . . . . . this program, would there still be a role for the CRYPT organization to play?

MR. TOUPIN: Yes, hopefully, Mr. Speaker.

MRS. TRUEMAN: A supplementary question, Mr. Speaker. In that case, will the province still be willing to contribute financial resources to CRYPT?

MR. TOUPIN: Mr. Speaker, this is a matter for policy that will be discussed by Cabinet tomorrow.

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

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, my question is for the First Minister. When the Macdonald airport facility was sold by high bid to the New Rosedale Hutterian Colony, was the Cabinet aware of the signed agreement between the Manitoba Union of Municipalities and the Hutterian Brethren?

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, we followed what we thought was normal policy in a case like this, in that the property was sold to the highest bidder, and while this may not apply at all times, it is certainly almost always that this is the procedure followed, to offer for sale to the highest bidder. Now the honourable member makes reference to some agreement that is entered into between the Hutterian Brethren and presumably the Union of Manitoba Municipalities. The Crown in the Right of the Province is not party to that agreement and therefore we do not feel that we are either bound by it or that we should take cognizance of it.

MR. G. JOHNSTON: A supplementary. Then the Cabinet . . .

MR. SPEAKER: Order please, -- (Interjection) -- Order please. I realized that. I just want to indicate that the Chair did allow this question and I should not have allowed it because it was asking of awareness to something which did not pertain to this House. Now I will, since the question has been answered, allow the Honourable Member for Portage la Prairie to proceed with his supplementary but it is not a precedent. The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, in my supplementary I will ask the Premier a direct question. Did he and his Cabinet know of the agreement between the two groups?

MR. SCHREYER: I can tell my honourable friend that we had heard of the agreement, and further to that, we knew that several years ago a bill had been introduced in this House called An Act to validate this particular agreement and this Legislature did not see fit to proceed with that legislation, therefore we do not feel that it has the force of law.

MR. SPEAKER: The Honourable Member for Emerson.

MR. GABRIEL GIRARD (Emerson): Mr. Speaker, I'd like to direct a question to the Honourable Member for St. Boniface, Monsier . . .

MR. SPEAKER: Order. Out of order. The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I'd like to direct a question to the Minister of Industry and Commerce. Can he advise the House of any plans to reconvene the Air Canada Policy Committee?

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

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): Mr. Speaker, as I indicated in the House the other day, I intended to discuss the matter of procedure with each party in this House and I have done so. Perhaps the honourable member is not aware, but we have discussed the procedure and I think we have - I hope we have all-party agreement on it - but we are proceeding with the formation of a delegation to go to Ottawa on this matter. We have requested a meeting of the appropriate Ministers involved within the next 10 days and it is our intention to reformulate or reconvene a committee which has been, or is similar rather to the type of committee that existed before. The personnel obviously would be different and the size may be different, but the intention is as I indicated earlier, and this has been discussed with each party in this House.

MR. CRAIK: A supplementary, Mr. Speaker. I wonder if the Minister would consider calling the committee itself before the delegation is made up.

MR. EVANS: Mr. Speaker, we certainly can consider it. I was trusting we were going to have some conversation about it this afternoon with representatives of your party and the Liberal party.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. LEONARD A. BARKMAN (La Verendrye): Mr. Speaker, I'd like to direct my question to the Minister of Agriculture. In view of the fact that quite a few farmers are not holders of Canadian Wheat Board permits, what percentage of the \$4 million has been paid out to the farmers at this stage? And I'd like to ask another question while I'm up. Are all rural municipalities and agriculture reps in possession of application forms, if they do not hold permits?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): I can only make an assumption, Mr. Speaker, that somewhere in the order of over \$3 million has been mailed out by the use of the Wheat Board permit system, and that it's my understanding that application forms have gone out to the rural areas although I'm not positively sure.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, my question is for the Honourable the Minister of Municipal Affairs and relates to the boundaries which separate the City of Brandon from the Municipality of Cornwallis. Is it the intention of the government to introduce legislation in this session based upon the recommendations of the Brandon Boundaries Commission which might affect the present boundaries between the city and the municipality?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Speaker, this is a matter of policy. The knowledge of same will be forthcoming shortly.

MR. SPEAKER: The Honourable Member for Charleswood.

MR. ARTHUR MOUG (Charleswood): Mr. Speaker, I'd like to direct my question to the Minister of Municipal Affairs. Can a person pay the insurance portion of their driver's licence with a cheque dated October 31st?

MR. SPEAKER: The Honourable Member for Emerson.

MR. GIRARD: I'd like to direct a question to the Minister of Youth and Education. I wonder if he would confirm the appointment of Mr. Lionel Orlikow as Assistant Deputy Minister; and secondly, I wonder if he could tell the House to which Associate Deputy Minister will this assistant be responsible.

MR. SPEAKER: The Honourable Minister of Youth and Education.

HON. SAUL A. MILLER (Minister of Youth and Education) (Seven Oaks): I am pleased to confirm that Dr. Lionel Orlikow has joined the staff of the department as an Assistant Deputy Minister. He will be reporting in the usual way to the Deputy Minister who in turn will report to me.

MR. GIRARD: A supplementary question, Mr. Speaker. Is it not correct to assume that the Assistant Deputy Minister reports to the Associate Deputy Minister?

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

MR. GORDON W. BEARD (Churchill): Mr. Speaker, I'd like to direct a question to the Minister of Industry and Commerce, I suppose. Will the Marine Underwriters be accepting Mr. Jamieson's invitation to check the Hudson Bay waters during the spring and fall for purposes of extending the marine insurance year?

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

MR. EVANS: Mr. Speaker, I don't think I'm in a position to indicate what the Marine Underwriters will do inasmuch as they are not responsible to this government, but I can certainly look into the matter and if I have any relevant information that's of interest to the honourable members of this House I'll certainly make it available.

MR. BEARD: A subsequent question then, Mr. Speaker. Could the Minister indicate whether or not the Provincial Government would be prepared to underwrite the marine insurance for extended seasons if this is not done by the insurance industry?

MR. EVANS: Well, Mr. Speaker, this is obviously a policy question and I therefore cannot comment upon that point at this time. However, going back to your first question, I will certainly endeavour to obtain necessary information on this question. In fact I may put forth your suggestion.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I'd like to address a question to the Honourable Minister of Finance. Are reports of the Federal-Provincial Tax Structure Committee's meeting of last June 5th and 6th, 1970, available or are they out?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: June of last year? Mr. Chairman, it is my recollection - which may

(MR. CHERNIACK cont'd.) . . . . be wrong - that the reports were not for publication, but I'll be glad to check into it and if they are then I'll see whether or not they have been made or could be made public. I do recall that I myself filed copies of presentations which I had made at that meeting.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is for the Minister of Finance. I wonder whether he can tell the House whether his department has any figures as to what the loss in corporation tax and personal income tax will be as a result of the Government Auto Insurance Corporation, that is the loss for those private companies who will now not be doing business in Manitoba.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: This is clearly an argumentative question. There would be no loss in relation to the insurance tax because the corporation will be required to pay insurance tax - and he's now speculating about possible loss of income tax. I would think that if that's the case then it would be much more than offset by the benefit to Manitobans by the savings under the insurance plan, so I really can't get into this discussion unless he wants to become involved in that during the Estimates.

MR. SPIVAK: A supplementary question. I wonder whether the Minister would confirm that the estimated revenues for next year, which would be the year '71-72, which included a 15 percent reduction at least estimated in the corporation tax, does not include the additional loss . . .

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

MR. BEARD: I wish to direct my question to the Minister of Agriculture. Can he advise us how many billions of bushels have been sold through the Port of Churchill for this year?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, I'll take that question as notice.

MR. BEARD: A subsequent question, Mr. Speaker. Could the Minister be aware that there's over a million and a half bushels that the Churchill Port Terminals are -- the storage is a million and a half less than what could be used at this time. I'm sorry, Mr. Speaker, can I rephrase this question? Is he aware that the terminal storage has a capacity of five million bushels and there is only 3-1/2 million bushels of it being used at this time?

MR. SPEAKER: Order, please. Awareness or non-awareness on a Minister's part is not necessary in this House. The Honourable Minister of Industry and Commerce.

MR. EVANS: Mr. Speaker, a few days ago the Honourable Member from Roblin asked a question of the Premier, the First Minister, respecting the Government of Manitoba's position respecting problems encountered at the Dauphin Airport. The Premier has asked me to reply to the matter. I can state, Mr. Speaker, that our position in this matter was made clear in a letter dated May 4th to the General Manager of the Parklands Regional Development Corporation, Mr. Kinney, and I believe Mr. Kinney subsequently published the letter in the newspapers, or released it to the newspapers and I think our position was made clear in a newspaper report. But very briefly, Sir, the fact is that it is not the policy of the Government of Manitoba to subsidize airport operations in Manitoba. There's a slight exception - small grants are paid to northern air strips but these air strips are not subject to Department of Transport subsidies. However, Mr. Speaker, I have a copy of my letter to the Parkland Regional Development Corporation and I'd be pleased to table it for the honourable members' perusal.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, I have a question for the Minister of Mines and Natural Resources. I wonder can the Minister report today on the Shellmouth Dam question that I asked on Friday?

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, I've referred that to the department but I can't report on it today.

#### ORDERS OF THE DAY - MOTIONS FOR PAPERS

MR. SPEAKER: Adjourned debate on the proposal of the Honourable Member for Souris-Killarney which stands open on an Order for Return. The Honourable House Leader.



MR. GREEN: Mr. Speaker, with regard to the Order for Return, I can advise the honourable members that we're prepared to approve of the motion of the Member for Portage la Prairie, and if that motion is approved of then we are prepared to file the Return.

MR. SPEAKER: The Chair was dealing with the first one on Page 1, but he was referring to the Honourable Member for Portage la Prairie.

MR. GREEN: His amendment, Mr. Speaker.

MR. SPEAKER: I see.

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

MR. SPEAKER: On the proposed motion of the Honourable Member for Portage la Prairie. The Honourable Minister of Labour.

MR. GREEN: Mr. Speaker, have we approved the Order as amended? Was the question put on the motion of the Member for Souris-Lansdowne as amended?

MR. SPEAKER: Yes, thank you. The Chair is in error. The motion as amended.

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

MR. SPEAKER: Now, on the proposed motion of the Honourable Member for Portage la Prairie. The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): Mr. Chairman, the question before the House is the proposed amendment of the Honourable Member for Morris that Clause (5) of the proposed motion be deleted, and just when this amendment was proposed the other day, I took the adjournment after listening to a considerable amount of debate on the main motion and had listened to a considerable number of members opposite rise in what they presumed to be righteous indignation because it had been indicated that the Order for Return would be rejected by the government. And I say "presumed righteous indignation" advisedly because never in my years in this House have I heard such approaches made to an Order for Return as have been made during discussions on the proposed motion of the Honourable Member for Portage la Prairie dealing with the question as to the intervention of the Attorney-General into the process so-called of justice in the Province of Manitoba. And the reason I say "so-called" is I don't mean that we have so-called justice, we have justice in the Province of Manitoba, and it is historic that from time to time the Attorney-General, exercising his prerogative and exercising his rights, should consider verdicts that are awarded by the courts. As a matter of fact only yesterday, as I understand it, the Court of Appeal rejected a contention of the Attorney-General in a case, and it may be subject to further appeal so I cannot refer specifically to the case.

But I think that the Honourable Member for Morris is right when he suggests that Clause (5) of the main motion be deleted, for Clause (5) asks for the names and addresses of those charged in cases in which the Attorney-General has intervened in each case. I think that at long last in this debate some intelligence has been forthcoming from the members opposite, and I would suggest, Mr. Speaker, that it is not peculiar that it came from the Honourable Member from Morris, because of all the members on that side he does prove to be the exception on many occasions of the type of individual who now form the opposition to the Government of Manitoba and he does indicate from time to time a spark of intelligence, a spark of reason.

So, Mr. Speaker, I really must compliment, I must compliment the Honourable the Member for Morris, that if his amendment is for the purpose of exhibiting some intelligence then we're prepared of course to accept it. I trust and hope, however, that my honourable friend is not using this methodology in an endeavour to open up the whole case once again so that we can get a continuation of the harangue that's been emanating from the members opposite - and of course I include my honourable friend the Member for Riel who the other day uttered such nonsense that it was unworthy of my honourable friend and very hard to digest, on any side of the House.

So, Mr. Speaker, I want to say that as far as I am concerned, and I am sure that I can speak for others, that a rejection of this Order for Return is not an indication that we're not prepared to open government, but after all, when one assumes the responsibility of being the Attorney-General of this province he assumes many responsibilities, and I would suggest that in assuming those responsibilities he should not be subjected to the harangue that has emanated from across the way.

I recall on many occasions, previous Attorneys-General in this province have made representations by way of appeals to the courts of Manitoba. I recall on one occasion particularly, Mr. Speaker, that the former Attorney-General, Mr. Sterling Lyon, appeared

(MR. PAULLEY cont'd.) . . . . personally in court to appeal against a decision of the court. Now, we at that particular time in Opposition didn't rise in this House in psuedo righteous indignation and call him to the bar of this court because he had did it. There's nothing wrong with it. There's nothing wrong and we didn't say that there was anything wrong at that particular time. We felt then, as indeed we feel now, that the responsibility of the Office of the Attorney-General rests with him, and if honourable members want to obtain information, our courts are open.

But the inference in this is something different entirely. This was a personal vendetta against the individual who at the present time occupies the position. -- (Interjection) -- You keep your blabbling to yourself for the time being. There is the difference. -- (Interjection) -- Pardon? Yeah, you'd better. There is the difference in the approach, Mr. Chairman. The whole purpose of this Order-in-Council was directed in my opinion, and I feel that I am entitled to an opinion in this House, against a person rather than a position. And it has developed more and more as we're in the House this session, that the sole object of the Opposition is to do as much muckraking as they possibly can - and I would say that the interjection that I just received from the Honourable Member for Lakeside puts him on the top of the list of the muckrakers in this Assembly, and that is being exhibited time after time, even down to the degree of singing "The Star Spangled Banner". -- (Interjection) --

MR. SPEAKER: Order, please. Order please. I should like to suggest that I did at the beginning of this session distribute and make an announcement in regards to matters of privilege and points of order. Some honourable gentlemen should peruse that in order to refresh their memories. The Honourable Minister of Labour.

MR. PAULLEY: Thank you, Mr. Speaker, and I'd be prepared to answer my honourable friend if he remembers that he sang the song. It could well be that because of the passing of a couple of days or so since he gave us the opportunity of listening to his melodious voice that he has forgotten that he even used it on that particular occasion and I leave it in his ball court.

But the whole point, Mr. Speaker, as I indicated at the offset, that the Member for Morris has exhibited a rarity from that side of the House in that he has given us an opportunity to assess the whole process of the operation of the members opposite, that he has come to the conclusion that one part of the proposed Order for Return standing in the name of the Member for Portage la Prairie should be deleted, and I respectfully suggest to my honourable friend the Member for Morris that he gets some of his other colleagues to use the hatchet as well, and possibly by subsequent amendment, delete clause (4), Clause (3), Clause (2), Clause (1). I think and I would advise -- I would advise, Mr. Speaker, my honourable friends opposite that they should convince and give unanimous consent to the Honourable Member for Portage la Prairie that the whole Order should be withdrawn.

Now I realize and I sympathize with my honourable friend the Leader of the Opposition who during his sojourn in this House has been so devoted and his time has been devoted to so many areas other than practical areas of conduct in the House that maybe even he might lead in a delegation to the Honourable Member for Portage la Prairie, because I know, despite the exhibitions that my honourable friend the Leader of the Opposition gives in this House through his lack of knowledge of what the Legislature is all about, that even he, Mr. Speaker, at times, rare as they are, does give some semblance of having a little bit of ability. I don't think that I am being unkind to my honourable friend when I say that he does exhibit some little exhibition of having some ability, and my honourable friend the Member for Swan River of course, Mr. Speaker, having had and been in his company for so long, I need not make an assessment of his intelligence, I am sure that that is evident to all.

MR. SPEAKER: Order please. I would ask the Honourable Minister to get to the topic that we have before us.

MR. PAULLEY: Your so right, Mr. Speaker. What I am speaking to of course is the amendment as proposed by the Honourable Member for Morris, and I say that in this, as rare as it is, the Opposition or one of its members is showing some intelligence and I heartily endorse his suggestion of the deletion.

MR. SPEAKER: Are you ready for the question? The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I take it from the Honourable Minister of Labour that the government is not accepting the motion in its amended form. -- (Interjection) -- Yes, but you're not accepting the motion in the amended form. Had you accepted the motion in amended

(MR. SPIVAK cont'd.) . . . . form it would not have been necessary for me to have stood up in this debate. I may say, Mr. Speaker, that I hope that tonight Montreal in its performance with Chicago will put on a better performance than the Honourable Minister of Labour. Well, if the performance is the same performance as the Minister of Labour, I wouldn't bet on Montreal.

Mr. Speaker, this motion in this Order is a serious one at this time. It is serious because of the allegations and representations that have been made in this House and outside. It's serious because it deals with the problem of the administration of justice and a question that legitimately has been raised by people both within the legal profession and outside. It is not intended, as the Honourable Minister of Labour would suggest, as a vendetta against the Attorney-General, but it is brought about because there is concern as a result of some situations which indicate a direct intervention on the part of the Attorney-General in connection with the administration of justice.

As I understand this Order, this is not a request to determine intervention when the Director of Prosecutions or the Deputy Attorney-General, as a result of review and discussion, has in fact ordered such proceedings to be continued or other proceedings to be changed. This deals specifically with the personal intervention of the Attorney-General, and I must suggest to you, Mr. Speaker, that in terms of the -- (Interjection) -- I beg your pardon? -- (Interjection) -- The First Minister will have an opportunity to speak in the debate. Mr. Speaker, in terms of what is being requested, it is an attempt to try and find those areas in which the Attorney-General personally has intervened.

We have already had reference made to one specific case, and I'm going to refer to it because I think it has to be repeated again. While the Minister of Transportation has been subject to much criticism in this House and outside, one thing that usually happens when he opens his mouth is that he tells the facts as they actually are, as he sees them, although it still is coloured by a very prejudiced mind.

And let me now refer to a specific case. The Member for Morris mentioned specifically a case in Swan River in which he indicated that there was a direct intervention by the Attorney-General - not by the Director of Prosecutions but by the Attorney-General. Now the Minister of Transportation in his statements in the House confirmed that he, as a result of someone talking to him, went to the Attorney-General because there was a Conservative involved who was charged, there was a Conservative prosecutor, there was a Conservative magistrate, and as the result of this, it was Conservative justice to him. As a result, the Attorney-General intervened. This is a clear-cut example of the use of the Attorney-General's power in an area in which there was a political consideration and the political consideration weighed very heavily in an ultimate decision exercised by the Attorney-General.

I suggest to you, and I suggest to you, Mr. First Minister, that it's time that this be corrected, because notwithstanding any letters that the Attorney-General may write outside of this House, notwithstanding any of the kind of protestations that may take place by different groups within the Bar or who are not a legal profession, there is a fundamental change that has occurred in the administration of justice in the past two years. The direct intervention of the Attorney-General is subject to criticism and subject to concern. We had a recitation of specific cases and I'm not at this time intending to recite those cases again. I am suggesting to you that this Order which would indicate the specifics of the interventions by the Attorney-General is necessary, only if it will stop that intervention from happening again. Why should the courts -- (Interjection) -- Not nonsense. Not nonsense, it is absolutely not nonsense at all. It is not nonsense and I would suggest to the First Minister if he thinks that's nonsense, then you sit - he thinks I'm a fool - he sit down with the members of the legal profession; he sit down with those people; yes, the members of the Law Society; he sit down with the members of the Bar; he sit down with the judges; he sit down with the magistrates; and if he sat down with those people involved in the administration of justice, Mr. Speaker, he would find that the actions of the Attorney-General have in fact been uncalled for and they are not exemplified by previous Attorneys-General.

As a matter of fact, Mr. Speaker, if the First Minister does not accept this, form an all-party committee and let us have the opportunity of sitting down with the legal profession, let us sit down with the Law Society, let us discuss whether this has or has not happened. I would suggest, Mr. Speaker, that there has always been a tendency on the part of the First Minister to believe that his Ministers can do no wrong. You know, his concept of open government is that if they make a mistake or if they say something they can't do any wrong. This is

(MR. SPIVAK cont'd.) . . . . . the way it operates. Well, I would suggest that the First Minister does not understand the operation of the Attorney-General's Office; the First Minister does not know the history of the Attorney-General's office; the First Minister hasn't the slightest idea what is happening with respect to the legal profession and his attitude and his action. It's time, Mr. Speaker, that the First Minister stopped trying to cover up for what he has done, but rather speak to those people who have had in fact some contact.

Now, Mr. Speaker, the government may not -- (Interjection) -- that's stupid? -- (Interjection) -- You think it's stupid. The Minister of Transportation -- the Minister of Transportation said in this House that he went to the Attorney-General because a case had been dismissed against a person who was a Conservative, who was charged and who was prosecuted by a Conservative prosecutor, who came before a Conservative magistrate, and as a result of his intervention the Attorney-General directed that the case be appealed. Now this was not a normal procedure in which the direction came as a result of the Director of Prosecutions or the Deputy Attorney-General following through in a normal way. This was a direct political action on the part of the Minister of Transportation who admitted it in the House. Now, you think that's stupid? Well, I would suggest to you that the action was stupid, and I would suggest as well, Mr. Speaker, the taking of an appeal was motivated by political consideration and the Minister of Transportation said that; he said that in the House. -- (Interjection) -- Oh, that is not interference.

Well, Mr. Speaker, here we go to the whole question of what the Attorney-General's position is. He's the chief law officer in this province. His responsibility is for the administration of law. His responsibility isn't to go ahead and go after those people who are not politically attuned or politically in favour of the Attorney-General. Of course not, but yet we have the admission by the Minister of Transportation that this is the facts of the case; he went to the Attorney-General and in fact the appeal was directed -- not by the Director of Prosecutions but by a direct letter, by a direct action of the Attorney-General.

Now, I want you to start showing me these precedents where the Attorney-General writes those direct letters to appeal. I want you to indicate to me, I want you to indicate to me specifically in this kind of a situation, with this kind of a charge where in fact Attorneys-General have directed those actions to take place. I suggest, Mr. Speaker, and I again suggest to the First Minister, I don't expect you to know that much about the administration of justice -- (Interjection) -- Well, I must say I don't either, but I want to tell the First Minister, I attended a meeting of the Bar on Saturday and I can -- (Interjection) -- Oh, big deal. You may not like the Bar -- (Interjection) -- Yeah, you may not like the Law Society but I attended a meeting of the Manitoba Bar and I must suggest to the First Minister it's about time that he sat down with some of the lawyers in this province and understood about how the Attorney-General's Department is to operate. -- (Interjection) -- Which one? You make your choice. I'm not concerned, I believe that you can make a choice and you'll find that same decision.

I suggest to you that the Attorney-General has interfered, has in fact lowered the prestige of the office of the Attorney-General, has acted improperly, and if this Order does nothing else but put you on notice that the kind of course of action that's been undertaken should not be undertaken, then this Order or this request is justified. Because, Mr. Speaker, it is not the vendetta against the Attorney-General that concerns us here, it's the manner in which the Attorney-General has operated and the improper use of the power that is within his office, and there is no better testimony to that than the words of the Minister of Transportation in connection with this. Now -- (Interjection) -- well, the people will decide. The people will decide. The people will decide. The people will decide. You know, Mr. Mumbles from Thompson can just wait for a few moments; he can talk later on.

Mr. Speaker, the Minister of Transportation, when he spoke, indicated his motives. Now fine. Did the Attorney-General discuss this case with the Director of Prosecutions? Did he talk it over with the staff and say on the basis of facts that the case was dismissed? Is there some justification for an appeal to be made? Should the appeal be made because in fact the magistrate erred in law? Were there facts that were not presented? Did the Crown Prosecutor not present his case correctly? And if those decisions were the decisions that were made, why didn't the Director of Prosecutions request that an action be taken for the appeal? Why the intervention personally of the Minister, the Attorney-General in a case in which the Minister of Transportation says it's a Conservative involved. I mean that's a sham

(MR. SPIVAK cont'd.) . . . . to suggest that this is a normal course, it's a sham to suggest that this came about in a way in which the previous administrations have practised that responsibility of Attorney-General.

The truth of the matter is this, that much of what has happened has been motivated politically, it's been borne out, the confrontation that now is taking place has been deliberately attempted to be provoked on a political basis by the Attorney-General because he can't, no he can't fathom them. Some people would question the manner in which he has administered the office and I plead with the First Minister because I don't think you are going to accept this - but I plead with the First Minister, if nothing else, correct the error of your Attorney-General's ways. Yes, correct the error of your ways. If you don't believe me, speak to the members of the Law Society. Speak to the members of the Law Society. Speak to the members of the Law Society, speak to them. Speak to those people who are the officials. I don't even know the officials in terms of -- (Interjections) -- Let me say to the Minister of Labour . . .

MR. SPEAKER: Order, please. I realize that all members are anxious to get into the debate. I do wish they would offer the member on the floor the courtesy to hear him out first. The other direction I'd like to make is that the members, when they are debating, do make their remarks pertinent to the House, not to individual members. The Honourable Leader of the Opposition.

MR. SPIVAK: For the benefit of the Minister of Labour I do not know who hold the executive positions in the Law Society of the Bar, I only know some. But I do know, Mr. Speaker, at the meeting of the Bar Association that I attended that the general discussion that took place, took place about the conduct of the Attorney-General and anyone who does not believe that to be the case is mistaken. And I would suggest to the First Minister, pick your group of people, talk about the Attorney-General's office, not about the personality of the Attorney-General, not about his wisdom in law, that's not the issue but about the office and I think you will come to the conclusion that what has happened in the past was wrong and that if nothing else, it should be changed.

You may say it's a bunch of garbage, you know your favourite answer is "garbage". You cackle and cackle and cackle, you try the best you can, you know, shun away from the very major issue. The truth of the matter is this you have used your office, you have used your office, you have used your office, you have used your office in a political way.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I rise on a point of privilege. My point of privilege is and actually the cause for it has been given by the Honourable Leader of the Opposition, at least four or five times in the past few minutes. He has been persistently imputing motives to the Attorney-General in the course of the carrying out of his duties and, Mr. Speaker, Sir, it's as clear and simple a rule as any rule of this House that the imputing of motives is not to be accepted.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, on a point of privilege, a matter of privilege, may I simply suggest to the First Minister that all I have tried to do is paraphrase the words of the Minister of Transportation which was -- (Interjection) -- paraphrase entirely the words of the Minister of Transportation who said . . .

MR. SPEAKER: Order. The Honourable Member is debating the point, not stating the matter of privilege. I would suggest that my first caution originally, before the First Minister brought up the matter of privilege, should be well taken by the Honourable Leader of the Opposition who should address his remarks to the Chair and not impute them to any individual member. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, in order to comply with your request may I phrase my remarks to suggest that there are many in this province who believe that the Attorney-General has used his office in this way and I may suggest that they base this on the confrontation that has taken place this last little while.

And, Mr. Speaker, I would like to refer to page 690 of Hansard and I'd like to refer to the statements of the Honourable Minister of Transportation. "The guy is a Conservative, the magistrate's Conservative, the prosecutor's Conservative and the guy who was caught speeding in a radar trap is a Conservative' and he says 'Are you going to stand by and allow this thing to get by?'" The case was dismissed, Mr. Speaker, and I said the Minister of Transportation says "Well, let's have the details. I went to the Attorney-General. I understood it was

(MR. SPIVAK cont'd.) . . . . . appealed. I don't know what finally happened. It was dismissed." -- (Interjection) -- I will read the preamble. "I don't know about these things." (Agreed) "I know about the case in Swan River and I insisted that it be reviewed because the reports started coming into my office, because it had to do with speeding which they think, which some people think that anything that happens on a highway is somehow not the Attorney-General's but the Minister of Highways and I said, 'look'" -- (Interjection) -- I wonder if the Honourable Minister of Transportation would suggest, would tell us whether it was Alec Filuk who was the person who complained? Yes. "The guy is a Conservative, the magistrate is a Conservative, the Prosecutor's Conservative and the guy who was caught speeding in a radar trap is a Conservative" and the First Minister is concerned about my imputing motives. This speaks for itself.

MR. SPEAKER: The Honourable First Minister,

MR. SCHREYER: Mr. Speaker, not being a lawyer I am not as well versed in some of the more technical procedures of the law but I can say that I think I'm as knowledgeable of the relationship that ought to exist between the executive branch of government and the judiciary as my honourable friend who may have graduated from a law school. I'm not aware that he ever practised law in such a way and for such a length of time as to make him a source of advice that I would ever want to consult but nevertheless he did graduate from Law School at one time or another.

The Honourable the Leader of the Opposition can quote from Hansard all he likes; that in no way relates in any relevant way to the question as to whether or not the Attorney-General has been carrying out his responsibilities for the administration of justice in the best way that he knows how in traditions of fairness and impartiality.

Of course, it hardly needs stating by me, so fundamental a point is it, that the independence of the judiciary simply must be respected. That's not what's at issue here. What's at issue here is the allegation from the Honourable the Leader of the Opposition and some others opposite that the Attorney-General somehow acted improperly in coming to a determination and instructing members of the staff of that department as to whether or not to proceed with charges, whether or not to lay lesser charges or increased charges or to appeal a case to a higher court; all of these things I suggest are matters that come properly under the purview of the Attorney-General, in the same way that the Attorney-General here in the province; like the Minister of Justice in Ottawa, has the ultimate administrative responsibility for the administration of justice and he is accountable. But to pretend for one split second that there is somehow something very unusual, that it is something without precedent, in an instruction or directive going from the Attorney-General to staff that a particular administrative course of action be followed, or that charges be varied before proceeding to court, to suggest that is to be the most complete kind of nonsense because I believe that this happens in the normal course, in the normal course of actions in that or any other department.

To suggest otherwise is to make a mockery out of the office of Attorney-General and is to make a hollow shell out of the office of the Attorney-General. Either he has the responsibility or he hasn't and if he is charged with the responsibility as everybody admits that he is, then concomitant with that responsibility is the legitimizing authority to issue instructions as to whether or not to proceed with particular cases, to vary charges, etc., and in the end the decisions and the substance of the matter are made by the courts.

Inasmuch as that is the fundamental relationship, I don't see that it can be said with any plausibility at all that the Attorney-General, in making these decisions, in consulting with his staff, in taking their advice as he sometimes I'm sure very often does, take their advice, in other cases probably he may give suggestions and advice and directives to staff and this is the normal course of the administrative operation of any department of government.

There is an effort here on the part of some to impute motives to the Attorney-General and I can say to my honourable friends, just so that there is no mistake, so there can be no mistake about it, that it may well be inasmuch as human nature is less than perfect, it may be that the Attorney-General has made mistakes but I have not the slightest doubt in my mind that the Attorney-General of the province is carrying out his responsibilities according to his conscience and according to the highest of ideals for the administration of office. No doubt at all.

MR. SPEAKER: The Honourable Member for Sturgeon Creek,

MR. FRANK JOHNSTON (Sturgeon Creek): Thank you, Mr. Speaker. There is no real

(MR. F. JOHNSTON cont'd.) . . . . need to be scared of me today. I am in a very mellow mood. I have been listening to this debate on the Order for Return for several days, Mr. Speaker.

I have listened with interest in some of the debate on the Attorney-General's estimates and I would say, Mr. Speaker, that the situation regarding this Order for Return is not unlike a situation going too far and drastic measures then have to be taken on situations that do go too far. What I mean by that, there have been many statements made regarding the operation of the Attorney-General's Department in the past while and if I know one thing, Mr. Speaker, I know this, that when something has gone this far, and that an Order for Return such as this gives the Attorney-General the opportunity to clear the air, I can't see any reason for the hesitation on not taking it.

This gives the Attorney-General the opportunity to say, Yes I have operated my department this way; these are the things that I have done in my department. I'm not afraid to admit them, so, Mr. Speaker, it's very strange to me that the Attorney-General or the government does not take the opportunity, answer the request for this Order for Return and clear the air.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I move, seconded by the Member for Roblin, that the debate be adjourned.

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

MR. SPEAKER: On the proposed Order for Return of the Honourable Member for Portage la Prairie. The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: I beg to move, seconded by the Member for La Verendrye that an Order of the House do issue for a Return showing the following:

- (a) Location of liquor package outlet stores in the Province of Manitoba;
- (b) Name of each concessionaire and his main occupation;
- (c) Policy respecting remuneration of concessionaires for the sale of liquor;
- (d) Amounts paid to each concessionaire in the fiscal years since and including 1966;
- (e) Date on which each liquor package outlet was licensed.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable the Attorney-General.

HON. A.H. MACKLING, Q.C. (Attorney-General) (St. James): Mr. Speaker, the Order for Return is in order and has already been prepared and ready for filing.

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

MR. SPEAKER: On the proposed motion of the Honourable Member for Souris-Killarney. There are two of them. (Agreed) The Honourable Member for Souris-Killarney.

MR. EARL MCKELLAR (Souris-Killarney): Mr. Speaker, I'm sorry I was out, I didn't realize it would be coming up so quickly.

Mr. Speaker, one of the reasons why I put this Order for Return on, I attended a meeting this past year in southwestern Manitoba dealing with fairs' grants for 1971. At that time there was some indication that there might be changes in grants for the particular year and after listening to many of the people that are associated with these individual fairs they informed me in no uncertain manner that they wanted to retain their fairs. Now I think the Minister did give all these fair boards the "go ahead" for 1971 under the grant formula that was in 1970 but there is the problem for 1972.

I am sorry the Minister is not in the House at the present time, the Minister of Agriculture because many of these fair boards are very anxious, their fairs are coming up very shortly, they realize they are going to get their grants for this year but what happens in '72? From what I gather the Minister more or less told the advisory board that there would be only one fair every ag rep district, every ag rep area. This will mean that a number of fairs will have to be closed out in 1972 which is only one year away.

These fairs are interested to know presently where they stand, why they are being cancelled out, or will be cancelled out if they are, because of the fact that they already have sufficient buildings, well repaired in most cases - and I mentioned one, Ninette, which will be affected; Hartney's another in the Member for Arthur's constituency, and many other ones in the Province of Manitoba. Now I think the total sum of money involved, if this comes about, will be about \$30,000. We hear so much about rural development, rural development, and so far with the two years that I've been sitting here I haven't yet heard of any change in farm policy from the government that is operating the treasury benches. Now is it their policy for

(MR. McKELLAR cont'd.) . . . . rural development to cancel out about two-thirds of the fairs that are presently operating, C-class fairs principally, and if it is I'd like to hear from the Minister of Agriculture sometime during this session of his plans for 1972.

MR. SPEAKER: Are you ready for the question? The Honourable Member for La Verendrye.

MR. BARKMAN: Mr. Speaker, I'll just be but a moment but I wish to support the thoughts the Member from Souris brought up. There are a number of organizations, agricultural and horticultural local organizations, leave alone the fact that we have a lot of interest from our 4-H members and other groups, and I think this is important, that the Minister or this government inform these people as soon as possible because these plans, as we all know, they have to start during the fair days of this year if they are going to be at all successful a year from now, and I wish to encourage the Minister to perhaps give the people this information as soon as possible.

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

MR. SPEAKER: The proposed motion of the Honourable Member for Souris-Killarney. The Honourable Member for Souris-Killarney.

MR. McKELLAR: Mr. Speaker, I'll be very brief here, and the very reason I put this Order for Return on the Order Paper is because I think the insurance companies and the agents of the Province of Manitoba are not being told what their future beholds. Now we realize the first of November is fast creeping upon us and as yet the insurance companies haven't been told what the supplementary policy of the government will be, what the rates will be, and the insurance agents in the Province of Manitoba haven't been informed what part they are going to play in the selling of these various policies.

I think it was about the second week of the session that the Minister of Municipal Affairs mentioned, in a question I asked, it was only about two weeks' time then before the agents would see letters in their mail with applications to apply for the selling of licence plates and drivers' licences in the Province of Manitoba. That did not necessarily say that each agent would be an agent of the Automobile Insurance Corporation. But the standards were set down last year when Bill 56 -- during the closing stages I remember the Member for St. Boniface -- this is one of his points that he brought out -- he did not think the agents were getting fair treatment. The policy of the government was at that time that if an agent's total gross premiums, of that total 25 percent or more was automobile insurance, he would be eligible to sell automobile insurance through the Automobile Insurance Corporation when this plan took effect, and that is the first of November.

Now I don't know when these letters are going out now or I don't know when the policy of the government is going to be stated, but I think it's high time that these agents were told. Many of these agents have to adjust, they have to make an adjustment and it isn't easy; it isn't easy. Many of them are going to lose three-quarters of their revenue in many, many instances -- I know, I've talked to them -- and they want to know where they stand. If they are not going to be agents for the government, they would like to have the opportunity of selling their fire business to someone else in order that one particular agent would be able to survive, because many of them with less than a third of their total business in fire business it would not be possible for them to take care of their family responsibilities.

Now I say I'd like to suggest to you, Mr. First Minister, that you come out with this policy so the agents will know where they stand and they can deal with it. Now to those agents also that will not qualify, the transitional program that was mentioned at the last session of the Legislature -- \$85.00 a year for every year an agent has been in business -- does this policy still stand or has there been a change in that particular policy too? This is one of the reasons for this Order for Return.

Now, one of my basic interests is not to the companies that have their head offices outside the Province of Manitoba, my interest is in the companies who have their head offices in the Province of Manitoba. And we do have three companies, three very large companies and I mentioned their names before -- Portage Mutual, Wawanesa Mutual and Canadian Indemnity. These are three companies who have been corporate companies in our Province of Manitoba, and I'd like to say to the members here and to the press, the Wawanesa Mutual Insurance Company are celebrating their 75th anniversary this year in the month of September, having been in business 75 years with their head office in the Village of Wawanesa. That is a record second to none.



(MR. McKELLAR cont'd) . . . . .

In 1896 this company was established by the farmers of the community of Wawanesa and developed into the largest mutual insurance company in the Dominion of Canada. They are the third largest writer of automobile insurance in Canada today and I think this is a record which we can be proud of in Manitoba. But does that record mean anything to the Government of the Province of Manitoba? Not very much, not very much. It might mean that they have to get out of the Province of Manitoba because there won't be enough business to operate an office in this day and age so they in turn would like to know; they would like to know where they stand and I don't think they should have to wait any longer.

They are presently writing policy after policy for companies that have left the province because they were told last year they were going to have to be out the 1st of July. Many companies, with that notification, have left the province and many others are leaving. The Wawanesa, Portage, Canadian Indemnity are swamped with these policies in order to do what's right for the community and various people who own cars and trucks in our province, but should they be left waiting any longer at the altar? I don't think so. I think they should be told what their position is from November 1st on.

The Portage Mutual Insurance Company was also started by a group of farmers in the Portage la Prairie district in 1884. That's a long while - 87 years - and they too are in the same position; they too are in the same position. Are they going to have to leave or are they not? They're forced to leave, actually, as the Member for Assiniboia mentioned. It's quite true they're forced to leave because their volume of business is down to a minimum in the Province of Manitoba. They're not wanted. None of them are wanted. They are told to leave. Is that the way of dealing with industry that the Minister of Industry and Commerce has been telling us all about? Is that his idea of rural industrialization? I hope it isn't. I hope it isn't. I hope it isn't. I hope the government realizes it. They weren't elected to be the government to throw industry out of the Province of Manitoba, they were elected to do what's right for the people of Manitoba and I hope they take this to heart.

Yes, Mr. Speaker, it isn't easy, it won't be easy. The village in our community also wiped out because of this decision on the part of the government. -- (Interjection) -- Wiped out, yeah. Wiped out by standing up and voting for Bill 56. And isn't it right that you tell the people of the Village of Wawanesa what your decision is right now? They have to know. People in the village, these people have their houses, they have their mortgages. What are you going to do about it? Are you going to help them out?

MR. SPEAKER: Order, please. I realize that I must allow some latitude in this debate in respect of the Order for Return, but the honourable gentleman is reviving a debate on automobile insurance. If he would stay within the terms of reference of his Order for Return I can accept that. The Honourable Member for Souris-Killarney.

MR. McKELLAR: Mr. Speaker, I was only trying to relate people that are working on automobile insurance in the Wawanesa office who do the adjusting, who do the underwriting, who do the typing of policies and all matters dealing with automobile insurance. These people have an investment in the community of Wawanesa, they have an investment in the Province of Manitoba, and I think they are being told that they are no longer wanted. These are the people who have spent their whole life in the automobile insurance industry in the Province of Manitoba. These are the people that were born in both the Village of Wawanesa and the City of Portage la Prairie and I know most of them personally. They are all asking me what should they do? Should they sell their home or where should they go? Well, this is a question I'd like the government to tell them. This is their problem from now on. It is their duty to come straight forward and answer these people.

Mr. Speaker, this is one of the worst problems that I have ever seen thrown on people who are trying to make a life of their own for free enterprise, yet they are being told by a government that they should have more power, the government should have more power. So what is going to happen? Not only with the insurance industry in the Province of Manitoba, what's going to happen to other industries when they come with similar problems where the government is going to take them over?

Mr. Speaker, I know that you've put me on the straight and narrow, but I have lots of latitude in the Budget Speech and you're going to hear from me a lot more on the same problem.

MR. SPEAKER: The Honourable Member for Roblin.

MR. McKENZIE: Mr. Speaker, I just have a few remarks I would like to add to those

(MR. McKENZIE cont'd) . . . . of the honourable member. I wonder in the first part of the Return if in fact there is any information because I suspect that there was no correspondence between the government and the insurance industry. In fact, if my memory serves me correctly, Mr. Speaker, I think I recall seeing four or five letters directed to the First Minister asking for a meeting between certain government officers and the industry and I don't think they were even answered, if my memory serves me correctly, so I don't suppose we're going to get much of it.

The second part of the Return is one that interests me, and I think the Honourable Member for Churchill and the Honourable Member for St. Boniface should join the government real soon and make a trip to Wawanesa and have a talk with the people out there - they were the ones who made the decision; they were the ones that made the decision - and tell the people of Wawanesa, tell them what's going to happen to Wawanesa. I would ask the First Minister and the Minister of Municipal Affairs to head that committee, take the Honourable Member for Churchill and the Honourable Member for St. Boniface with you and go out and talk to the people and try and explain your justification of what's happened there.

And at the same time, when you have that group together, Mr. Speaker, I would ask the Honourable First Minister to recall back some of the promises that were made to the agents of this province regarding the setting up of a Transitional Board, all these promises of compensation. Remember what the Honourable Member for St. Boniface said about compensation for the agents? Pounded the table, pounded the desk, Mr. Speaker, and he said, "they'll be justified or else I won't vote for this bill." -- (Interjection) -- Yes, he's pounding the caucus table now. How many times has he changed his mind since he stood up in the House on that occasion? I don't suppose we're going to get much information from the Honourable Member from St. Boniface, but I do appeal to the Honourable Member for Churchill to stand up in this House and help me to get this government to give the agents the information . . .

MR. SPEAKER: Order, please. I did suggest to the other honourable member that spoke on this subject that we are not debating the automobile insurance bill today. Now would the member confine himself to the Order for Return. The Honourable Member for Roblin.

MR. McKENZIE: Mr. Speaker, I thank you and I'll try to follow your remarks. I was dealing with the 2nd section of the resolution where it says, "All correspondence between the Manitoba Auto Insurance Corporation and the Manitoba Insurance Agents' Association" - and this is the matter I would like to know. I'm an agent myself. What's going to happen? I have asked the Honourable Minister in the House, am I going to be an agent? I've had no directive from the corporation telling me that I can't be an agent of the corporation and yet I've had no directive telling me I can, and I assume, Mr. Speaker, that all the agents of the province are in the same position today. What is going to happen to us? Are you scared to tell us? Is it going to be that bad? We'd like to know.

I had the occasion, Mr. Speaker, to meet a man in the Assembly on Friday who is trying to dispose of his home at this time, but again he asked me, what is going to happen to us? Are we going to get any compensation? Are those of us who had political stripes on us not going to be able to be agents? This is actually what we are asking, the correspondence between the Agents' Association and the government after August 15th, and that's basically our only and main concern today, Mr. Speaker, is what's going to happen to us. What correspondence has went back and forth and -- (Interjection) -- No, unfortunately I didn't. That's why the Order for Return is in, Mr. Speaker; that's why it's here.

So I urge the Minister and I urge the government to accept this Return as quickly as possible and let us have the bad news as soon as possible.

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

. . . Continued next page

MR. SPEAKER: On the proposed motion of the Honourable Member for Charleswood. The Honourable Member for Charleswood.

MR. MOUG: Mr. Speaker, somebody on the government side asked to stand that, and if they don't wish to speak on it I'd like to have it put over to Friday. Somebody from the government side of the House stood that about last Thursday and they didn't come out with anybody's name, but if not, I'd like it put over to Friday.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, the Minister of Health and Social Development is not in the House at the present time so perhaps it can be stood over till the next day.

MR. SPEAKER: On the proposed motion of the Honourable Member for La Verendrye. The Honourable Member for Morris.

MR. WARNER H. JORGENSON (Morris): Mr. Speaker, I asked that this matter stand in the name of the Member for Lakeside.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Thank you, Mr. Speaker. Briefly on the proposed motion of the Member for La Verendrye, I recognize, Mr. Speaker, that I think there has been a response from the government indicating an unwillingness to deal with this proposed motion because of the fact that the matter may be before the courts. So, Mr. Speaker, I wish to indicate to you that it is my purpose in speaking very briefly to this motion to stay entirely within the prescribed limits, if that's possible for me, and indicate to you my reasons and my interest for this particular motion.

The subject matter, namely the former Plains Agra-Corp. Limited, the Macdonald Air Base is of course situated in my constituency and many of the persons involved in the development or the hopeful development of Plains Agra-Corp. Limited are individual farmers and business people, again within my constituency and without and I would like to, at this time, simply to indicate to you, Mr. Speaker, my concern that I have in trying to separate that from any of the other principles involved as to whether or not the action of the government, recent action the government has taken with respect to Macdonald Air Base is correct or not. It's not a point that I should, in fact, be discussing on this but my purpose for speaking and asking and supporting this motion praying for copies of any correspondence and agreements between the Province of Manitoba and Plains Agra-Corp. Limited, which is now defunct, hinges on the very real situation that is developed there as a result of Plains Agra-Corp. Limited no longer being in existence namely that there are a large number of my constituents who are personally involved, personally indebted and I am naturally concerned about how the government is dealing with these individuals, what correspondence took place between these individuals and I just want to, with that little preamble, make sure that I'm trying to separate out from whatever may or may not be before the courts.

I want to indicate a very real concern of several hundred, I believe, individuals, persons who became involved in Plains Agra Corp. Limited and I'd like to read into the record a letter which can perhaps do it better than anything I have to say in the subject matter. Before reading the letter, let me indicate to you, Mr. Speaker, that I of course will abide by the rules, have no objections to the letter being tabled; it's an open letter. Unmutilated I might add and perhaps this would give an indication to the government why I would hope that they would, even after having indicated their difficulty with respect to this motion, would undertake some commitment to make it possible for me as the resident MLA to be able to tell my constituents something about their dilemma or at least perhaps set out if that can't be done - set up some other matter involving the government to meet with representatives of these people and indicate to them how the subject matter of their concern can be disposed of.

Now it may be disposed of to a large extent; I'm not aware of it. I am sure that the government has taken some action in this respect and some shareholders, some debtors are being looked after but unless we have the whole picture, we don't know how. And this is the concern.

Let me read from this letter -- and it is written by a former employee of the Plains Agra-Corp. Limited -- "As a former employee of the said company, I believe I am in a position to disclose a few facts which to date have not been released to the public. It was in the latter part of May, 1969 when I received word that my application as bookkeeper had been accepted by Plains Agra-Corp. Limited and as the company had been in operation for approximately six weeks, they required my services as soon as possible.

"On June 9th, 1969, I arrived at the old air base with a moving van to start work with what I believed to be and, I might add, still believe to be a most worthwhile project, not only for the economy of the immediate district of Macdonald, but for the Province of Manitoba in

(MR. ENNS, cont's.) . . . . general. The old air base was a sad looking place at that time, overgrown with weeds, with piles of debris left scattered all over from buildings that had been dismantled and moved away. A few of the employees' families were cleaning up the permanent men's quarters so they could take up residence. It had been some ten years since anyone had lived in these homes. So one can imagine what they were like. We, like the rest of the employees, started the cleaning, scrubbing and painting of our new home which meant long hours of hard work. Meanwhile the water and sewage system had to be energized, the furnace and the electrical system to be connected and made serviceable.

"On the other side of the base in the hangar area, some 20 men were working, remodeling buildings. One of the H-huts was being changed into a hen barn which would and eventually did house over 26, 000 laying hens. The hangars were also divided and changed into feed lots which would house approximately 1000 head of feeder cattle to each hangar. No. 3 hangar, which would be the receiving and sorting pen, was being divided into sections. Water had to be piped into each pen, feeders were being built, electrical wiring was being installed and checked out. Meanwhile grain was being received from farmers as far away as Rapid City, Manitoba, for which the farmer received shares in the company.

"When the day's work was finished in the hangar area, the employees would return to their residential and continue working, cleaning up their future homes, clearing debris, cutting grass, etc., until dark. This type of operation continued through the summer months with no letup. By the end of August, all the employees had their families living on the base but the work to make the base a home still continued.

"The tractor with a mower attachment worked until midnight. We all took our turns driving it after our regular day's work. On the 19th day of August, 1969, we took delivery of the first of the 26, 000 laying hens, although our hen barn was not completed owing to not being able to obtain all the necessary materials for cages, etc. Eventually the barn was finished, complete with feed storage bins and a home-made electrically operated lift to take the feed car to the second floor. Meanwhile the hangars were in operation with some five to six hundred head of cattle being custom fed for farmers in the Macdonald area, although work was still going on repairing hangar roofs, building fences and general maintenance.

About this time the shortage of housing in the Portage area was being felt and as we had extra housing not being used, we decided to energize more of the permanent men's quarters, and offer them for rent. This again required extra work. So the cleaning and the painting again resumed by anyone who could find time to spare. By Christmas of 1969 we had some 80 persons making their home at the base. In June of 1970, when the government decided to close some of the armed forces bases and transfer the personnel to Southport Air Base, again the housing need arose and once again the residents of Plains Agra Corp responded. The ladies including the company stenographer and myself went to work to clean and paint homes to meet this need. The water and sewage and electrical services had to be extended and repaired and as we could not afford to hire extra help, this required more after hours work for all employees.

"By Christmas of 1970, we had 150 persons living on the base and calling the old Macdonald Air Base their home. On the hangar side of the base, some 1200 head of cattle were being fed and over 26, 000 laying hens were being cared for. A small grocery store, also a snack bar was in operation. This was all achieved by monies received" and this is the important point of the purpose of reading this letter, Mr. Speaker, "This was all achieved by monies received from share purchases and revenue received from egg sales and custom feeding of cattle, housing rental revenue plus the sweat and determination of a group of people who believed in the project and were willing to put forth every effort and a 15-hour day to make Macdonald their home. And the whole project is something to be proud of.

"When Plains Agra-Corp. took over the base, the former owners of the arable on the base were contacted and the land rented to them on a share-crop basis. As the land was in very poor condition for crop growing at this time, the farmers decided to summerfallow and summerfallow would be the answer. This they did with very satisfactory results. For although 1970 would not be the best of crop years, the grain yields were rewarding and they felt that by the time their leases would have expired, their efforts would not have been in vain.

"In the meantime, the executive of Plains Agra-Corp. had been making arrangements for a loan from the Industrial Development Bank to further our project. In due time the loan was granted but without the permission of the Provincial Government, who after all was still the owner of the base, this loan could not be picked up. Although meetings were held between executive of Plains Agra-Corp and the Provincial Government, permission was not granted to

(MR. ENNS, cont'd.) . . . . receive this loan to further development of the Macdonald Air Base into a self-supporting project. Plains Agra-Corp. Limited spent thousands of dollars remodelling and building the Macdonald Air Base into what could have been, in a few weeks, one of the finest and best feeder stations in Canada. Granted it would take money, determination and sweat by people who believed in the project. We had the people, as can be seen by what had been achieved in the few short months we were there. The arable land is producing good crops. The hangars can accommodate up to 3000 head of feeder cattle and the hen barn was housing 26, 000 laying hens.

"Now when I read in the newspapers that the Provincial Government, ever since acquiring the Macdonald Air Base, have been trying without success to start a worthwhile development of this property, it makes me wonder if anyone has taken the time to go out to Macdonald and see what had been done since April, 1969 to develop this property without the assistance of the IDB loan, and try to visualize what could be done with more time and money. Instead the provincial government has seen fit to evict Plains Agra-Corp. Limited on the grounds of not meeting the requirements of their lease. The former employees who are now unemployed and Macdonald Air Base could be left to go back to weeds and disuse."

Now of course that hasn't happened, they have made other arrangements. My purpose of the letter is to delete those portions of it which deal specifically with the legal problems that may be involved with the executive of Plains Agra-Corp. Limited. But I think the tenor of the letter indicates the amount of effort, the amount of personal dollars that are involved in the now defunct Plains Agra-Corp. Limited on the part of individual farmers either through purchase of shares by virtue of delivering grain, or by having their animals custom fed there.

And let's also understand the nature of the project that was being envisaged at Macdonald Air Base, was one of - if you want to call it -- certainly a co-operative venture and I would like the government to re-examine their position on the proposed motion to the extent or to the point of at least issuing a statement indicating how these individuals have been dealt with. Is there a long list of personell, you know, is there a long list of people, individual people, farmers in that area that, because of the closure, because of the folding up of Plains Agra-Corp. Limited are left holding the bag? Who will receive the priority ratings when the payments were being made and these kind of questions are the questions that my constituents are asking with respect to the Macdonald Air Base.

I would ask the government to seriously reconsider their position on the proposed motion by the Honourable Member for La Verendrye. Indeed, if need be, help us to amend it or change the proposed motion so that it would be acceptable to them. The purpose of the motion and certainly my purpose of rising to speak on this motion is essentially to help clear and help establish the status of the individual farmers and the shareholders that were involved in the now defunct Plains Agra-Corp. Limited. Thank you.

MR, DEPUTY SPEAKER: The Minister of Agriculture.

MR, USKIW: Mr. Speaker, I can appreciate the reasons for requesting the information as outlined in the Order for Return. I know that members opposite have had a great deal of involvement in the establishment of Plains Agra-Corp. and the arrangement of the contract or the lease and the question of financing which was never a resolved problem for that particular organization some few years ago.

I simply want to take a few moments to -- not defend the government's position on the question of whether the Order ought to be accepted, because I'm inclined to consider the point made by the Member for Lakeside, that maybe we ought to review it and I think that we will review it in light of discussions that we will be having in the next day or two relative to whether or not it's going to be a sub judice and so forth. I think before the Order is dispensed with one way or the other, we might be in a position to indicate to the House whether we will accept it or reject it, but at this point we haven't made that decision.

In any case, I simply want to say to my honourable friends opposite, that this is not a new story in terms of Manitoba. We've had many ventures entered into by government over the years that had never quite panned out and some have never got off the ground and this is one of those projects which was started some three or four years ago, as I understand it, and which didn't quite get off the ground. And I simply want to point out to the members opposite that while they were the members or the government of the day some two years ago, some two and a half years ago, and while they were the ones that negotiated the agreement they did have all the power at that time to facilitate the financial needs of Plains Agra-Corp. but they chose for some reason or other not to do so. And I don't know what their reasoning was at that time. I know

(MR. USKIW, cont'd.) . . . . why we aren't in a position to do so today.

Now you know, to raise the question on the basis of another industry failing because of some action of government at this stage is a bit silly and I don't know whether the members have promoted that point too strongly. But I simply want to point out that in examining the agreement shortly upon coming into office July 15th of '69, it was obvious to us that it was indeed a major undertaking on the part of the shareholders of Plains Agra-Corp. and that we were wondering whether indeed they would ever succeed in that venture, based on the kind of agreement entered into. And we found out very shortly that they wanted an amendment to the agreement, an amendment which honourable members opposite could have considered prior to July 15th and didn't for one reason or another or for a number of reasons. And we certainly were not in a position policy-wise to entertain any sort of financial arrangements in support of that kind of an enterprise. It was not within the terms of reference of the Manitoba Agricultural Credit Corporation and it was not within the terms of reference of the Manitoba Development Fund and therefore we did nothing to violate any section of that agreement; we simply expected that the Corporation would live up to its side of the bargain, if you like, or the agreement. And having failed to do that -- and I think the House should acknowledge that the government was most patient with the Corporation and not pursuing the matter as quickly as we might have in bringing the matter to a head -- we did give them sufficient opportunity to reorganize themselves or to find some source of financing. But failing that, we did have a responsibility to bring things to a head which was done very recently and subsequently to again decide on ways and means of disposing of the assets or otherwise, which is known to members of the House since about some two or three weeks ago.

I think it's fair to say that there may not be any reason to withhold the information requested and I simply want to indicate that we will review that position and in light of the advice that we have as to whether or not it's sub judice or will be sub judice, we will hopefully make some statement to the House before this matter is resolved or voted on.

MR. DEPUTY SPEAKER: The Member for Lakeside.

MR. ENNS: Just on the matter of why the previous government perhaps didn't choose to amend or accept any amendments on the contract, I wonder if the Minister wouldn't agree that as the operations of the defunct corporation didn't commence until, well the letter here says May '69 and appreciably that was the first few people, you know, the actual operations from my own knowledge didn't commence until about that fall, and June of course coming thereafter put us in a position where we were no longer there to make any amendments.

MR. DEPUTY SPEAKER: The Minister of Agriculture.

MR. USKIW: Well, if my honourable friend wants to engage in a bit of debate on that point, I want to make it very clear that it was very obvious to us that Plains Agra-Corp. had approached the previous government on the question of amending the agreement, because they were not able to raise their financing and that for some reason or another they were never able to arrive at a conclusion with the then government. Having entered into an agreement, and having engaged in an election campaign which resulted in their downfall in the Government of Manitoba, I would have thought that one of the things that could have been done by the previous government would have been to tidy up the situation with Plains Agra-Corp. before July 15th when the new government was sworn in.

MR. ENNS: Again a question really even perhaps even a point of order.

MR. DEPUTY SPEAKER: The Member for Lakeside.

MR. ENNS: I don't want to prolong the debate but I am sure the Minister will agree that in his perusal of the material involved that nowhere was there any indication of government financing of this particular project.

MR. DEPUTY SPEAKER: The Minister of Agriculture.

MR. USKIW: I indicated, Mr. Speaker, that it had been made known to us very shortly upon coming into office that approaches had been made to the previous government for amendment to the agreement which would help them in the financial arrangements and these were never conclusive and therefore they were never able to launch their project.

MR. DEPUTY SPEAKER: The Member for La Verendrye.

MR. BARKMAN: Mr. Speaker, perhaps the discussions that have been going on the last few minutes is one of the reasons why I put in this Order for Return. I didn't happen to be with the former government . . .

MR. DEPUTY SPEAKER: The Member for Morris.

MR. JORGENSON: If the member for La Verendrye speaks now, he will be closing the

(MR. JORGENSEN, cont'd.) . . . . debate and I wanted to raise a point of order because the Minister indicated that perhaps he would like this matter to stand for a few days in order to have an opportunity to look into it a little further. I wonder in the light of that if the Member for La Verendrye would want to just take the adjournment for now until the Minister has decided.

MR. PAULLEY: If the Honourable Member for La Verendrye takes the adjournment, then that precludes anybody else, I'd suggest that somebody on that side might take the adjournment and give the Minister time as indicated.

MR. DEPUTY SPEAKER: The Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Mr. Speaker, I move, seconded by the Honourable Member from Gladstone, that the debate be adjourned.

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

MR. DEPUTY SPEAKER: On the Address for Papers. The Member for La Verendrye. It's standing open.

MR. BARKMAN: . . . if you can guide me on this. I understand that it is accepted and I do not wish to speak on it at this time. .

MR. DEPUTY SPEAKER: The House Leader.

MR. GREEN: Mr. Speaker, I believe I indicated when I made my response on this particular Order that we were awaiting receipt of advice as to how we were to deal with it.

MR. SPEAKER: Stand by leave. On the adjourned debate on the proposed motion of the Member for St. Vital. The Member for Radisson.

MR. HARRY SHAFRANSKY (Radisson): Mr. Speaker, I adjourned this debate in the name of the Minister for Mines and Natural Resources.

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

MR. GREEN: Mr. Speaker, I'm not intending to belabour this point. The First Minister gave the indication to the House that we were not prepared to release this information at this stage. Eventually it will be releasable when negotiations are completed. The Member for Riel had indicated that we were refusing to file the agreement and I want to indicate that there has been no agreement signed and that when the First Minister had made his announcement in the House relative to this program, he indicated that the agreement would be filed and there is no intention not to file the agreement. That's the only remarks I'm wishing to make.

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

MR. JORGENSEN: Ayes and Nays, Mr. Speaker.

MR. SPEAKER: Have you support? Call in the members . . . for Riel is the question before the House.

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

YEAS: Messrs. Barkman, Beard, Bilton, Craik, Enns, Ferguson, Froese, Girard, Graham, Henderson, Johnson (Stur. Cr.) Jorgenson, McGill, McGregor, McKellar, McKenzie, Moug, Patrick, Spivak, Watt and Mrs. Trueman.

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

MR. CLERK: Yeas, 21; Nays, 29.

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

On the proposed motion of the Honourable Member for Pembina. The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, when we had the report brought in from the Rules Committee I thought that maybe well, once this thing passes that I might not have an opportunity to speak on this particular Return and as a result I had lent some of my arguments in the Agricultural Committee Report for a dam on the Pembina. However, I feel that the issue is important enough that I, at this time, make some further comments in connection with the Return before us.

The Return asks for correspondence between the Government of Manitoba, Government of Canada and International Joint Commission with respect to the proposed Pembina Valley Dam. Certainly I feel that this matter should receive greater attention and more urgent attention and not only that, but also some action. I feel that, at the pace we are going, we will be having the year 2000 before us before any action is seen and I certainly would like to see that this thing be given greater priority and that we see some development in this area at this time.

(MR. FROESE, cont'd.) . . . . .

Certainly a dam like that on the Pembina would be a great asset not only to the communities immediately adjacent but also to the province as a whole. When I think of the Tourist Industry and we got a copy of their report not too long ago, we find a number of developments up in the northern part of the province for tourism but nothing for southern Manitoba and the people in my area have to go 125 miles west which is the Peace Gardens and probably more mileage, probably closer to 200 if they want to go up north to any resorts or for any games of this type that they could enjoy fishing and so on, and I feel that this project should have a much higher priority. I think one of the reasons that it was delayed a few years ago was because of the tight money situation and the high interest rates but surely enough when the government can see its way clear to borrowing \$300, 000, 000 in the current year for other capital purposes, I think they should find a few million dollars for this particular project in southern Manitoba. Maybe they could even try the Federal Government and see whether they cannot lay their hands on some of the monies being made available through the Bank of Canada. I think when we extend large loans to other countries, for 50 years or more, at no interest rate at all, why can't we have some of these same priorities for the people of Canada and I think this needs exploring much more than we have done heretofore.

I am not sure whether at this time whether the governments, the provincial, the federal and the American governments ever reached a clear determination as to the apportionment of the costs between the various governments of this project. I think the recommendation that they were more receptive to at that time was that the two dams be built, one on the American side and one on the Canadian and certainly the total cost involved was not unreasonable at all. I think it was in the neighborhood of \$32 or \$35 million and this would certainly provide the water supply for years and years to come for the communities in southern Manitoba.

The Water Supply Board sooner or later will also be looking for greater supplies of water for those areas and this is one way of getting it and we then would have ample supply of water for the Water Supply Board, for the towns that are now dependent on their water supply from the Pembina. Certainly we would then have water for irrigation purposes and we would see a whole new development in southern Manitoba once irrigation comes in, once the necessary waters are there so that the water can be channelled from the south to the north to bring about irrigation and this would naturally also bring with it many new crops. It would certainly support the canning industry and we could then widen the number of crops that could be grown for canning purposes, and also maintain a quality product, because this we find is one of the drawbacks that in a dry spell, especially during the time when certain crops are heading for maturity or to the time when they are to be harvested for canning purposes and that you have a dry, hot spell and the beans begin to shrink, the colour is no longer there and you don't have such good product as you would like to have and this downgrades your product in the cans. Surely now that the government has invested money in the canning project at Morden, they should definitely take a greater interest in this whole matter and try and speed it up.

A development as a tourist project and tourist attraction would certainly be a step forward because we now find the Federal Government or the American Government building bases just south of Walhalla and they have a large number of people moving into that area and certainly, these people will be looking for resorts and supply of water for fishing and so on. And if we don't proceed with this, the Americans are just going to go it alone and build a dam on the American side, certainly we'll be losing out on the whole deal. I think this government should wake up to the opportunity that is there. Once we allow the Americans to construct their dam, just what happens? Our rights curtailed as to the water flowing in the Pembina. Once their dam is completed, would we have the same rights to that water when we would like to construct another dam.

I think these are questions that should be considered at this particular time and also prevail on the Federal Government to do something about it. If we haven't got the wherewithall, at least let's go to the doorstep of the Federal Government and let them know in no uncertain terms that we would desire this project to come about and that they give and provide the necessary funds for it. Surely enough they're spending money on many other things at the federal level which I feel are much less important than this particular project and this one certainly would throw off a return, whereas many of the projects they are taking hold of won't do that and therefore I think this is just another reason why more emphasis should be placed on the matter and a greater urgency should be brought about for this development.



(MR. FROESE, cont'd.) . . . . .

There are other aspects to this and I've already mentioned these on other occasions. The value that a dam like this would have in connection with flood protection and here again I feel that we're having terrific losses each year, especially in the last three years now when we've had so much flooding occur in the area and as a result of that scouring and the removal of topsoil from large areas of land and which actually can never be reclaimed. Because once your soils are that badly eroded, it is not such an easy matter to bring about fertility in soils of that type. Therefore, Mr. Speaker, I feel that we should definitely act on this Return and not only just provide the necessary information but go after the governments concerned and bring something about so that we can see some development.

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

MR. SPEAKER: On the proposed motion of the Honourable Member for Portage La Prairie. The Honourable Minister of Labour. -- (Interjection) -- It will disappear. The Honourable House Leader.

MR. GREEN: I believe this Order was stood for the Honourable the Minister of Industry and Commerce who is now here.

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

MR. EVANS: Mr. Speaker, we're prepared to accept the proposed motion of the Honourable Member from Portage la Prairie with a couple of caveats, those being that necessary provisions of the Development Corporation Act are not contravened and secondly, that correspondence relating to current negotiations is not tabled so that current negotiations, current arrangements are not affected, so that the interests of the company or the government are not jeopardized thereby. But in accordance with those caveats, we're prepared to accept the Order.

MR. SPEAKER: Are you ready for the question? The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I think one of the purposes of the resolution or the request for information was to determine from the government whether there was any particular condition giving a monopoly -- not a monopoly -- but giving an undertaking that no other winery would in fact come into Manitoba, would be allowed to come into Manitoba for a five-year period and I would hope that the Honourable Minister of Industry and Commerce is not suggesting that this would be under the terms of matters that are now under negotiation. I think the clear intent, although I was not the member who filed this, but I believe that the clear intent of this resolution was to determine from the government whether such an undertaking was given. And if that's the case, fine. But the problem is that if there's a suggestion that this would be a matter under negotiations and would not be cleared by this request for information, then I think the government has an obligation to give at this point a - or at least state its position in connection with this and to tell us what the facts actually are.

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

MR. SPEAKER: The Honourable Minister of Industry and Commerce spoke on it. On the proposed motion of the Honourable Member for Fort Rouge. The Honourable Member for Radisson.

MR. SHAFRANSKY: Mr. Speaker, I beg the indulgence to have this matter stand.

MR. SPEAKER: The honourable member will lose his right as according to our rules.

MR. GREEN: By leave?

MR. SPEAKER: The Honourable Member for Rhineland wishes to speak on the motion?

MR. FROESE: On a point of order, I think someone else should take the adjournment in cases of this type.

MR. SPEAKER: The Honourable Member for Logan.

MR. WILLIAM JENKINS (Logan): Mr. Speaker, I beg to move, seconded by the Honourable Member for Gimli, that the debate be adjourned.

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

MR. SPEAKER: On the proposed motion of the Honourable Member for Portage la Prairie. The Honourable Member for Radisson.

MR. SHAFRANSKY: Mr. Speaker, I adjourned this debate on behalf of the Honourable Minister of Industry and Commerce.

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

MR. EVANS: Mr. Speaker, this particular matter relates to a question of current receivership. As honourable members know the company has gone into voluntary receivership; it's therefore in the hands of the courts and for this reason because it is current and because

(MR. EVANS, cont'd.) . . . . it is being considered by the court at this time, we believe that it's not in the public interest to table this information.

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

MR. MCKELLAR: I beg to move, seconded by the Honourable Member from Morris that the debate be adjourned.

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

#### PRIVATE MEMBERS' RESOLUTIONS

MR. SPEAKER: On the proposed motion of the Honourable Leader of the Opposition, The Honourable Member for Logan,

MR. JENKINS: I adjourned this debate on behalf of the Minister of Finance.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I am pleased that I have an opportunity now to respond to the Resolution No. 1. It's taken a while to get to it and it's coincidental that it happens to come at a time when we are in the midst of the Budget debate. However, since I'm limited to some fifteen minutes I will not take advantage of the opportunity to develop my discussion on this resolution and will try to keep it within the limits of the fifteen minutes and need not be held over.

May I say, Mr. Speaker, that this resolution, which is presented by the Leader of the Official Opposition, only serves to justify the growing belief that an ever-widening credibility gap exists between the hard cold facts and the Official Opposition's fantasies. The speech on the Budget given yesterday by the Honourable the Leader of the Opposition further confirms this credibility gap.

Let's examine the resolution, Mr. Speaker. The first paragraph states "Whereas private investment and private endeavour is the key to economic growth and the creation of jobs in Manitoba." Surely the honourable member cannot suggest that the private sector be responsible for the goal of full employment in our society. Any reading of history will show that the private world cannot accomplish this objective. In fact, in the absence of any commitment by governments towards this objective, we've experienced extremely high levels of unemployment with a resultant tremendous loss in economic production and human dignity. Most governments in the world today, especially since World War II have adopted the responsibility of attempting to achieve full employment of the labour force. This government believes that both private investment and private endeavour together with public investment and public endeavour are the keys to economic growth and the creation of jobs in Manitoba.

And now let us look at the second paragraph of the Resolution: "And whereas the responsibility for providing the proper climate for investment and economic growth rests with the provincial administration, and the government has failed to provide such a climate". Mr. Speaker, as most Canadians know -- well I have to exclude the Leader of the Opposition -- the reason for the high rates of unemployment are slow growth across the country, are due to the fiscal and monetary policies of the Federal Government which has deliberately created the economic mess the country now finds itself in. The honourable member doesn't like the fact that I referred to that in the Budget but he acknowledged that it was a fact and indeed we must refer to it.

But notwithstanding the federal economic policies, I ask the Leader of the Opposition to compare the economic indicators between Manitoba and the rest of Canada. Look at the economic review which is attached to the Budget. Look at the statistical table. Look and compare, not our figures, but DBS figures. Most of the economic indicators clearly and distinctly show that Manitoba's performance, in comparison with the other provinces, has been much better in the present economic environment. This is no strange accident, no strange luck. These results clearly reflect the many expansionary policies particularly in the fields of housing, transportation, public works, undertaken to stimulate economic growth and to alleviate the extent of unemployment in this province. And that's why we find, Mr. Speaker, that while Canada as a whole showed an alarming increase in unemployment rates, from 6 percent to 6.7 percent on a seasonally adjusted basis, Manitoba's rates decreased; while unemployment increased last month to 659,000 in Canada, it decreased in Manitoba from 20,000 to 8,000 and again, this is no accident. These recent DBS figures show that this is the third consecutive month that unemployment is decreased and employment has increased in Manitoba. And because we're not satisfied with the current unemployment problem again we have adopted expansionary

(MR. CHERNIACK, cont'd.) . . . . programs and policies to further reduce unemployment in Manitoba. For the obvious factual reasons it is difficult to take seriously the resolution put forward by the Leader of the Official Opposition.

And let me now deal with the last paragraph of the resolution which states: "And Be It Further Resolved that the Government give consideration to the advisability of a roll-back or provincial income taxes to a position competitive with our neighbouring provinces." Mr. Speaker, we reject any roll-back of the provincial income taxes to that of other provinces because we do not want to see regressive, unfair taxes imposed on the people of Manitoba. Let us look at the facts. In January, 1970, Manitoba's new personal income tax rate of 39 percentage points of basic federal tax became effective, making this province's rates the highest in Canada, though only marginally higher than the 38 percentage points which exist in New Brunswick. In Saskatchewan the present rate is 34 percentage points, in Alberta and Newfoundland and Prince Edward Island the rate is 33 percentage points and in Ontario and British Columbia the rate remains at 28 percentage points. Quebec, the effective provincial rate is considerably higher than Manitoba's but its position is not easily compared to the other provinces because it applies its tax to a somewhat different base and it has been permitted additional tax room by the Federal Government as a result of its decision to opt out of certain joint programs.

But what are these rate differences really meaning? Probably most important, they signify the relative emphasis the respective provincial governments have placed on ability-to-pay taxation as a part of their tax mix. Honourable members may be interested to learn that the latest DBS survey of provincial government revenue estimates for '70/'71 indicates that with the exception of Quebec, which is as I noted earlier a special case, Manitoba receives the largest proportion of any province of its gross general revenues from this most progressive and equitable of existing revenue sources, that which the Leader of the Opposition and his party would like to see emasculated, yes.

You may recall the arguments, Mr. Speaker, advanced at the time the individual income tax increase was announced as a means of offsetting part of the revenue losses resulting from the reduction in the flat rate Medicare premium tax. It was shown conclusively at that time that an overwhelming majority of Manitobans were better off as a result of this shift in the method of financing the province's share of the Medicare program. And I would guess that the Opposition would still live in the 1969 era when they imposed, or previous to that, when they imposed a premium tax and would like to see that program reversed. That's the kinds of sounds I hear from that side. In the Budget Address I delivered last spring, further figures were presented revealing how high, flat rate Medicare premiums in other provinces - notably Ontario, Alberta, British Columbia - resulted in considerably higher combined income tax plus premium obligations than in Manitoba for lower and middle income earners in those provinces.

Considering in turn the province's corporation income tax rate, 13 percent of taxable corporation income, which also came into effect in January 1970, it is important to point out that the Manitoba rate is the same as the rate in effect in Newfoundland; only one percentage point higher than the rates in Ontario and Quebec; and just two percentage points higher than the rates in Saskatchewan and Alberta. In addition, it must be remembered that Quebec and Ontario supplement their corporation income tax revenues with revenues from paid-up capital taxes not levied in Manitoba. Quebec applies a place of business tax as well. Ontario, Quebec, British Columbia, Saskatchewan and Newfoundland also apply their sales taxes to purchases of most types of production machinery and equipment while Manitoba does not.

The new Mining Royalty Taxes effective January 1st of this year are comparable to the flat 15 percent rate in Ontario and the 15 percent rate on net income in excess of \$10,000 in British Columbia and the 15 percent maximum rate in Quebec.

With respect to other taxes, Manitoba's rates are relatively low. Our sales tax of 5 percent compares favourably with 8 percent rate in Quebec, New Brunswick, Prince Edward Island; the 7 percent rate in Newfoundland and Nova Scotia; and the split rate 10 percent sales tax on meals over \$2.50, liquor and admissions in Ontario.

Our gasoline tax rate is the second lowest in the nation and our tobacco tax rate is at a standard level common in a majority of provinces.

While in the past, Mr. Speaker, we have sometimes avoided average interprovincial tax comparisons on the ground that they can mask basic revenue source and tax base structural differences, it may be appropriate to present such a comparison at this time simply to illustrate that on the average Manitoba has continued to hold a more favourable position in relation

(MR. CHERNIACK, cont'd.) . . . . to taxpayers in all but the Maritime provinces in terms of total provincial taxes, fees, license charges and other revenues collected by their provincial governments from their own sources. The following is a summary of estimated per capita total provincial revenues, exclusive of transfer payments, received in each of the ten provinces in the '70-'71 fiscal year just concluded. Again the source is DBS.

The average tax comparison - I'll start with Manitoba whose estimated provincial taxes, fees, etc., per resident is calculated at \$388.00. Keeping that figure in mind, we find Newfoundland - \$254; PEI - \$287; Nova Scotia - \$311; New Brunswick - \$354. Then we move to Quebec - \$446; Ontario - \$542; Manitoba I remind you is \$388; Saskatchewan - \$433; Alberta - \$488; British Columbia - \$491. The average for the ten provinces - \$471; Manitoba I remind you is \$388. So we can easily refute any excessive taxation arguments on a straightforward numbers basis, but more of course is involved.

The Leader of the Opposition is correct when he intimated that the Government of Manitoba could not hope to move towards large scale new programming without added financial resources, that one key to this expansion was a stronger economic base. But, Mr. Speaker, we do not intend to sacrifice equity for our taxpayers in short-sighted pursuit of this goal. They are. Indeed, we believe that in promoting tax equity we will in fact be providing at the same time the very kind of economic climate in this province that will result in the type of sound development in our revenue base which will permit us to undertake the broad new program initiatives so long overdue in Manitoba.

Mr. Speaker, there is nothing that I can say that would stop the Opposition from continuing to refer to Manitoba as the highest taxed province, and the reason they say so is because we are the highest taxed in the areas that hurt them and their friends the most. It is in the areas of the ability-to-pay taxes that the Opposition is most sensitive; it is in the areas of the higher income people that the Opposition is most sensitive; and that is why I stand behind the statements made in the Budget Address where I dealt with old-line parties and their attitudes.

Mr. Speaker, I do contend that on the vast majority of people resident in Manitoba our tax policy is one that recognizes their need, and we have not gone to the extent in the direction in our tax studies to make it unattractive for people to live in this province, to live in this city, for people to develop and grow; but they like to make it appear so and I reject that. Mr. Speaker, the fact that they say so of course doesn't make it so, and I believe that the economists, I believe that the newspapers who do indeed deal with this and deal with their statements don't accept it either, except the newspapers are a little more honest and when they talk about the highest taxed province they usually have the integrity to say the highest income taxing province, something which I have not found to be a consistent and honest report by the Opposition.

Mr. Speaker, I wanted to speak on the question of value added taxation which is not in the resolution at all, but the Leader of the Opposition wished to deal with it and therefore I, too, intend to deal with it but obviously not at this time. I will hold the debate in my name. If I have an opportunity to speak on this portion before that I will, otherwise I'll continue the next time this resolution comes up.

MR. SPEAKER: The debate will remain open in the Honourable Minister of Finance's name. The hour being 5:30, I am leaving the Chair to return at 8:00.