

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Thursday, May 4, 1972

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the Honourable Members to the gallery where we have 26 Freshmen students of the University of North Dakota. These students are under the direction of Miss Blaisdell, as our guests.

We also have 50 students of Grade 11 standing. These students are from the St. John's High School. They are under the direction of Mr. Herstein. This school is located in the constituency of the Honourable Member for Inkster.

We also have 70 students of Grade 4 and 5 standing of the Robertson School. These students are under the direction of Mr. Offman and Miss Schroeder. This school is also located in the constituency of the Honourable Member for Inkster.

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

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees.

Before we proceed I should also like to direct the attention of the Honourable Members to the loge on my right where we have as our guest the Honourable Neil Byers, the Minister of Highways for the Province of Saskatchewan. On behalf of the assembled members, it's a pleasure to welcome you.

Ministerial Statements. The Honourable Minister of Industry and Commerce.

MINISTERIAL STATEMENTS

HON. LEONARD S. EVANS (Minister of Industry and Commerce)(Brandon East): Mr. Speaker, I have an up-to-date report on the water level situation on the Assiniboine and the Souris Rivers and rather than read it, Mr. Speaker, I have copies for each member of the House as well as you, Sir, and possibly some extras for the Press Gallery.

Also, Mr. Speaker, I'd like to table a statement on the efforts of the Department of Industry and Commerce with respect to Manitoba's seaport, namely the Port of Churchill. I believe it's a seven page document. I do not intend to read the statement, Mr. Speaker, but I would like to briefly refer to two or three salient points in that seven page document; one of which is that we in the Department of Industry have worked very closely with the Port of Churchill Commission, the Norman Regional Development Corporation and the Hudson Bay Route Association all of which received direct financial assistance from the Manitoba Government to develop the facilities at the Port of Churchill.

I can point out, Mr. Speaker, that one of the major problems at the Port of Churchill now is the necessity to deepen the harbour at Churchill to a minimum depth of at least 40 or 50 feet. At the present time the minimum depth is about 30 feet at low tide which restricts unfortunately, Mr. Speaker, the size of vessels that can enter the Port of Churchill. I believe the limit now at low tide is no more than 35,000 ton cargo carrying vessel. This compares unfavorably with certain ports on the St. Lawrence where vessels can load in the 75 to 100,000 ton range.

One other point, Mr. Speaker, before I sit down. I would point out that although we are working on this particular problem, the grain movements in the Port of Churchill in 71 was at a record of 25 1/2 million bushels and their experiment with shipping two grains, both wheat and barley, was successful and it looks as though we should have another shipping record set in 1972.

In conclusion, Mr. Speaker, I would also like to table a copy of a brochure entitled Churchill Northern Supply Centre which was prepared by the Department of Industry and Commerce. Thank you.

MR. SPEAKER: The Honourable Leader of the Opposition. The Honourable Member for Rhineland on a point of order.

MR. JACOB M. FROESE(Rhineland): Yes, on a point of order. Will the total statement appear in Hansard, that wasn't read?

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

MR. EVANS: Mr. Speaker, I'd be very pleased if you, Sir, would arrange to have the

(MR. EVANS cont'd) complete statement inserted in Hansard.

MR. SPEAKER: That can be arranged.

STATEMENT BY THE HONOURABLE LEONARD S. EVANS
CONCERNING MANITOBA'S SEAPORT - CHURCHILL

I would like to make a statement regarding the Prairie Provinces only direct access to ocean shipping, the Manitoba seaport of Churchill. As has been the case in previous years, the Port of Churchill has received considerable attention over the past twelve months from the Department of Industry and Commerce. We are determined that this great natural asset of the province will be developed to its maximum potential.

In this endeavour we work very closely with other institutions which have a stake in the port. These include the Port of Churchill Commission, the Port of Churchill Authority, the Hudson Bay Route Association, The Government of the Northwest Territories, the Norman Regional Development Corporation, the Ministry of Transport, the National Harbour's Board and the Canadian Wheat Board. That list alone speaks for the effort that is put in on behalf of Churchill.

Three of these institutions, the Norman Regional Development Corporation, the Hudson Bay Route Association and the Port of Churchill Commission, receive direct financial assistance from my Department. In fact, it would not be unreasonable to assume that without our assistance there would be no Port of Churchill Commission or Norman Regional Development Corporation as we know them today. We support these organizations who work hard and effectively for the port and I believe that if you ask these organizations you will find that they feel my Department is a very willing helper to them in their projects. We have certainly exhibited our readiness to go the extra mile when necessary.

Both myself and my Department have spent considerable resources during the past year attempting to get the Federal Government to reface their dock at Churchill and to dredge the harbour to a minimum depth of 40 to 50 feet. This is unquestionably the priority item if Churchill is to remain a competitive port. The harbour at present has a minimum depth of about 30 feet at low tide. This restricts the port to vessels that can carry no more than 35,000 tons of cargo and when such large loads are taken on the vessel must top off and clear at high tide. Competing ports in the St. Lawrence can load vessels in the 75 to 100,000 ton range or even more and the freight rates on such vessels are very competitive with Churchill rates. This means that unless Churchill harbour is deepened the historic freight advantage provided by the Hudson Bay route will have been eroded away.

I have taken this matter up personally with Ottawa officials and on at least three occasions have raised the issue with Mr. Jamieson. As with so many things regarding Churchill the wheels seem to turn terribly slowly. To date no commitment has been made on deepening the harbour to 40-50 ft., but at least an undertaking was made at the Hudson Bay Route Convention on April 10th that there would be maintenance dredging of the berths this year to their charted depth of 32 ft.

We have also spent considerable time with the Hudson Bay Route Association and the Port of Churchill Commission in working out a priority list of recommendations. Naturally we feel the deepening of the harbour should be at the top of this list and they have agreed with this. We took this initiative so that the overall effort of the various institutions can be coordinated and not be dissipated over a wide range of admittedly worthy projects.

The grain movement that took place in 1971 was significant in several ways. Firstly, it was a bushel shipment record, with 25,489,000 bushels being cleared. Secondly, the experiment with shipping two grains, wheat and barley, worked very well. So well in fact that it is to be repeated this year.

It looks very much as though a new Churchill shipping record will be set in 1972, perhaps as much as 27 million bushels. While I am very gratified that this increase will take place I am not convinced that we have reached the limit at Churchill. We will continue to push for increased sales ex Churchill, either within the present season or by extending the season. In particular in a telegram of March 17, 1972 I urged the Russian Ambassador in Ottawa to use Churchill for Russian grain shipment this year. Although no reply has yet been received, my staff are continuing to discuss and press this matter with the Wheat Board.

Because the grain movement is so dominant in the Churchill shipping scene many people think that that is all the port handles. This, of course, is not the case. One of our major

efforts is to try and increase the movement of non-grain items through Churchill. For instance, during the past year we examined the potential for shipping such products as rapeseed oil and flour ex Churchill. While neither of these goods moved to export markets via this port we have not given up the idea of handling such products through Churchill.

On the import side we have carried out cost comparisons between Eastern Canadian ports and Churchill on several types of goods, notably tractors and automobiles. The idea of using containers as a means of sparking Churchill trade has also been examined. This is not yet economically feasible, but it may be necessary to proceed with plans in this direction in the interests of Churchill development. My Department continues to pursue this issue very actively in consultation with the Port of Churchill Commission, potential users, and shippers.

The proposal that Churchill be made a free port is under study at the present time by my Department jointly with the Federal Department of Industry, Trade and Commerce. The basic idea of such a free port is to import raw materials or components to the free port area and manufacture or assemble a finished product for ultimate export. Goods which have a high spoilage or weight loss may be brought into a free port for sorting or drying so that duty is only paid on that which is actually brought into the country. Canada has a very flexible system of bonding warehouses and customs rebates which can provide most, if not all, of the advantages of a free port without incurring the costs of operating such a port. However, both my Department and the Federal Department felt that a definitive study was required to determine once and for all whether there is an advantage to Churchill in operating a free port area. This study should be finished by the late summer or early fall.

Several items related to ocean shipping to and from Churchill were also examined during the past twelve months. The new Arctic pollution regulations caused considerable work to ensure that these regulations would not unnecessarily hinder shipments to and from Churchill. This was accomplished. We also pressed to have representatives from Lloyds of London visit Churchill and view conditions first hand. The insurance people have assured us that they intend to visit Churchill but we have not been able to get them to commit themselves to a firm date. We are continuing to pursue this issue.

As has already been mentioned in the Legislature very distressing news has recently emanated from Churchill concerning re-supply shipments. It was rumoured that the Federal Government had decided not to use Churchill for the sealift portion of their re-supply efforts in 1972. We were shocked to hear this rumour and immediately contacted the Ministry of Transport. I am hopeful that this matter has been successfully resolved but I cannot be certain as Mr. Jamieson has not replied to my query as yet.

Our interest in re-supply shipments goes back at least two years when the matter of stationing a re-supply vessel at Churchill so as to lengthen the re-supply shipping season came under study. This turned out to be a lengthy investigation involving the CNR, Transair, other carriers, the Northwest Territorial Government and Federal authorities. The findings from this work were turned over to the Federal Crown Corporation, Northern Transportation Company Limited. However, progress remains slow as Ottawa has embarked on yet another study of the logistics of northern re-supply. In fact, matters have moved so slowly that we have decided to look at a couple of other options which we might be able to carry out on our own. Unfortunately these are still in the formative stages and I have nothing definite to report as yet.

In a further effort to promote Churchill as a supply centre the Department had a brochure on the facilities and advantages of Churchill printed. This publication proved to be so successful that a second printing has had to be ordered. The acceptance of this brochure and the energetic use to which it is being put by the various carriers and the port promotional agencies is very heartening. The scope of its application has been broadened and we are hopeful that it will have desirable repercussions in areas other than just re-supply.

We see Churchill as the most logical re-supply route to the central Arctic. Its excellent sea, rail and air facilities coupled with its location within 800 miles of all major central Arctic points gives it many advantages over its competitor, the Port of Montreal. The routing of such cargo through Churchill would benefit the port itself as well as the Province of Manitoba and the other Prairie Provinces. I can assure you that the matter of re-supply shipments through Churchill will be pressed in every possible way with the Federal Government and I would ask interested members of the opposition to join us in this effort.

My Department has examined many possible industrial developments for the Churchill area but in most cases these have been fruitless. However, there is a modest success that

can be mentioned. A pelletizing mill to make use of the grain screenings at Churchill is going to be installed in the power house area where the screenings used to be burned for power. The employment benefits etc. to Churchill will not be large but nevertheless it is at least a positive step.

The \$10 million Federal-Provincial program to rehabilitate the Churchill townsite is proceeding as planned. Eliminating the fragmented nature of the various segments that made up Churchill will go a long way toward creating a vital and viable centre. The infrastructure improvements will ensure that the new community is a healthy and desirable place to live while the medical and educational investments will further Churchill's place as a regional service centre.

I would like at this time to commend the Port of Churchill Commission and the Hudson Bay Route Association for their dedication in promoting the Port. The officers of these organizations donate a considerable amount of their personal time and resources in the belief that Churchill can benefit from their efforts. Such unselfish action is all too rare these days. While we may not always agree with their position we cannot help but admire their dedication and honest zeal. We look forward to working with these and other organizations for the benefit of the people of Churchill and Manitoba. I would also like to commend the MLA for Churchill for his activities in respect of promotion of the Port of Churchill. He has been particularly active in this regard over such matters as the Arctic re-supply operation, Russian grain shipments, and the need to develop Churchill into a fully modern port if it is to achieve its full potential.

I hope that this brief statement on some of our activities with regard to Churchill in the last twelve months has served to illustrate our deep and abiding interest in this Port. Manitoba has an obligation to see that this unique natural asset is fully utilized and I assure you that we are trying to do this.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q.C. (Leader of the Opposition)(River Heights): Mr. Speaker, just a comment with respect to the remarks of the Minister of Industry and Commerce. I realize that he did not read the full seven pages that were presented to us but there are certain things that I think should be said with respect to the report. I gather the report will not contain or does not contain any reference to the potential that Churchill may have as the supply depot for the Pan Arctic development in the Arctic. At the present time supplies are coming through Alberta and the benefits of that particular development, which realistically is north of Manitoba, is going to the Province of Alberta, the goods purchased, the supply that is taking place, the repair work that is being done, all of this is taking place in Alberta.

It would seem to me, Mr. Speaker, that when we talk in terms of the Port of Churchill we talk in terms of a new dimension, a dimension which is much greater than anything that has ever been anticipated and which goes far beyond the remarks that the Minister of Industry and Commerce has presented and far more than the arguments that have been advanced. The Minister of Industry and Commerce has repeated in this presentation, as far as I can see from just from a cursory glance and from the remarks that he said, the same arguments that have been advanced over the years with respect to the province and the Federal Government over the use of Churchill. But there is a potential, Mr. Speaker, for Churchill as well as for some other northern areas of Manitoba to in fact become the supply centre for the total Pan Arctic development and whose potential development of \$7 billion can come to a large extent through Manitoba and benefit Manitobans. And I would hope that there would be much more serious consideration given to this prospect because this is the way in which Churchill will truly develop.

MR. SPEAKER: Ministerial Statements and Tabling of Reports. The Honourable Minister of Transportation.

HON. PETER BURTNIAK (Minister of Highways)(Dauphin): Mr. Speaker, I have a report here that I would like to table. I believe this is the right report. I suppose that this will make the Honourable Member for Lakeside quite happy as I promised some time ago, and I hope we're talking about the same report that I'm tabling here. It's the Task Force Study of Administration, District Office, Department of Highways.

MR. SPEAKER: Notices of Motion; Introduction of Bills. The Honourable Minister of Municipal Affairs.

INTRODUCTION OF BILLS

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs)(Selkirk) introduced Bill No. 45, an Act to amend The Municipal Act.

MR. SPEAKER: Oral Questions. The Honourable Leader of the Opposition.

ORAL QUESTION PERIOD

MR. SPIVAK: Mr. Speaker, in the absence of the Minister of Finance, my question would be to the First Minister. I wonder whether he can indicate now that the mill rate appears to be available for consideration with respect to Unicity taxes that will be levied, whether the government intends to alter the million and a half that is in the estimates for equalization?

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier)(Rossmere): Mr. Speaker, there must be a difference in interpretation as to the intent or the purpose of the monies which the Honourable Leader of the Opposition is referring to. The purpose of those monies had no direct connection with any general mill rate that would be struck by the Unicity Council.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: In view of the fact that the mill rate -- actually a second question, Mr. Speaker, in view of the fact that the mill rate that has been announced by Unicity will in fact mean a substantial rise in taxes by those who live in the suburban areas . . .

MR. SPEAKER: Order, please. The honourable member is arguing the question. Would he place it?

MR. SPIVAK: I wonder if the First Minister could indicate whether he believes that the million and a half that is proposed in the estimates for equalization will in fact satisfy the need of equalizing the increased costs to those people who lived in the suburbs before, who are now going to be receiving the new tax bills from Unicity?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Speaker, the question relates to a newspaper article. This is the only information in respect to this matter that is forthcoming to the government. There has been no opportunity to evaluate the information that is in the newspaper article. Until such time as there is an opportunity to evaluate the information in today's newspaper, I will be unable to make any further comment.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: A supplementary question to the Minister of Municipal Affairs. I wonder whether he can indicate whether it's the government's intention to bring in supplementary estimates once that evaluation has taken place?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Speaker, I return to my earlier answer. Until there is a proper evaluation it would not be in order to make any comment.

MR. SPEAKER: The Honourable Member for Thompson.

MR. JOSEPH P. BOROWSKI (Thompson): Mr. Speaker, I have a question for the Premier. I wonder if he'd indicate to the House what steps the government is taking to recover the 86 percent of the MDF funds that were used on a down payment for Rex Grose.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, the Honourable Member for Thompson has an intriguing way of putting certain questions. I am not in a position to answer in any definitive way at the moment.

MR. SPEAKER: The Honourable Member for Thompson.

MR. BOROWSKI: My question is for the Attorney-General, Mr. Speaker. Is the Attorney-General planning on taking any action against Mr. Roblin and Mr. Evans for misleading the House on the CFI deal as indicated by the inquiry?

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): Mr. Speaker, that question is obviously out of order.

MR. SPEAKER: I'm afraid I must concur with the Honourable Member for Morris. The two gentlemen that were mentioned are not members of this House so I can't see how they could be misleading it.

(MR. SPEAKER cont'd)

The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I'd like to direct a question to the Minister of Labour. Is it true that the population of Thompson has reduced roughly 5,000 within the last six months?

MR. SPEAKER: The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour)(Transcona): Mr. Speaker, I don't really know whether it is true or not. There appears to be some conflicting figures regarding the total population at Thompson and I believe that it has been announced somewhere, I just forget, Sir, where, that there is being a check made on the total population figure for Thompson, and if it does not become public soon enough or if I get it, I'll be glad to give it to my honourable friend.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: I'd like to direct a further question to the Honourable the Minister of Municipal Affairs. In view of the reduction of population in Thompson, is the government still proceeding with their housing in Thompson?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Speaker, the entire question relating to the housing in the City of Thompson is presently under review. All factors are being considered and appropriate indication or announcement of policy will be made at the earliest opportunity.

MR. SPEAKER: The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Speaker, I have a question for the Minister of Industry and Commerce. Could he indicate how many jobs will result from giving the multi million dollar contract to Western Flyer Coach -- the school bus contract to Western Flyer Coach instead of Ontario?

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

MR. EVANS: Mr. Speaker, my information is that as a result of this contract for 113 school buses, there will be 45 new jobs or additional jobs provided for people in the Town of Morris, which happens to be in the constituency of my good friend from Morris.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSON: I wonder if the Minister of Trade and Commerce could assure those workers who will be thus employed some permanency in their occupations.

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

MR. EVANS: Mr. Speaker, we have made great efforts since we've been government to bolster industry in the Town of Morris.

I can also point out, Mr. Speaker, that a considerable amount of work, a considerable amount of work on urban transit buses is also done in the Town of Morris, as I think my honourable friend knows.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSON: I wonder if the Minister could advise the House if the proposed expansion of Western Coach Industries will take place in the Town of Morris - in keeping with the government's stated intention to diversify industry?

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

MR. EVANS: Mr. Speaker, the objective of the Government of Manitoba, of this government to develop the entire Province of Manitoba, whether it be Morris, Se'kirk, Winnipeg, Napinka, Killarney, Wawanesa, Boissevain and all other points.

MR. SPEAKER: The Honourable Member for Morris who . . .

MR. JORGENSON: I wonder if the Minister of Industry and Commerce would undertake to answer the question that I posed to him.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. JEAN ALLARD (Rupertsland): In view of the Minister's answer, I'd like to ask the Minister of Municipal Affairs whether the government is building any public housing in the Pine Falls - Powerview area?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Speaker, there have been approaches made to the government and to representatives of the Manitoba Housing and Renewal Corporation in regard to the possibility of building houses in the area referred to. The need is being surveyed at the present time as to whether or not that housing should proceed on that basis or on some other type of approach such as co-operative housing. When final decisions are made it will be indicated as to whether or not we will be proceeding or not.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. ALLARD: I would like to ask the Minister whether a 200 unit co-op housing development is being planned and developed in Thompson?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Speaker, could the question be repeated?

MR. ALLARD: Whether the Minister could tell the House whether a 200 unit co-op housing development is being planned and developed for Thompson?

MR. PAWLEY: There is a co-operative housing development proposed for Thompson, not in the neighbourhood, I believe, of 200 units, but there is co-operative housing planned for Thompson along the equity sweat lines of co-operative construction similar to that in Nova Scotia.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. ALLARD: In view of the 590 vacant units in Thompson, will this be gone along with immediately or will there be a holdup?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Speaker, the co-operative housing is on the basis of local interest and involvement by a group of employees at Inco that are interested in developing a co-operative housing project. There have been discussions between them and the officials of Central Mortgage and Housing Corporation and they are of the view, and I would suspect that CMHC would also be of the view, that present developments at Thompson would not jeopardize this particular co-operative housing development.

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. Could he tell the House why Dr. Asselstine has resigned from his position as Director of the Child Guidance Clinic?

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

HON. RENE E. TOUPIN (Minister of Health and Social Development)(Springfield): Well, Mr. Speaker, on the question asked by the Honourable Member for Fort Rouge, first of all, Dr. Asselstine made his reasons public and not to me, he made it public to the newspapers, and the reasons that were given as known by the Honourable Member for Fort Rouge, is that he was dissatisfied with the lack of policy pertaining to child development in the Province of Manitoba. Any my response to the press was, and I repeat, that the child development that has taken place within the Province of Manitoba now through the preparation of a White Paper on health care for the Province of Manitoba, and the estimates that were presented last year in this House pertaining to child development that are in the process of being presented to this House for 1972/73, contain more funds, more staff man-years pertaining to child development care than we have seen in the ten years that the Conservatives were in power.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. TRUEMAN: Mr. Speaker, since the Minister has in effect confirmed the fact that Dr. Asselstine's reasons given in the paper were correct, can he tell us who is responsible for the four year delay in spending the money that was budgeted and where did the money go instead of to Child Guidance?

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

MR. TOUPIN: Mr. Speaker, if the House would allow, I would have to ask the honourable member what monies she's referring to. If the honourable member would like to file an Order for Return I'd get her the information that are at the disposal of the Department of Health and Social Development.

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

HON. LAURENT DESJARDINS (Minister of Tourism, Recreation and Cultural Affairs) (St. Boniface): Mr. Speaker, yesterday I tabled the answer to an Order for Return of the Honourable Member from Roblin and he later added that the complete answer wasn't there, and if this is acceptable I'd like to give the information now. He wanted to know the total amount of money expended to date by the Province of Manitoba and the Federal Government in the Turtle Mountain Provincial Park. The total amount is \$334,000; Federal share, 50 percent.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I direct this question to the Minister of Agriculture. In view of the press statement yesterday giving the figures in the way of grants that farmers received in the assistance for water and sewage, it stated that towns

(MR. EINARSON cont'd) will now be able to come under that policy, can he indicate what towns in the Province of Manitoba are going to receive this assistance and what is the structure of grants?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture)(Lac du Bonnet): Mr. Speaker, sometime during this session a statement will be made to the House on that subject matter.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Mr. Speaker, I direct a question, to the Honourable the Northern Commissioner. I wonder, Sir, if he could indicate to the House the summer cutting schedule to be undertaken at the CFI Complex, the number of native persons so employed, or to be expected to be so employed in the coming year.

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. RON MCBRYDE (Commissioner of Northern Affairs)(The Pas): Mr. Speaker, I don't believe that the subject matter referred to comes under my jurisdiction.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: A supplementary question, Mr. Speaker, to the Northern Commissioner. Would the Honourable Commissioner be kind enough to direct me to the proper authority? -- (Interjection)-- Would the Honourable Commissioner be kind enough to direct me to the correct authority?

MR. SPEAKER: The Honourable Minister.

MR. MCBRYDE: I direct the Member for Lakeside to the Minister of Mines and Natural Resources.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, then to the Honourable the Acting Minister of Mines and Natural Resources, again the same question. I would assume that the cutting is not necessarily now under way, but what kind of forward contracts have been arrived at with the native populations, the tribes and so forth, for the coming cutting season at CFI? The number of people so employed?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, on a point of order. Here again we have an example of a question which seeks information that pertains to the internal operation and management of a Crown Corporation that is unrelated to policy. If it had to do with policy then the question would be in order, but as the Honourable Member for Lakeside knows, the entity he is referring to is in receivership, a Court appointed receivership, it is therefore not, for more reasons than one, it is not possible, nor is it proper to deal with a question of that kind in the House.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, on the same point of order, and it's not my wish to pursue it. It is though a fact, Sir, that the Minister from time to time issues releases, indicates to us what is happening at CFI from the point of view of how the plant is operating, or what projected sales are to be, and I think in that manner, and it's in that light certainly that I ask for this kind of information. I would like a simple question of the kind of work force, particularly the native work force currently employed or to be employed this summer at that Complex.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: I would suggest further that in any case the honourable member is asking for the kind of detailed information which is more properly subject for an Order for Return. Although even on that basis, Sir, I suggest once again, that matters of day to day operation are not to be equated with matters pertaining to policy direction.

MR. SPEAKER: Order please. A point of order was raised. I wish to indicate that I have to concur with the First Minister's remarks in regard to the propriety of the question. The Honourable Member for Souris-Killarney.

MR. EARL MCKELLAR (Souris-Killarney): Mr. Speaker, I'd like to direct a question to the Minister of Health and Social Development. About four weeks ago I asked the Minister a question regarding a lengthy report dealing with the Ninette Sanatorium. Has the Minister and his government anything to report regarding the lengthy report? Are they going to accept the recommendations?

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

MR. TOUPIN: Mr. Speaker, this is still under review by the Provincial Government, hopefully that many other reports and recommendations that are before different Ministers of

(MR. TOUPIN cont'd) the Crown could be reviewed more effectively and quickly once this Session ends.

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

MR. McKELLAR: Mr. Speaker, a supplementary question to the Honourable Minister. Does he realize that there are people out there, 134 employees are waiting to hear what the government are going to recommend?

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

MR. ENNS: Mr. Speaker, I direct a question to the Honourable The Minister of Education. I wonder, Sir, if the honourable member can now tell me who the Chairman is of the Board of Reference that is dealing with the question of a boundary matter between the Lakeshore School Division and the White Horse Plains School Division?

MR. SPEAKER: The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education)(Burrows): Yes, a Chairman of the Board of Reference to deal with this matter has been appointed. I must apologize that the name of the individual slips my mind at the present time. He is not from the school division; and I may also suggest to the honourable member that the appointment is made by way of Order-in-Council which is a matter of public record.

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. My question is for the Minister of Mines and Natural Resources. Can the Minister outline the steps and procedures to be taken by farmers in applying for compensation for flood damage in the Assiniboine Valley?

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

MR. EVANS: Mr. Speaker, I'm not exactly sure of the implications of this particular question. I believe the honourable member has reference to the operations of the Shellmouth Dam and certain high waters that are now being experienced on the Assiniboine River, and as I explained yesterday, I believe, or the day before, we have no responsibility for any compensation payments in this respect.

Furthermore, as I also explained, we, through the Department of Water Resources, gave a very clear, a very clear explanation of the operations in the Shellmouth Dam, and it was clearly stated to the farmers in the district who wished to attend the meeting -- this was back in December and I believe officials of three rural municipalities were involved -- that there could be no guarantee that there would be no flooding; although the Shellmouth Dam would alleviate a lot of flooding, those farmers in the low-lying areas, in the flood plain areas, so called, would still be subject to some high water.

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. GRAHAM: A supplementary question, Mr. Speaker. If the province will not assume any compensation, can the Minister indicate what other jurisdiction he would recommend the farmers apply to?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, it should be pointed out to the Honourable Member for Birtle-Russell that as the Minister of Mines and Resources has already indicated on two occasions, there was systematic means taken to inform local residents of the probability of water levels, specific water levels on the downstream part of the Assiniboine River, downstream of the Dam. And further to that, I can advise the honourable member that water levels on that stretch of the Assiniboine River have exceeded the level at which it is at the present time for at least six years in the past two decades, at which time there was no compensation paid to my knowledge.

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Another supplementary, Mr. Speaker. Will the Minister of Mines and Natural Resources consult with the farmers in future before any decision is made in how much water is going to be allowed to go through the dam?

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I should like to direct the attention of the honourable members where we have some more guests, some 46 students of Grade 7 and 8 standing of the Sprucedale School of Dryden, Ontario. They are under the direction of Mr. McFayden.

On behalf of all the honourable members I welcome you here.

ORAL QUESTION PERIOD (cont'd)

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. ALLARD: I'd like to direct a question, Mr. Speaker, to the Minister of Health. Could he advise the House as to what steps the government is taking to deal with what has effectively become a problem of abortion on demand, as is evident from the figures that have been released just lately. It's called therapeutic . . .

MR. SPEAKER: Order, please. The question is argumentative.

The Honourable Member for Rupertsland.

MR. ALLARD: May I ask the Minister to tell the House what steps the government is taking to deal with the problem of abortion on demand in our society?

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

MR. TOUPIN: Mr. Speaker, I believe that all honourable members of this House are aware that when we discuss the question of abortions that this falls under the Criminal Code, and the policy of this government as spelled out before has accepted to pay for under Medicare for abortions that are legally accepted in Canada. So it's not really, Mr. Speaker, within the jurisdiction of the province itself to discuss and arrive at maybe a satisfactory solution according to the Honourable Member for Rupertsland pertaining to abortions. We are only going according to what is allowed under the Criminal Code.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. ALLARD: Well to clear up the answer, if I may, I would like . . .

MR. SPEAKER: Order, please. Order. I wish he wouldn't debate it, I wish he would ask the question.

MR. ALLARD: Could the Minister advise the House whether it is the policy of the government to refrain because of constitutional constraint from the field of abortion?

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

MR. TOUPIN: Mr. Speaker, the policy of this government is to actually -- yeah, actually, like the Premier says, respect the laws of Canada, and pay for therapeutic abortions that are spelt out within the Criminal Code.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. ALLARD: Are we forbidden from entering the field legally?

MR. SPEAKER: The Honourable Minister of Health. It's a legal question.

MR. TOUPIN: Mr. Speaker, I'll have to consult with my legal counsel.

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

MR. DESJARDINS: Mr. Speaker, I would ask leave to make a statement.

MR. SPEAKER: The Honourable Minister of Tourism and Recreation asks leave of the House to make a statement. We are under the question period, is leave granted?

MR. DESJARDINS: A statement on lotteries.

MR. SPEAKER: A statement on which? The Honourable Member from Morris.

MR. JORGENSON: We have no objection to the Minister asking for authority or leave to revert to motions so that any statement that he makes may be commented upon by the Members of the Opposition. And if he wants to ask for authority to revert to motions we'd be happy to give him that leave.

MR. SPEAKER: Is that the desire of the Honourable Minister?

We shall revert to Ministerial Statements.

MR. McKELLAR: . . . eliminate the rest of the question period?

MR. SPEAKER: No. We are going to revert to the ministerial statement section of our orders. The Honourable Minister.

MR. DESJARDINS: Thank you, Mr. Speaker, I apologize for being a little late, I was at a meeting. I'd like to make the following statement: New recreational programs utilizing lottery funds.

MR. SPEAKER: Order please. Does the Honourable Minister have a copy for the Leader of the Opposition, and one for myself?

MINISTERIAL STATEMENT

MR. DESJARDINS: Just a minute, I have another one here. There's one of each.

A major new policy involving the use of lottery funds for recreational purposes has been approved by Cabinet for implementation. This is in keeping with the philosophy of the Lotteries Act which provided that government lotteries revenue should be used for recreational and

(MR. DESJARDINS cont'd) cultural purposes. These new programs made possible by the use of lottery funds will help to satisfy many of the pressing recreational needs which are in evidence in many areas throughout the province. Since becoming Minister of this department I have become increasingly aware of the needs which have been identified to me through research, correspondence, reports, briefs, delegations, sports associations, and through many personal contacts in communities and individuals during visits to various provincial regions.

Programs that are proposed have been designed to provide new and meaningful opportunities for recreation with particular emphasis on the area where recreational opportunities have been limited or non-existent. The province, of course, could not and has no intention of taking over recreational programming. One of the purposes of the program is to stimulate and encourage communities, local organizations and provincial bodies to develop and expand their resources and services in order to fill the needs that are present. In a large part the success in a community of recreational programming rests with the community and it is intended that the new proposal will assist communities and existing organizations to develop and extend their own resources.

Four major programs have been developed.

1. Assistance to communities for recreational facilities capital cost:

Financial assistance on a cost-sharing basis will be provided for the construction of new capital facilities. The objective is to provide recreational facilities on an equitable basis for all residents of the Province regardless of where they might live.

2. Game Development Program:

This proposal is to develop a program to involve Manitobans in a series of competitive sports activities with the following goals:

(a) To stimulate interest in and provide opportunities for those wishing to participate in competitive athletics.

(b) To provide assistance and conduct trials and training programs, and to select and train athletes who may qualify to participate in major sporting events.

(c) To initiate a Northern Regional Games Event in December, 1972 to allow northern communities to engage in a major multi-sports games and to serve as a pilot project for the development of other Regional and Provincial Games.

3. Grants to recreation and sports agencies:

This program will:

(a) Enable the recreational agencies to plan and develop services and programs which will enhance, improve, and expand recreational opportunities throughout Manitoba. Particular emphasis will be given to those areas and people not reached by existing programs.

(b) Enable the Provincial Amateur Sports Body to plan and develop a comprehensive competitive sports program to enable Manitoba athletes to participate in Provincial and National Events and other competitive events at the level beyond the local community.

4. Community Recreational Development Projects:

This will provide for special projects to be administered by the community recreational branch focusing in particular upon providing recreational opportunities for the underprivileged, the handicapped and those deprived of normal recreational opportunities.

Details of each of these programs will be developed further and announced in due course.

Now the paper on the Cultural Allocation of Lottery Revenues for Cultural Development, it is the intention of the Manitoba Government to allocate . . .

MR. SPEAKER: Order, please. The Honourable Minister didn't send a copy of that to myself.

MR. DESJARDINS: You have one, Mr. Speaker.

MR. SPEAKER: No, I only have the copy of the Recreational Program, nothing on the Cultural Development.

MR. DESJARDINS: Where's the page boy. I give him one.

MR. SPEAKER: What have you got? Give one to Sidney.

MR. DESJARDINS: Well I gave him one.

MR. SPEAKER: Order, please. We have one copy of the Cultural Affairs statement nothing else.

MR. DESJARDINS: Mr. Speaker, I believe that the page boy gave copies to members of

(MR. DESJARDINS (Cont'd) . . . the Liberal Party. He thought there was only one and this is the second one, and I don't know where the other one went.

MR. SPEAKER: Well I should like to -- Order, please. Order, please. I should like to indicate that if we would do things in the proper sequence then we would not run into this kind of a problem. We are reverting from our normal procedures and consequently the confusion arises.

MR. DESJARDINS: I can't hear a word you're saying.

MR. SPEAKER: Give that to the Leader of the Opposition. The Honourable Minister might proceed now.

MR. DESJARDINS: Allocation of Lottery Revenues for Cultural Development. It is the intention of the Manitoba Government to allocate lottery revenues to recreational and cultural projects. It is now desirable to outline some of the approved project proposals with respect to cultural development and some of the criteria to be observed in carrying out these programs. We intend to expand the opportunities for all Manitobans to enjoy and participate in cultural activities. Emphasis will be placed on facilities, rate of production and employment related to the arts, including outreach services for the economically deprived. By share with federal and municipal governments and the private sector the financial support for artistic endeavour, it is hoped that the preservation of the rich ethnic cultural inheritance in the inheritance of native Canadians will be achieved. There will be a particular effort made towards cultural development in northern Manitoba, particularly in isolated communities. Among the project proposals in the area of cultural development, the following are worthy of note. Special cultural project designed to enable and assist touring programs and exhibits; leadership training programs and workshops; incentive cost sharing programs for arts and crafts materials. Free outdoor summer-winter festival support.

MR. SPEAKER: Would you keep it down to a shout.

MR. DESJARDINS: Historical cultural site and building preservation programs and archives exhibit and promotional campaign, and a fund for special events and activities to be promoted by the department. Establishment of an ethnic cultural development capital fund to assist in capital developments of projects on the basis of grants of \$1.00 for every \$3.00 raised from sources other than the Provincial Government to a maximum of \$50,000 in any given year. Establishment of an ethnic cultural development program fund for allocation to central co-ordinating bodies concerned with the preservation of the ethnic cultural inheritance in the province. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, one can not help but have enthusiasm for the concepts that are incorporated in the policies and programs just announced by the Minister, in particular the emphasis on making recreational programs available to all parts of the province, and the people in all parts of the province, with an emphasis on the northern part of the province and on our native peoples, in particular, that promise is a very welcome one and one which this party supports most enthusiastically. The same is true of the developments contemplated and projected in the field of culture and the preservation of our rich cultural heritage and the different contributions of the ethnic groupings that make up our Manitoba community.

We would be interested in some advice as to some of the details, financial and personnel-wise, involved in some of these programs, Mr. Speaker. The assistance to communities for recreational facilities in the capital costs area under the four major programs in a recreational level announced by the Minister leaves us with the question as to whether this assistance will be made in the form of grants or loans, and how much money will be involved, but we expect the Minister will be advising the House and the people on that subject shortly.

I would say, Mr. Speaker, that I find both the programs imaginative and constructive and I would hope that the programs planned in the cultural development area would also include a reaffirmation of support for the cultural organizations and groups and institutions that have already brought much credit and glory to the Province of Manitoba. The Winnipeg Symphony, the Ballet, the Festival du Voyageur, and other organizations of that kind. We would hope that the Minister will continue to lend the strongest support to those programs in addition to introducing new ones.

ORAL QUESTION PERIOD (Cont'd)

MR. SPEAKER: We will revert back to the question period. The Honourable Member for Souris-Killarney.

MR. McKELLAR: Mr. Speaker, I would like to direct a question to the Acting - Oh I guess he's gone now - First Minister. Could the Minister advise the House who ordered the sand bagging of the inlet into Pelican Lake on the Pembina River about ten days ago which eliminates any fresh water coming into this lake?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, obviously that question will require some checking, so take it as notice, and the Honourable the Minister, Acting Minister of Mines and Resources hopefully will be able to reply in a few days.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I have a question for the Honourable the Minister of Industry and Commerce. Has there been any request or will the Manitoba Development Corporation be financing . . .

MR. SPEAKER: Order, please. I wonder if the Honourable Member would take the question under advisement and repeat it tomorrow. The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Speaker, I have a question for the First Minister. In view of the statement made by City Council last night regarding the possible increase of bus fares for old age pensioners, and in view of the fact that the Provincial Government grants over half a million dollars of provincial funds to keep the bus fares down for old age pensioners, will the Government take any action against the City if they do so increase the fares?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, it is true that the Province of Manitoba has in the past year adopted a policy of increased provincial grants to cities for purposes of urban transportation, urban transit, and I can advise the honourable member that a meeting is to take place fairly soon between representatives of the Crown and representatives of the City of Winnipeg to discuss urban transit and related matters.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, discussing question of meetings I wonder if the First Minister would consider meeting with perhaps representatives of the Canadian Manufacturing Association relatively soon to discuss the impact of the five percent tax soon to be imposed on purchasing on production equipment.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, about four to six weeks ago members of the Government did have a meeting with representatives of the Canadian Manufacturers Association and at that time a number of matters of mutual interest concerned were discussed. There was no particular emphasis placed on problems of taxation policy. Certainly not initiated by the members of the Manufacturers Association at that time. Insofar as the tax on production machinery is concerned since Manitoba's action is in line with a number of other Canadian Provinces and the States of Minnesota and North Dakota. I don't know that there is anything undue or unusual here that would prompt members of the Association to want to initiate discussions.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, I recognize that and I would be out of order, if I would ask the First Minister if the government informed them at that time of their intention to impose the tax? But, Mr. Speaker, my question is to the First Minister, is the First Minister aware that, or has the government been informed that Quebec has not imposed, has exempted the eight percent sales tax from production machinery up until the time of the year 1975 I understand?

MR. SPEAKER: Order, please. Before the Minister answers I would like to indicate that the Honourable Member for Lakeside was prefacing and indicating that he was out of order. The next time he will not succeed. I'll take it as notice that he is going to be out of order and not let him continue. Do we have an agreement? The Honourable Minister of Finance.

HON. SAUL CHERNLACK, Q.C. (Minister of Finance) (St. Johns): Mr. Speaker, we've been at this Production Machinery Tax Bill 21 for I'd say nine days or so, and I would propose to answer the question - I'm just saying - I propose to answer the question at the right

(MR. CHERNIACK Cont'd) . . . time knowing it could come up today under Proper Rules of Procedures, not under the Question Period.

MR. SPEAKER: The Honourable Member for Rhineland,

MR. FROESE: Mr. Speaker, I hope to ask my question this time. I would like to direct the question to the Minister of Industry and Commerce. Has he had any request, or will the Manitoba Development Corporation be financing Neonex of Vancouver in the expansion of the Winkler plant?

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

MR. EVANS: Mr. Speaker. As far as I am concerned that question ranges in the hypothetical.

MR. SPEAKER: The Honourable Member for Roblin,

MR. J. WALLY MCKENZIE (Roblin): I have a question for the Minister of Tourism and Recreation. Mr. Speaker, I would like to ask the Honourable Minister of the \$560,000, I think it was, that Manitoba received from Canada in the last year, how is that money split between the various ethnic groups in this province.

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

MR. DESJARDINS: Mr. Speaker, I'm not too sure if I understand exactly what amount, and I would suggest the Honourable Member file an Order for Return.

MR. SPEAKER: The Honourable Member for Crescentwood,

MR. CY GONICK (Crescentwood): . . . question for the Attorney-General. In view of the indication from the Federal Government that the discount houses on taxation, tax returns and unemployment insurance is a provincial matter, does the Attorney-General intend to take action against them?

MR. SPEAKER: The Honourable Attorney-General,

HON. A. H. MACKLING, Q.C. (Attorney-General) (St. James): Mr. Speaker, I think I have already indicated publicly that that attitude of the Federal Government surprises me, however, I am having my department look into the matter immediately.

MR. SPEAKER: The Honourable Member for Crescentwood,

MR. GONICK: A question to the Minister of Industry and Commerce. In view of the large size of the Neonex Corporation, does the loan to the Neonex Corporation indicate a change in the policy of MDC with respect to its loan policy to large corporations?

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

MR. EVANS: Mr. Speaker, I am not sure whether I understand the Honourable Member. I think he is implying that there is a loan made by MDC to Neonex, and I never gave any indication that this was the case.

MR. SPEAKER: The Honourable Member for Crescentwood,

MR. GONICK: A supplementary question then. Would the Minister agree to inform the House at some future date whether or not there has been a loan to Neonex Corporation, or subsidiary of the Neonex Corporation?

MR. SPEAKER: The Honourable Minister,

MR. EVANS: Mr. Speaker, any loans made since the Act was amended is a matter of public record but to the best of my knowledge no loan has never been made in this period to Neonex. Neonex of course is one of those large holding companies and it has hundreds of subsidiaries. Now whether it happens to have a subsidiary now in its control that happened at one time to have had a loan from the MDF or MDC I am not in a position to say.

MR. SPEAKER: Order, please. The Honourable Minister is hypothesising. The Honourable Member for Crescentwood,

MR. GONICK: Yes. A second supplementary on that. Would the Minister inform the House at some future point whether or not the Housing Corporation, the Housing Construction Company which has received a loan from the MDC is connected to Neonex Corporation? The one that is building prefabricated homes.

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

MR. EVANS: Yes, Mr. Speaker, I will look into this matter.

MR. SPEAKER: The Honourable Member for Arthur,

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, before the Orders of the Day I would like to direct a question to the Minister of Recreation and Cultural Affairs. My question is arising out of the statement he made a few moments ago in the House. I am wondering if those communities that have applied to the Minister, because of a statement that he made some month

(MR. WATT Cont'd) . . . ago that there would be grants, and projects that are now under way, will they qualify for the grants that has been announced in the Minister's statement of a moment ago.

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

MR. DESJARDINS: Mr. Speaker, further information will be given very shortly instructing the different communities how to apply for these funds.

MR. SPEAKER: The Honourable Member for Arthur.

MR. WATT: Mr. Speaker, will this communication be sent out to those communities that have applied to the Minister -- (Interjection) -- not necessarily Reston, Melita and Medora -- and if you want I've got a whole list of them.

MR. SPEAKER: Order. Order. The Honourable Minister.

MR. DESJARDINS: Mr. Speaker, the statement will be made public.

MR. SPEAKER: Orders of the Day. The Honourable House Leader.

MR. PAULLEY: I wonder, Mr. Speaker, whether you'd call the motion standing normally in the hands of the Minister of Finance.

MR. SPEAKER: Oh, I'm sorry. Orders -- I'm sorry. Under Orders of the Day, the first item is introduction of an Order for Return by the Honourable Member for Charleswood. The Honourable Member for Charleswood.

ORDERS OF THE DAY - ORDERS FOR RETURN

MR. ARTHUR MOUG (Charleswood): Mr. Speaker, I beg to move, seconded by the Honourable Member for Pembina

THAT an Order of the House do issue for a Return showing the following information:

1. How many people left the Province of Manitoba during the period of October 30, 1971 to April 30, 1972.
2. How many people moved into the Province of Manitoba during the above period.
3. What was the percentage of unemployment in the Province of Manitoba on October 30, 1971.
4. What was the percentage of unemployment in the Province of Manitoba on April 30, 1972.
5. How many civil servants were employed by the Provincial Government as of October 30, 1971.
6. How many civil servants were employed by the Provincial Government as of April 30, 1972.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, I do not stand to reject the subject matter of the Order for Return introduced by my honourable friend, however, some of the information will not simply be available for a long period of time. The information dealing with the outflow and inflow of people is compiled, I understand, by the Dominion Bureau of Statistics. And then in regard to the unemployment figures, my honourable friend asked for the information as of April 30 of this year which is only three or four days gone. If he would be content to accept it at the date on which I have the last report for the unemployment figures comparative; and also the same in respect of the request made by the member dealing with the number of civil servants. If that's agreeable, with those reservations, which are not really reservations, I'd be glad to fulfill as much of the Order as I can as quickly as I can.

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

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK, Mr. Speaker, I beg to move, seconded by the Honourable Minister of Labour that Mr. Speaker do now leave the Chair and the House resolve itself into a committee of the Whole to consider the following bill:

No. 21 - An Act to amend The Revenue Tax Act, The Tobacco Tax Act, and The Amusements Act.

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

COMMITTEE OF THE WHOLE HOUSE

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

MR. SPIVAK: Mr. Chairman, we have debated this matter for several days and during the course of debate information has been provided to the House by the Minister. We've also been in a position to obtain additional information, and one of the most startling things, Mr. Chairman, and one which I think justifies the initial criticism we have of the bill, is the fact that we are in a position, and I think the Minister should commend that, to indicate that the National Assembly of the Province of Quebec on April 18 - that is the Government of the Province of Quebec - announced in a National Assembly on April 18th, that a sales tax exemption would be given in respect of production equipment. Such equipment had been previously subject to an eight percent sales tax applicable in the province. The proposed exemption came into effect on the night of the announcement, that is April 18th of 72, and is to remain in force until March 31, 1975.

The announced purpose of this specific tax reduction is to spur industrial development in Quebec by reducing production costs for Quebec based enterprises and indirectly by reducing the selling price of goods manufactured in that province. The exemption is limited by certain exclusions, among them office fixtures, miscellaneous heating and lighting equipment, etc.; which means that the Quebec situation is not entirely comparable with Manitoba. However, the Quebec proposal includes a proportional sales tax abatement for sales made by Quebec firms outside of Quebec. There is also provision for reduction in the sales tax paid on certain taxable items purchased by Quebec owned enterprises.

Now, Mr. Chairman, I believe that this is a significant and important matter to be considered by this Legislature as it is asked to give approval for the inclusion of production machinery by the present government in the five percent sales tax. And although there was a reference in the Budget Debate to other jurisdictions including Quebec as being jurisdictions which had a similar provision, I think it's very serious that there was not an indication to the House that an exemption had been given at this particular time. Now I do not know, and I am not in a position yet because the documents are not in our possession to deal with the exact manner in which the proposal was brought forward, but I would believe that the reason that the Provincial Government of Quebec would in fact exempt production equipment from the sales tax would be because they were concerned and interested about jobs in Quebec and they were interested in the ability of industry in Quebec to be able to compete in the markets of Canada and in the markets of the world.

Quebec has had serious problems with respect to its economy. It has had a serious situation with respect to unemployment, a very high unemployment rate. But one must recognize as well that although our statistics have indicated effectively a six percent unemployment rate for the last few months, Dr. Weldon in his presentation before the Standing Committee of Economic Development indicated that in his opinion the likelihood is that we really truly have an eight percent unemployment rate, particularly when those of our native people are included in the statistics as they are now not included in the statistics.

On this basis, Mr. Chairman, we have to consider Manitoba's position with respect to this particular tax. Are we going to penalize development in Manitoba?

A MEMBER: Yes we are.

MR. SPIVAK: Are we going to penalize future jobs?

A MEMBER: Yes we are.

MR. SPIVAK: Are we going to make it more difficult for our industries to compete in addition to the costs that are being transferred to the people of Manitoba who are the consumers? Are we in fact, Mr. Speaker, - and I've indicated this before - adding another nail into the coffin in Manitoba. Are we putting ourselves in the position of taxing and taxing for monies that are required by government but which really will prevent and which will have the effect of inhibiting our development, inhibiting the opportunity of growth for industry, and in fact preventing and taking away from people now and people yesterday jobs that they have now and jobs that they can have.

The Honourable Member for Thompson said we said that yesterday, but what he didn't know is that Quebec had taken it off; and the reason Quebec took it off was for a very valid reason. They took it off because it wants to create jobs in this province because it is concerned about unemployment and because it's concerned about its ability for its manufacturers

(MR. SPIVAK cont'd) to be able to compete in western Canada, or in Canada, or in the world markets. But the government is so preoccupied with the necessity of raising money, and raising money for its spending and for its program, that that doesn't become a consideration or a factor.

Now, Mr. Chairman, from our point of view, and we've had limited time in this, it's difficult to establish even and to be able to relate a total assessment of the considerations that go into the ability of industry to compete in any given area. There are certain things that we know. We know we suffer from serious freight rate disadvantages. We suffer because we are in a position where we have to import many of our goods that are finally processed and manufactured and fabricated in this province and in order to bring them from their sources to Manitoba, there is a fairly heavy cost. We know that we have the additional cost that has to be borne and added to the goods that are sold of bringing them to market - of course the farther the market is the more costly it is for us - and yet there are potentials for us in those markets, and we have proven that we can compete in those markets because we have proven that we have both quality and design, imagination, creativity in those products that we sell from this province.

Secondly, we know as well that in addition to that because of the fact that there was not the capital available for development and because we did not have access to the technological information that was easily available to those corporations and those areas that are more sophisticated and were closer to the markets and closer to the sources of capital, that we've been inhibited in our total development because as technology changed we did not necessarily catch up and our efficiency was affected by that and for that reason our costs have increased.

Now, Mr. Speaker, the manufacturing sector, the mining sector are important sectors of employment in this province. We're in this position: We as a province if we're going to be able to hold the people that are here, the people that will be coming off the land, the children who are not going to find their lives on the farm, who are going to be in a position to be able to remain in Manitoba, we are going to have that kind of industrial development which will give opportunity. And in effect what the government is doing and what the government would like to rush through this House, is an Act which will retard our development, prevent the opportunities that can be Manitoban's, prevent the further opportunity for technological change to occur with respect to industry because our people will be prepared to invest in efficiency, and prevent as well the location of new industrial developments in this province. And all of this means one thing, Mr. Chairman. It means jobs in Manitoba. It means jobs in the next six months, it means jobs in the years to come and it essentially comes down to the remarks that the Honourable Member from Lakeside has already made, that in effect what we are doing is we are taxing jobs. We are taxing jobs for those goods that will be sold in Manitoba that consumers are going to be paying for. For those goods that are going to be sold outside of Manitoba the people outside of Manitoba are going to have to pay for it. If anyone believes that Manitobans are going to be able to compete with the highest personal tax, the highest corporate tax and with the production tax now when other provinces are removing it, then their logic is very silly, their reasoning is wrong and their direction itself with respect to the economy is mistaken.

Now, Mr. Chairman, I think we have to come to a very valid conclusion. That the government because it has no economic development policy, because it does not understand the necessity of planning for the future and of trying to retain people in this province, because it still believes that the answers to the unemployment situation will be in the investment of public money and the continuous investment of public money, and because of a natural distaste for private endeavour, for all of these reasons, they are prepared to extend the tentacles of the sales tax on production machinery and prevent again our further development.

Quebec has seen different and it has seen different because its people have remained there and they are unemployed there. Manitobans will not remain in Manitoba, they will leave. And this along with the general attitude will no doubt have the effect of reducing the opportunities for people, for our young people, and chasing them out of Manitoba and will in turn direct industries -- and I don't want to go into that detail again because I think the Minister is very much aware of the fact that industries will be directed to other areas, not only because of this particular tax measure but because of others -- and it would seem to me, Mr. Chairman, that the government has to answer this and answer this at this particular time.

MR. CHAIRMAN: Clause 12. The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, I too wish to comment once more in connection with the bill before us because the section that we are dealing with which is to delete a very important section of the Revenue Tax Act which exempted various items previously now will be subject to tax and I feel it's going to hit the agricultural industry to a very considerable extent. We just heard today, it's been mentioned and it's been brought to our attention that people are leaving Thompson because of unemployment, they're coming to southern Manitoba, and certainly we have a hard time employing people in the south, the people that we have here, and by deleting this section we will now be taxing certain things that would not be taxable before.

I note that from the Act under 4 (1) which exempts the various articles, it mentions under (i) "farm implements, farm machinery and repair parts therefor as defined in the regulations but not including any vehicle required to be registered under the Highway Traffic Act or repair parts thereof." And (j) - Agricultural feeds; and (k) - the plants of any kind and there is a number of them mentioned.

But, Mr. Chairman, certainly we know of the situation today of rail line abandonment; we know of the elevators that are being closed down and we will have to erect new ones. We will have to put up new elevator space in this province and this means that when this is going to happen that this tax will apply. It is not exempt under this section, under 4 (1) that I just read out, and therefore it will mean that any new elevator space and the inland storage that will be provided will be subject to tax and therefore it will hit the agricultural industry which is already depressed and for which the prices of the commodities that we get are far too low and therefore I take exception to deleting subsection 3 of Section 4 of the Revenue Tax Act. We know what happened just recently when Federal Grain was sold out to the Pools, and when the Minister mentioned that the industries or the companies will be gaining by it because 50 percent will be used for tax credits, well we know that the pools, the co-ops don't pay tax, so in their case it can't be used as a tax credit.

Secondly, the elevator companies, especially the local elevator companies haven't been making money, in fact some of them have been losing money in this Province, a good number of them, so that there again it won't be a tax credit that they can apply. I, for one, am worried about the pools taking over all these private companies which did pay tax before, which no longer will now be paying taxes because the pool takes them over, and we are just getting one big monopoly in the province today where the grain farmer no longer has a choice in delivering his grain or selling his grain to the elevator of his choice. If the elevator man offers him a grade he has to accept it, he can no longer go to a second place or another elevator man so that he could probably get a better grade and a better price. This is no longer open to him.

But again we will have to provide new elevator space in this province and this will now be taxable under the provisions of this Act when we delete this other section, and this will take large amounts of money. Inland terminals will cost a lot of money and the farmers will be required to pay that money that will be invested in these terminals. So that they will have to pay the cost for the terminals, they will also have to pay the cost of this additional tax that will now be applied as a result of the bill and of the particular section that we're deleting and that is under discussion at the present time.

So, Mr. Chairman, I feel quite strongly that certainly the economy at the present time is not one where this should happen or this should take place, and we should not be repealing that particular section of the Revenue Tax Act.

MR. CHAIRMAN: Clause 12 - passed. The Honourable Member for Lakeside.

MR. ENNS: No, Mr. Chairman, we shall not let it pass as of yet. Mr. Chairman, I have never been one to have accepted the basis that is often used by any government, or any Minister that because others do it we should be doing it. I've attempted, Sir, in the past remarks that I have made on this Bill that we should always, particularly this kind of a bill, look at our own unique Manitoba situation; indeed look for places that we can put ourselves into a position of advantage and not disadvantage by merely doing what others are doing in the province. This bill is no different and this Minister is no different, he went out of his way, Mr. Chairman, in the budget speech to indicate to us that what the imposition of the sales tax at this particular time meant, was just that, he was doing what other provinces had done previously, and of course at that time it was correct, and I refer back to the budget speech for the Honourable Minister on Page 24 of his budget speech when he indicated that the inclusion of production machinery on the provincial sales tax base will bring our legislation into line with a majority of nine provinces which have sales taxation. At present five provinces,

(MR. ENNS cont'd) British Columbia, Saskatchewan, Ontario, Quebec, and Newfoundland apply their sales taxes to production machinery.

Mr. Speaker, I know, of course, that at the time that budget address was prepared that was the case. It no longer is the case as we have found out, and as I'm sure the Minister has found out, and I am more than anxious to hear the Minister's reply in this particular respect. I am somewhat surprised though that he had -- and I must assume that certainly if not he himself, because I recognize that he's been tied to the House pretty well with the debate, but surely, Mr. Chairman, members of his staff, his department, senior fiscal and financial advisers would have been among the first to inform him of the action that has taken place in Quebec, with respect to the lifting of this sales tax on production machinery, and that he should have so informed us at his earliest possible moment, so that we do not debate a question of this importance under any misinformation, which now the budget speech, which is barely a month old, that he made, is, when he includes the Province of Quebec as being one who levies this particular form of taxation.

Mr. Chairman, the question that it also raises is that one can't help but also have some uneasiness about any other times that other provinces are used, as per example, a great deal of discussion has taken place particularly by the Honourable Member for Brandon West, with respect to the effects of this tax on the aircraft industry, the leasing of aircraft and so forth, the taxing of aircraft in flight, the use of air space over provinces, we have been assured by the Honourable Minister of Finance that essentially what we're doing here in Manitoba is in effect the same as has been done in some other jurisdictions. Well, Mr. Chairman, a little while ago we received that assurance that that was the case with production machinery. It now is not the case and I ask the Minister to re-examine his position and indicate to us, and in fact find out the details for us, which he is much better adept at, he has much better staff than we have in Opposition. Sir, we have to rely on the limited means of research and staff that we have, it means hustling our best when we can in our private hours to find out information such as this, and I think there is some responsibility on the Minister of Finance to indicate important changes, fiscal changes like that that are happening in the province, in the country, to the Chamber, at the earliest possible moment so that we don't debate in circles in this Chamber.

Mr. Chairman, if the Province of Quebec has seen fit to change its taxation, a taxation that I remind honourable members, in particular government members, that had been imposed and had been in effect, and how easy it is - and I speak with some experience - to maintain a tax once you've gone through the pains of imposing it on a particular sector. Very few governments, of all political description, really, you know, find the courage necessary sometimes to lift a tax once they have already imposed it and it has imposed for a number of years.

Nonetheless, Mr. Chairman, in the Province of Quebec just that kind of an action was taken on April 18th, just that kind of an action was taken on April 18th. And, Mr. Chairman, I would doubt, very much whether the First Minister of this province would suggest that even with his pressing need for money that the Province of Quebec, and the Government of Quebec has not an equally pressing need for the collection of revenues for the services that they require and their people require in that province. But, Sir, they saw the wisdom of the arguments that we have been attempting to make on this side of the House, they saw the wisdom of the arguments that we've been attempting to make on this side of the House, and, Mr. Chairman, I appeal to the Honourable Minister of Finance, that surely he now too can see that wisdom and it is not too late to reconsider the inclusion of this particular clause in the bill. Indeed, Mr. Chairman, if he should cast his eyes about and suggest different areas which it is his responsibility of collection of revenues that he would lose as a result of the deletion of this clause, I would want to assure him that he would receive perhaps a degree of consideration that would surprise him from this side of the House, at least from me, if he would be prepared to reconsider this particular clause. This clause is, Mr. Chairman, I repeat, a taxation of jobs; it is not good for Manitoba at this time, and it should be repealed.

MR. CHAIRMAN: Clause 12 passed - The Honourable Member from Fort Garry.

MR. SHERMAN: Mr. Chairman, I would like to read into the record behind the remarks that were made by my Leader a few moments ago, and by my Deputy Leader just now, some comments from the Chairman of the Manitoba Branch of the Canadian Manufacturers Association, Mr. John A. Ingram, which were conveyed to our party in the form of a letter, Sir, on the subject of this legislation, and in particular the subject of this clause that we are

(MR. SHERMAN cont'd) studying at the present time. I would like to have the letter on the record because it underscores -- I beg your pardon, Mr. Chairman? Yes, I will table it afterwards, and I'd like to have it on the record because it underscores some of the points we've been trying to make and some of the arguments we've been trying to convey to the Minister.

The letter was addressed to my Leader with copies to the Honourable Member for Lakeside, and myself, and it reads: "Dear Mr. Spivak: The CMA has already conveyed to the Minister of Finance its great concern over the taxation of production machinery under Bill 21 amending the Revenue Tax Act, and I enclose a further copy of our letter in which we cover this matter and the question of taxation of pollution control equipment. You will note that we urge some form of relief for such pollution control equipment similar to the rebate system existing in Ontario. Until Bill 21 was issued we were quite unaware that consumables or production supplies are also to be taxed since the budget proposals did not specifically refer to this category. Many industries use great quantities of such consumables often on a continually and daily basis, and to apply such a levy will present an intolerable cost burden on such companies. In the broad category of consumables we also feel that short life span items such as tools, jigs, dyes, etc., should be exempt. Ontario presently does provide for relief of such items and it is our understanding that Quebec is presently arranging for similar relief recognizing the inequity that would otherwise result. From many comments we have received from our members it is clear that manufacturers clearly recognize the further cost burden that must result from the imposition of tax on production machinery and on consumable items as well as on pollution abatement equipment. Such levies can do absolutely nothing for the economic growth of this Province and will, as you surely appreciate, serve as yet further deterrents to new industry and investment. What this province needs is tax incentives, not disincentives. We commend you and your colleagues for the stand that you are taking on this vital issue and we wish you on behalf of our membership every success. Sincerely, J. A. Ingram, Chairman, Manitoba Branch of the Canadian Manufacturers Association." That letter, Mr. Chairman, is dated May 3rd, 1972, and I am pleased to have the opportunity to table it with the Committee.

Mr. Chairman, I would like to add that that letter, a copy of which was sent to me as I indicated, was accompanied also by a copy of a letter which the same officer of the Canadian Manufacturers Association, Manitoba Branch Chairman, J. A. Ingram, had written on April 21st of this year to the Minister of Finance, precisely on this particular subject, with specific reference to the difficulties that would accrue in his view in the area of pollution abatement equipment, and as you will note in the letter that I read into the record, there is reference to that argument. The reference stems from the letter of April 21st which Mr. Ingram wrote to the Minister of Finance.

Mr. Chairman, I would like to have that letter on the record, as I say, in support of the arguments we have tried to convey to the Minister in the area of disincentives to industry and difficulties for our economy.

MR. CHAIRMAN: The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Chairman, I know that the Minister of Finance is tired and weary, I think we're all tired and weary of listening to that recycle debate that's been going on and on and on. I think we have reached the point where the Opposition is suffering from an advanced case of statistical scurvy. They are so desperate for figures, they are now quoting the Finance Minister's figures back to him that he just quoted the other day, and I wonder how much longer this obvious filibuster is going to last. --(Interjection)-- Well, I'm ...

MR. CHAIRMAN: Order, please.

MR. BOROWSKI: This is the first time, Mr. Chairman, I've heard a filibuster equated with freedom, I don't see the connection. However, when it comes, Mr. Chairman, I think when it comes to staying power these peasants on this side can outsit them any time. I think we proved that during the last session when we sat here til four in the morning and the other side caved in, and I suggest it's going to happen again. We've got all the time in the world; if you want to play games at public expense, we'll play games too; we'll sit here and answer your silly charges.

Just to show you how silly they are, Mr. Chairman, the Member from Lakeside got up and he berated the government for doing certain things because of someone else. He said you really shouldn't do it just because some other province does it; you really shouldn't do it, this

(MR. BOROWSKI con'td) is Manitoba, we have unique problems and therefore you should take a new approach. The Leader of the Opposition who was up just before him said he should rescind the tax or do away with this section because Quebec yesterday rescinded the tax. He's telling us because Quebec did it, we should do it. His Deputy Leader a few minutes later said just the opposite and I think that maybe they should get together and make up their mind what they want this government to do. I consider, you know, even going as far as they did, I consider the whole argument of the Leader of the Opposition an insult to suggest to us that because Quebec did it that we must do it. Almost to say to the people of Manitoba, particularly the New Democratic Party, that it doesn't matter what your philosophy is, it doesn't matter on which you get elected, if big Quebec - and Quebec does swing a lot of weight in Confederation - if Quebec does something that we throw our philosophy, socialist philosophy or whatever you want to call it, we throw it out the window and do what Quebec does. If that is the case you know I'm wasting my time sitting here. We may as well all pack up and leave and simply let the bureaucrats pass the legislation that Ontario and Quebec does because there's no question we're effected; we're also greatly effected with what United States does. But we do have a unique philosophy of our own and we do make mistakes once in a while. We expect that that will happen. We don't make the type of mistakes that the Opposition did on the CFI Complex or the Columbia Forest Industries.

The other point I'd like to comment on, Mr. Chairman, is the question of taxing jobs. They seem to be making a big pitch to the working people that somehow this taxation is going to tax jobs and thereby hurt the people of Manitoba. Well, Mr. Chairman, the Churchill Forest Industry was supposed to bring jobs for Manitoba, and I think the Leader of the Opposition who was Minister of Industry and Commerce has stood up in this House and boasted about that on several occasions, but we found on taking office that the jobs that he did create were for Quebec people, and I know they're Canadians; for Saskatchewan people, which was in a state of depression due to the Liberal policies, as Quebec is today as a result of Bourassa's policies. So we blew \$115 million to create jobs for somebody else. And this goes down the line to the garment industry where he went traipsing around the Mediterranean for his friends in the garment industry, bringing cheap labour for the garment industry, using taxpayers money to create jobs. For whom? Who was he creating jobs for, Mr. Speaker? For people that he brought in from the Philippines who six months after they arrived here went on welfare because they couldn't live on that minimum wage, which I believe at that time was \$1.25. This is the man that's so concerned about jobs, he left Manitobans unemployed; he left 30,000 Manitobans living on a minimum wage while he went out scouring the markets of the world to bring cheap labour into this province. This is the man that sits there and talks to this government, and chastises this government about destroying the opportunities for Manitobans. So, Mr. Chairman, that I consider an insult and I think the Opposition should stop making those foolish statements, stop pondering to the Manufacturers Association and Chamber of Commerce and let's get down to the job of serving the people of Manitoba that all of us claim we're here for.

MR. CHAIRMAN: Clause 12 -- The Honourable Member for Morris.

MR. JORGENSEN: Mr. Chairman, we have once again received a lecture on parliamentary procedure by the Member for Thompson - the best authority I suppose that they could raise on that side of the House. He was given some pretty wide latitude in making his remarks and I don't intend to take the same latitude but I do intend to reply to some of the comments that he made.

In the first place, Sir, he described the Opposition's opposition to this bill as filibustering. Sir, it's nothing of the sort. It is opposition to a bill that we oppose. We've indicated our opposition to the bill when we voted against it on second reading. We indicated at that time that we were going to oppose some of the clauses and that we are doing. That, Sir, is our responsibility to do. That is our determination. That's our determination. How long we want to oppose it will depend on how long we want to oppose it, and we don't intend to take any dictation from the Member from Thompson as to when we are going to close up and fold up our tents and walk away. Our job, Sir, as an Opposition is to mobilize public opinion, is to inform the public through debate in this Chamber, to legislation that is going to affect them. If we had failed to do that nobody would have known that that tax was going to be imposed until after it had been passed. --(Interjection)-- Well the Member for Thompson said that's ridiculous. It is only when an opposition raises those matters in the House that they become public

(MR. JORGENSON cont'd) through the press and people become aware of what the government are attempting to do. That is our responsibility and we intend to carry that responsibility on, notwithstanding any of the whimpering cries from the Member for Thompson who seems to think that because he's on the government side of the House that all we are here for is to stand up and praise them for what they do. Well, Sir, we don't intend to do that. In the first place it's awfully difficult to praise them for anything they do; and secondly, we would be denying the people of this province the kind of an opposition to government that they're entitled to have. It was a former Minister of Mines and Resources, the Member for Inkster, who stood up during the Throne Speech debate and said that the Opposition weren't doing the job, they weren't opposing. --(Interjection)-- Well you can't have it both ways. Either we are supposed to oppose or we're not. --(Interjection)-- So now the Member for Thompson tries to tell us --(Interjection)-- to pick the subject for us and tell us how we must oppose it. They want to be our speechwriters over there. Well I tell you, Sir, I tell you, Sir, it won't work that way because we intend to oppose what we think is wrong and, Sir, that bill as far as we're concerned is wrong and we're going to continue to oppose it.

MR. CHAIRMAN: Order, please. Order, please. I accept the chastisement from the Honourable Member from Morris that I allowed the Member for Thompson latitude. I hope that he will realize that I allowed him just as much latitude. However I shall call the next member who speaks to order if he doesn't continue on the subject that we're dealing with.

The Honourable Leader of the Opposition.

MR. SPIVAK: Well, Mr. Chairman, my intention is to talk on the subject but the Honourable Member from Thompson has exhibited the qualities and characteristics that he possesses of being a combination of Joe McCarthy and Archie Bunker.

MR. CHAIRMAN: You're not on the subject that's under discussion.

MR. SPIVAK: It is a question of privilege on my part, Mr. Chairman.

MR. CHAIRMAN: Then you're raising it as a question of privilege?

MR. SPIVAK: He has made references with respect to cheap labour, and he has made reference to the fact that I, as Minister of Industry and Commerce, --(Interjection)-- Yes, he did make reference to that. And, Mr. Chairman, this is not the only occasion in which the Minister has --(Interjection)-- Well he's not allowed to have rules for himself.

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Chairman, you yourself said that you gave the Member for Morris latitude because you'd given the Member for Thompson. You also indicated you were not going to give further speakers latitude. The Leader of the Opposition started to speak and then when he was called to order decided it was a question of privilege. Well, Mr. Chairman, I don't believe that an accusation by the member about actions taken by a former Minister in relation to the employment situation is indeed a matter of privilege. Now I'm no expert of the rules, I just don't think it is, do you?

MR. CHAIRMAN: Order, please. I think the point is well taken and if the member felt that he had a point of privilege he should have raised it at the time that it was committed. The Honourable Leader of the Opposition speaking to the clause. --(Interjection)-- Point of order. The Honourable Member for Rhineland.

MR. FROESE: On the point of order, I think the matter that was just raised, does that mean that we just have two privileged members in this House?

MR. CHAIRMAN: Order, please. I don't think that was a point of order. The Honourable Member for Rhineland has had latitude also. The Leader of the Opposition on Clause 12.

MR. SPIVAK: On a point of privilege. If a demagogue is going to be unleashed in this House, then surely to God we are going to be entitled to be able to answer, and this is in effect what we have in this Committee right today and this is what we have had constantly from the actions of the Member for Thompson.

MR. CHAIRMAN: Order, please. A point of order.

MR. CHERNIACK: . . . member called another member a demagogue - I haven't checked lately what the rules say but surely that's not a question of privilege on his behalf to be able to call somebody else a name.

MR. CHAIRMAN: The Honourable Member for Inkster.

MR. SIDNEY GREEN, Q. C. (Inkster): Mr. Chairman, on a point of privilege. The Honourable the Leader of the Opposition if I may come to his defence said if a demagogue is to be unleashed in this House and I'm certain that he must have been referring to himself.

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

MR. SPIVAK: Mr. Chairman, our concern on this side has been that the result of passing Clause 12 will have the effect on the development of employment opportunities in this province. We have said that. The Honourable Member from Thompson seems to believe that the previous government was not concerned about that. Well he's entitled to his opinion and we can give whatever weight we want to his opinion. He seems to think that it was unusual that the previous government may have been concerned about immigration into this province but the Honourable Member from Thompson does not understand --(Interjection)--

MR. CHAIRMAN: The Honourable Minister on a point of order.

MR. CHERNIACK: ... impression that you stated that you would expect a member who spoke after your admonition would stick to the section itself and should not have the latitude that you gave to the Members for Morris and Thompson. Now I don't know whether the Leader of the Opposition actually believes that he is dealing with the question before us, or if he is indeed dealing with a speech made which you, Mr. Chairman, ruled out of order. Now are we going to debate generalities again or are we going to stick to the section.

MR. CHAIRMAN: We're going to stick to the section. The Honourable Member for Lakeside,

MR. ENNS: ... will now clarify the situation in the House or in the Committee as to who the Chairman of this Committee is.

MR. CHAIRMAN: I beg your pardon. Would you repeat that remark please?

MR. ENNS: I wonder, Sir, on a point of order whether you would clarify for all members of this Committee now as to who the Chairman of this Committee is.

MR. CHAIRMAN: Are you reflecting upon the Chair?

MR. ENNS: Mr. Chairman,

MR. CHAIRMAN: I'm asking the Honourable Member for Lakeside if he is reflecting upon the Chair.

MR. ENNS: Mr. Chairman, I'm reflecting upon the duties assumed by the Minister of Finance to interpret what I up to now would imagine the duties of the Chair are.

MR. CHAIRMAN: Order. It is the duty of the Chair and it also is the duty of every member of this Legislature, if there's a breach of privilege or order in this House, to bring it to the attention of the Chairman. And for the information of the Honourable Member for Lakeside there is one Chairman in this Committee and I am he.

The Honourable Leader of the Opposition to Clause 12.

MR. SPIVAK: Mr. Chairman, the Honourable Minister presented his Budget and indicated that this particular section was in other jurisdictions including the Province of Quebec. At the time he said that he was correct. --(Interjection)--

MR. CHAIRMAN: Point of order being raised?

MR. CHERNIACK: The honourable member has just made the same kind of a speech just half an hour ago. Now is that not repetitious?

MR. SPIVAK: Now, Mr. Chairman, Mr. Chairman, to begin with, at this particular point on the point of order, the Honourable Minister has at this point no way in which he can be sure what I'm going to say and my answers are to the Honourable Member from Thompson who suggested a filibuster and who was not concerned about the Province of Quebec. Mr. Chairman, let me say this to the Honourable Member from Thompson. When the Honourable Minister of Finance introduced his Budget he could not know at that time that Quebec would be removing production machinery from its sales tax. They did so afterwards. And by doing that they indicated their concern because of unemployment in Quebec and in Canada for jobs, and, Mr. Chairman, our whole thrust and direction in opposing this has been because of our concern for two phases: One, that there will be a cost added to the consumers in Manitoba; and secondly, that we are now putting on an additional tax which will have the effect of the development of jobs and surely, Mr. Chairman, the Honourable Member from Thompson is not going to object to the fact that we bring to the attention of this Legislature something that I am quite sure was never brought to the attention of the NDP caucus, that in fact Quebec have a different policy than this government at this particular time.

Mr. Chairman, one of the problems that the Minister of Finance has always had is the fact that the members opposite really have not known too much of what government policies have been, too much of what the government approach has been, and certainly they can't know what the government economic direction is because there's been nothing that I've known

(MR. SPIVAK cont'd) forthcoming from them, including the First Minister, that would indicate what the over-all objective is except they were going to have some signposts for the 70, and those signposts, Mr. Chairman, are going to be signposts for election. You know there are going to be signposts all over the place but there are not going to be any indications of how we are going to solve unemployment in this province, and the government because they are concerned about the raising of money for the carrying of programs rather than the paring of costs.

Reference is made to the previous government. The previous government exempted production machinery. Why? Why would they exempt production machinery if it wasn't for the fact that at that time they were concerned with job formation in the province. --(Interjection)-- Yeah. Why weren't they concerned? Because, Mr. Chairman, let's look at the logic of the dollars that were involved based, on the dollars that the Honourable Minister of Finance has produced, they could have reduced the sales tax to four percent, but the total effect of that would have been, and it would have realized from the production machinery inclusion an amount of money equal to one percent and if they would have done that, what would have happened? You would have had a greater and more serious unemployment situation with more and more people leaving. That's the truth of the matter.

The fact of the matter is that industry, industry, the service industries, and the mining industry and the total industrial development has always been inhibited by problems that have to do with our geography, have to do with our distance from markets, have to do with the distance of being able to obtain material, and it was necessary for at all times for Manitoba to be competitive. The honourable members in their ignorance - and you have to at this point express it in that way - in their complete ignorance of the realities of the economic life of Canada, and the realities of the attempts by people to try and develop, to be able to sell their product in other markets, are again putting on a tax which will have the effect and the Honourable Member from Thompson won't accept it, will have the effect on a tax on jobs because it will in fact cause people to lose their jobs. It will in fact cause people not to have jobs when they enter the labour force, or when they lose their positions because of changes in technology, and they're going to have to look outside of Manitoba. And that should be on the conscience of the Member from Thompson who, you know, tries to poor mouth all the time about, or starts to criticize us because of our attitude.

Our concern at this point is that in terms of the economic conditions and all we have to do is look at the amount of public money being poured in to to try and hold an employment situation that would be reasonable in this province, our concern is that what you are now doing because of your basic distaste for what is happening in terms of the private endeavour in this province - and that's another way of saying it - a basic distaste and distrust. What you are doing is you are in fact inhibiting that development and growth, and you are taxing jobs, and continue to tax jobs and no matter how the Member for Thompson would like to approach it, the truth of the matter is he comes from a community that has suffered as a result of unemployment. And he knows it and I know it. He knows what has happened when all of a sudden the foundation is shaken by people who never believed, never believed that they would be in a position to have their jobs taken away from them, but they have, and those are conditions that happen that he could not predict.

Now I say to the Honourable Member from Thompson and I have some knowledge of what I am saying that by adding this tax - this is not a tax that can be added to with all the carrying charges to, and find that we are going to be competitive in the areas of the world. You're mistaken about that. Other jurisdictions have recognized it and they are exempting it. Ontario has put on a tax credit for this reason. --(Interjection)-- Useless, useless. How do you know it's useless? How do you really know what the overall effect in Ontario would have been. Well I must tell you, I must tell the Honourable Minister of Finance that we've done some checking too, and I would suggest to you that it's not as useless as he would like to say. He talks as a Minister of Finance only interested in money but I'm suggesting to you that in fact if that had not been done that the overall economic development and the actual capital and repair investment intentions for the previous year over the period of time would not have been as great, and I'm satisfied based on the representations that we've received from Ontario, and I'm also aware that the province and the province next to it, the province next to it has exempted it until 1975.

MR. SCHREYER: Mr. Chairman, . . . as a matter of privilege the Honourable Leader

(MR. SCHREYER cont'd) of the Opposition has stated and implied on repeated occasions in the past half hour that the Province of Quebec has imposed an exemption on production machinery, and he stated that this applies to timbering production machinery, and that is definitely false.

MR. SPIVAK: Mr. Chairman, I'm quite prepared to read again into the record the statement because the Honourable First Minister was not present. --(Interjection)-- Mr. Chairman, there are consumables used in mining which are taxed now which are exempt. You know what does production equipment mean? You know people believe that production equipment means things that are substantial, that you can see, that you can touch, that are machinery. But the truth of the matter they include the whole range of goods that are not in any way clearly defined in ordinary terms as production machinery, and the Honourable Minister knows it. And one of the things that I think is a revelation to those people who have had exemptions in the sales tax that they have had to pay because ultimately the consumer of their products was paying a sales tax, is the realization that the suppliers are now raising their costs, which means that they must now in turn raise their costs, which means that the sales tax now has to be collected on the increased costs --(Interjection)-- Yeah, and high school economics, simple arithmetic. But every businessman who is affected is going through the simple arithmetic and the Honourable First Minister, Honourable First Minister may not be concerned because he may believe, and very foolishly, that it is a small group of people who are going to be affected, but the people who are going to be affected are the people who are going to find that a job has been lost in a particular factory because they have had to come to greater efficiency because of the increased costs. Well, you know the Honourable Member says no, the Honourable Minister sort of shakes his head, you know, he is not concerned. He doesn't believe it to be so. You know it is a very simple logic. The individuals are going to be able to deduct this from profits that they are going to make. And as I have indicated before, and I indicate again, on the basis of the logic of the Minister every increase by a supplier could be rationalized as being justified because the members were going to, or the people who are, they are buying the product, are going to be in a position to be able to say, we can deduct it from our corporation profits. And I don't think that the Honourable Minister of Finance even in the schoolboy arithmetic that he may apply, or the schoolboy economics, believes that that rationalization is taken seriously by anybody in business.

Mr. Chairman, the Honourable Member from Thompson does not appear to be concerned about jobs. He really does not seem to be concerned about the effect now. No, he doesn't seem to be interested in the effect now. What he seems to be concerned about is talking about the past, over and over again. Mr. Chairman, we are dealing with a tax that will have an effect on our future. Certainly Quebec has recognized it until 1975, and the reason for recognizing 1975 I think would appear, this is based on the information that we have, would appear to indicate their belief that we may be in for a recessionary period that will continue for some time. For that reason one wonders the logic of a government that would in fact put this tax on jobs.

MR. CHAIRMAN: Clause 12 -- The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, in line with what we have said about the impact of this bill and the time it has taken for the ramifications of the legislation to reach every corner of the economic community, I would like to address to the Minister three or four areas of concern posed to me and to my party by one specific tradesmen's group, that trade being the welding trade, and by officials of the association which looks after the public program and policy of the welders in the Province of Manitoba.

The fact of the matter as outlined by my leader and by colleagues of mine in this debate, Mr. Chairman, is that there are many people engaged in many occupations in Manitoba that are being affected by this legislation who only now after a period of debate and public dissemination of the points of view raised in debate, and after an opportunity to study and examine the legislation in their own professional associations, and in the privacy of their own trade union groups and their own management groups, only now are they beginning to appreciate the impact of the legislation, the meaning and the ramifications of it in all its forms in their particular fields in industries. This is the strongest case that we can mount for the length of debate as we have pursued it so far. This is the strongest justification we can offer you, Sir, and the committee in total for the examination that we have brought to this legislation at such length.

(MR. SHERMAN cont'd)

Had we been willing to judge the Bill superficially, and had we been unwilling to proceed as carefully and as minutely as we have done on the inner meanings and effects of the legislation, some of the ramifications that are now coming to light, some of the consequences that are now causing concern throughout the economy, would have would have not surfaced at this time, would have remained obscured and unrecognized, and would, I submit, Mr. Chairman, have resulted in a serious condition, a serious economic situation and disadvantage for many many trade and industrial groups within the next few months.

The importance of the length of the debate has been that it has focused attention on aspects of the legislation that were not easily understood or recognizable and now they are revealing themselves, and this is our entire justification for pursuing it at the length that we have.

I can advise you and the Minister and the Committee, Mr. Chairman, that my own personal experience has been that since Monday of this week, since Monday of this week I have had enumerable representations made to me by telephone, by letter, by face to face contact from people concerned about this legislation who - these are people who did not understand it a week ago, and I would be less than candid if I suggested I understood it fully myself a week ago, and perhaps I don't even understand it fully today. I have been involved in legislative and parliamentary debate not long, Mr. Chairman, but I have been involved in it long enough to know that there are very very few debates of a conscientious nature in the legislature or in parliament that do not at some continuing point in proceedings bring to light nuances and subtleties that do not reveal themselves on the surface of a piece of legislation. I can honestly say that in my limited experience in the parliamentary process I have never sat through what I would consider a useless debate. Now this may be, Mr. Chairman, because I have never had the opportunity to serve in government, I have only been in opposition. Perhaps had I had the experience of government I might be cynical about the opposition role, and I might take the attitude that some members on the opposite side do that this kind of exercise is useless and obstructive obstructionous. But the fact of the matter is that my experience has been in opposition and I say sincerely, Mr. Chairman, that I have never sat through what I would consider to be a useless debate, no matter how long a debate has gone on, it has at continuing points, and at the most unexpected points, revealed different perspectives and different aspects on the subtleties of the legislation before the House that were not recognizable in the short term, and it would never have surfaced in any superficial examination. So I submit in all conscience, Mr. Chairman, that we have a legitimate right and responsibility to do what we are doing, and that we are meeting our responsibilities fully and properly and legitimately.

Now since Monday as I have said, Sir, I have had many representations from individuals and from groups many of whom I had not known before, in fact the existence of some of them I had not even known before, and only one example was a worried approach to me that was made only today, this morning, by a spokesman for the Welding Association and the Welders Supply Field who informed me that his colleagues in that field, and in that industry, are extremely exercised about the position that the legislation puts them in. He said to me that the removal of the exemption under this legislation constitutes a form of taxation that will hit a major supply, and a major supply activity involving all metal fabricating operations, all metal fabricating shops in the province because the metal fabricating process involves so many consumables. It involves for instance welding gases, Mr. Chairman; it involves a range of welding gases that includes oxygen, acetylene, argon, nitrogen, carbon dioxide, and many more. All of these are consumables. None of them can be tangibly touched, or packaged, or handed over in the finished product, but all of them are necessary to the finished product. They are used in every single manufacturing shop that is working with metal, and that is engaged in metal fabrication, and all of them come under the broad umbrella of consumables that would be affected, that would be taxed by the legislation before us, Mr. Chairman. So, as a consequence of that the welding supply wholesalers and distributors take the position that they would, since they will have that additional cost built into their operation, they will have to pass that additional cost on. The manufacturer or the metal fabricator will pass the additional cost on, and in the end the consumer will face the increase in cost. Not only that but the argument that many of these people use, and I haven't heard it debunked by the Minister as yet, is that the legislation amounts, for persons in categories such as this, to a form of double taxation. At least in the industry it amounts to a form of double taxation. There may not be an individual person in the process who is hit doubly, but the industry is hit

(MR. SHERMAN cont'd) doubly because in the first instance the consumables used in the process are taxed, are now taxable under the legislation, and in the second instance the finished product is of course taxable in the sales tax area.

Mr. Chairman, one of the specifics in this industry that one one must cite for the record at this point in the debate is for example a consumable such as tungsten electrode, tungsten electrode. It has been described to me as an ingredient, an electro metallic ingredient necessary for work done in the field of stainless steel and thus industries like Bristol Aerospace and others would have great need for tungsten electrodes in their work. The item itself is once again a consumable, it is not a packageable or marketable product in itself. It is used to make an arc for the stainless steel welding in production fabrication process, and this would be another one of these consumables that would become eligible for the taxation included in this legislation. So once again the association with which I have been in contact and the people in the industry to which I refer posed the question "Is this tax necessary?" "Is it not a double taxation?" Is it not really a revelation that the ultimate aim of this government is to impose a form of double taxation that would not become apparent to the average Manitoban, or perhaps to even to the members of this House if the legislation were not analyzed, assessed, scrutinized, and taken apart as closely as we have attempted to do. It appears on the surface in any event to be an excuse for double taxation. It appears to be a method of insuring that the revenues that the government is going to have to have to pay for the programs that they have proudly announced, and to subsidize the education tax shift which they claim will be made available to Manitobans. That this kind of contrived exercise in hidden taxation is necessary because there is no other way that they could raise the money. They couldn't raise it through single taxation, they have to have double taxation and as far . . .

MR. CHAIRMAN: Order, please. I would caution the honourable member that he is becoming repetitious. I have kept notice he has used the word double taxation on five different occasions. Now he is becoming repetitious and I would suggest that he confine his remarks and try and express them in a different manner. The Honourable Member for . . .

MR. SHERMAN: Well, I accept the admonition of the Chair, Sir, but I can say I have only cited it, I have cited it from the different industries who have cited it to me, and in fact it may be leading in the end to triple taxation. It could well be. It could well be if this is the process, I think nothing is beyond - I think nothing in the field of taxation is beyond the . . .

MR. CHAIRMAN: Order, please. Order please.

MR. SHERMAN: Is beyond the . . . and scope of this Minister.

MR. CHAIRMAN: Order, please. I think I should call the honourable member's attention to Standing Order 34 (2). The Speaker, or Chairman, after having called the attention of the House, or the Committee, to the conduct of a member who persists in irrelevance or repetition may direct him to discontinue his speech, and if the member still continues his speech, Mr. Speaker shall name him, or if in Committee, the Chairman to report him to the House. The Honourable Member for Fort Garry.

MR. SHERMAN: Thank you, Mr. Chairman. In this same area where the welders and the welding trade is concerned with Clause 12, Mr. Chairman, I am advised that the bulletin from the Revenue Tax Branch that conveyed to the welding trade and to the industry the intention of the government, the notice by the government with respect to the removal of the exemption on these production production supplies and consumables in their field, only went out to the industry on either the 26th or the 27th of April. I am not sure of whether it was the 26th or the 27th - they told me it was either of those two dates. Well that ran it critically close to the end of the week, and to the end of the month, Mr. Chairman. The legislation was designed to become law, to become effective on Monday of this week, the 1st of May, and as a consequence this industry, the tradesmen in this field, had from their association officers only about two days notice, only about two working days notice, Mr. Chairman, of the government's intention of removing, intention to remove the exemption on the supplies used in their industry, and of the different categories affected and the different consequences of those effects. The result of this was that there is at this point mass confusion, chaos, dismay and understanding in that field.

The welders and welding supply people still don't know precisely what it is that they are going to be, are going to be responsible for paying tax on, and for collecting tax on. They still don't know whether the Minister means specifically and precisely that consumables such as I have mentioned are subject to this kind of tax but they gather from the notice that went out

(MR. SHERMAN cont'd) to them, and the two days warning that they had, that they had better be on their toes because this is the kind of thing they are going to be responsible for. The categories affected are fuzzy in the extreme where an association and an industry like this is concerned and certainly there can be very little excuse if any, Mr. Chairman, for having not given them the notice that they needed to study this legislation and to discuss it in their association and instead having confronted them with this change in their financing procedure with just two or three working days remaining before the legislation was to become effective. The message that the association and the industry has carried to me and to my party, Mr. Chairman, and to the Opposition in this Legislature, is that the ground swell of understanding of this legislation and of opposition to this legislation is only now beginning to develop. It's only now beginning to assert itself and beginning to move through the community and through the economy, and that more than any other argument, or at least as much as any other argument that can be mounted, Mr. Chairman, is sufficient justification for examining every jot, dot of this legislation before permitting it to pass.

MR. CHAIRMAN: Clause 12. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Thank you, Mr. Chairman. I have a few questions I would like to ask the Minister regarding the tax on production machinery. In the information bulletin which he put out to the industry throughout Manitoba he stated that many businesses will now have to get a vendor license and they will have to make their monthly report and their remittance of tax. I would like to ask the Minister if there will be any change in the tax or the remittance forms they will be required to fill out; and also would he be able to give us an assessment of the number of additional tax collectors that will be required in the province to administer this and to make the necessary routine checks that the department in the past has always indicated that it was necessary to implement.

It's one thing, Mr. Chairman, to arbitrarily change exemptions in the production machinery portion of this bill, but the implication that it has on business in this way is somewhat doubtful or confused at the very least. Has the Minister submitted this information bulletin only to the people who are presently holders of revenue licenses, or has it been distributed to every householder in the province? It bothers me, Sir, in this respect because there might be some people in this province who will now have to have a license and make a monthly return who are not aware of this, and if the information bulletin which the Minister has had printed, has not been distributed to these people, and we as MLA's have been unsuccessful in getting the message through to every person in Manitoba, maybe the Press could do a very valuable service in this respect, to warn people that they may now be required to fill in a monthly form and make their monthly remittance of tax or else they are liable to penalty for failing to do so, I would imagine. Is that a fair assumption? And while many in the legal practice have said that ignorance of the law is no excuse, it is still a responsibility for those that make the law and administer the law to have the least possible doubt exist in the minds of people who may be subject to that law. So I would like the Minister to give us some information in what he is doing in this respect to inform these people that may possibly now come under this legislation and be required to fill in tax reporting forms and remittance of tax on a monthly basis.

MR. CHAIRMAN: Clause 12 -- The Honourable Member for Sturgeon Creek.

MR. FRANK JOHNSTON (Sturgeon Creek): Mr. Chairman, yesterday during this debate I was able to give some examples. The Minister was kind enough to give me an answer regarding some of the supplies for the laundry I had called on, and I went back there this morning and I asked him specifically if he had been told that he would have to pay tax on his coat hangers and plastic bags, etc., and his dry cleaning fluid and he's still not really sure about the dry cleaning fluid. Maybe the Minister can clear that up for me.

I asked him specifically, as I mentioned, if the supplier had said he would have to pay tax and he said no, the supplier did not tell me that I would have to pay tax; he said they had received information that the tax on production machinery was coming about and that consumables being used in production would be coming about, and that the situation was not very clear to them, and he said if you are thinking of putting some stock in I'm not telling you to do so, but really I'm not in a position to say whether there's tax or not because the position is very fuzzy. This also has not been a healthy situation for business.

Yesterday, Mr. Speaker, the Minister gave us a list of places who do put the production tax on machinery and at that time I said why would we lose our advantage in Manitoba when we

(MR. F. JOHNSTON cont'd) had so many other things, other taxes. Well obviously the Province of Quebec, as we have brought to your attention today, has learned that there is an advantage to their province and the people of their province by eliminating this tax at least until 1975. Now that in itself, Mr. Chairman, should indicate to the Minister that provinces who have a problem of this nature should maintain the advantage they have, because here we see a province the size of Quebec who says "we have to have this advantage". The Honourable Member from Thompson he gets up and says well Quebec is doing it for such and such a reason, and we don't really have to be too concerned about what Quebec does, but yet the Minister when he's speaking says we have to be concerned about what other areas are doing, and I think there should be possibly a getting together on that side of the House as to which way they're going. The debate really has carried on because I don't think that the Government, Mr. Chairman, has really given us a case for this tax other than they must collect money because they are giving a rebate in another area, or a tax shift -- and I won't go into tax shift again, but it's fairly obvious that they're going to get it back.

I think that the situation is even more critical today because of the news about Quebec; it's even more critical today after we read the paper and find out that the mill rates in the City of Winnipeg are going to go sky high and this is all because of . . .

MR. CHAIRMAN: I would request the honourable member not get into the area of municipal taxation. We're dealing here with the Revenue Tax Act, Clause 12.

MR. F. JOHNSTON: Thank you, Mr. Chairman. I have used it as a comparison of other taxes that are presently being put upon us and we are in a very disadvantage position and we give away the only position that we have. The rebates that they are going to give back because of the taxes they collect are going to be taken from the people by purchases that they make and taxes that they pay on their homes, and this is all legislation that this government brought in. Mr. Chairman, if the government could give me at least half as many reasons for putting this tax on as we have for not putting it on, I might even be a little bit more considerate or this Opposition may be a little bit more considerate of their arguments. We just haven't had any good reasoning other than we must have this tax so we can pay out the tax shift and then hit 'em on the head as they come through the door.

Mr. Chairman, it's not a filibuster, no, if it was a filibuster I might say, Mr. Chairman, in all humour, if it was a filibuster I'd probably be over there hitting the Minister of Labour on the head or something, but when we get to that point it will be truly there. But let's have some reasons. I don't know why the government is sitting there letting us produce all the facts that we're producing regarding this tax, and not giving any reasons, I think it's hurting and the people are now finding out. You better start listening, they're calling us, and I'm sure the pressure is going to the Minister and he's got to start giving people more answers than he has regarding this tax. It's unfair, it's a tax on jobs, and people are just not -- well let's put it this way. Will you collect the money you say you're going to collect? Do you really think that machinery sales and product machinery sales are going to be the same in this province now that this tax is on? Do you think your estimates are going to hold true? No, they're not. And you're going to have your whole budget in a complete uproar. No, Mr. Chairman, this tax has not been justified by the government. Get up on your side of the House and justify it and maybe you will not have the arguments continually coming at you from this side of the House. Thank you.

MR. CHAIRMAN: Clause 12 -- Passed.

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Chairman, I suppose I should have let the item pass, but I think I ought to respond to some of the things that were said. I suppose what I say may now stimulate another round, maybe, but I feel it's my responsibility to respond to some extent, so I'll try. I don't want honourable members to think that I'm hogging the debate in the Committee level; I honestly don't intend to set a record for the number of times I speak in Committee. I do admit to you that this is the thirty first time I've gotten to my feet, not just to respond or raise a point of order, but to speak. Of course it happens that the Opposition has spoken 105 times on this matter during debate in Committee and I suppose on that basis I really have been restraining myself somewhat. I certainly have in the last two days, in that I have not insisted in participating in the debate, but on the basis of 105 times speeches, that's outside of just inquiries, but speeches and comments made by honourable members, my record if such it is of 31 is not that great, I don't suppose. Of course the Official Opposition

(MR. CHERNIACK cont'd) only spoke 84 times out of the 105.

Mr. Speaker, I want to direct myself to one issue and I admit to you that I have not called to order the debate on the question of consumption goods even though it had already been passed by Committee, because as the Member from Fort Garry said he really wasn't aware of what was happening in some respects. I believe that Section 7 and 8 passed without debate at all, and those are the sections that deal with consumables. Nevertheless because they didn't debate it and they wanted to debate it under this section, I didn't object and I do intend to respond but not to debate. I just want to give information to the House because of all the issues that have been presented during this discussion the question of consumables has been a matter of concern to me, and it was raised to me, outside of the House. You know I must tell you that I don't think I have had more than, let's say more than five calls from industry or individuals with respect to what we are proposing. Maybe they felt the vast great number of approaches made to the Opposition was made to them because they thought they could get more information.

It intrigues me, for example, that the Honourable Member for Sturgeon Creek had taken the trouble to go to see apparently a constituent yesterday and get an answer from me, and then give that to somebody else's constituent and then give that information this morning and get further inquiries. Maybe I should give him the telephone number of the department where he could get much more -- it would be much better service to the person involved to give him the information as to where to call and get much more precise definition of the answers to the problems. So let me inform the Honourable Member from Sturgeon Creek that if he would care to phone 946-7130 I'm sure he would get much more detailed answers to questions that are as specific as those that he has been raising, and that should certainly dispel some doubts.

Now, Mr. Chairman, dealing with consumables, at 37 minutes past four o'clock this afternoon, I received a letter from the Canadian Manufacturers Association. I am under the impression that a similar looking envelope was handed in across the way. This letter from the Canadian Manufacturers Association which is dated May 4th, is rather lengthy, and the second paragraph starts out by saying, "While we are not happy with the imposition of taxation on production machinery, we are perhaps even more concerned with the plan to impose tax on consumable items" and then it goes on. Well I certainly didn't expect a Canadian Manufacturer Association to be happy by the imposition of production machinery tax, and I'm sorry, of course, that they are not happy with the imposition of taxation, but I'm pleased that they did not have to find it necessary to use terms like we are desolate or that we are in a complete state of utter concern about the imposition of production machinery. And they go on to say, "We suggest it would clearly be to the benefit of the province and its industry to at least retain the advantage gained by retention of the exempt status on consumable items". They say, I quote again, "As you are aware Federal sales tax does not apply on either production machinery or consumables and Prince Edward Island provides for similar relief as do Nova Scotia and New Brunswick." Those are examples they are giving. And they point out that in Ontario they presently exempt most consumable items and also items used directly in the manufacturing process, then they go on to describe certain items that are exempt in Ontario, and they point the competitive situation.

Of course the fact is that most consumable goods in Manitoba are probably produced in Ontario, and/or Quebec, but probably of all imports to Manitoba most come from Ontario where indeed there have been a production machinery tax for a long time. When the Leader of the Opposition referred to the fact that there is a rebate of income tax on that basis, I said that it was not - of I forget the word I used - but it was not a significant change that they made. The only statistic I used in that connection is that they estimated that they would lose some 125 million in taxation, and indeed they only lost 30 million in taxation, which to me is an indication that the program was not that useful. However, I was carried away, I want to keep some sort of format in what I'm speaking of and I was talking about consumables which as I say was already dealt with but I did want to respond because there had not been much debate on that.

I am informed that the fact that we are leaving into the act section (y) which continues to exempt catalysts or direct agents, that we get into an area of interpretation of what may be a direct agent, and that there is some scope involved in the discussion and the drawing of regulations which would be able to provide for a description of certain consumables as being

(MR. CHERNIACK cont'd) direct agents. Now without having had a great deal of investigation into it, I knew that there are certain provisions in the act by regulation and by the fact that there is an over-all section under the regulation section of the existing act where there is leeway involved in connection with interpretation -- and amongst the four or five calls that I received were two specifics dealing with consumables in the printing trade, the very items referred to by the Honourable Member for Fort Garry. And I told the callers that it was by belief based on a superficial investigation that there would be an opportunity to review these items of consumables that the Member for Fort Garry referred to, and that there is still scope within the act under the definition of certain items and certain sections where we could study the specific problems in a detailed way; and I invited the people who called me to prepare a proper brief so that we can review it so that we can then make a decision on specifics rather than the general way that they have been described in the sections that we have now deleted. And I said to them then that I do not wish to close the door on them. I don't want them to think that the passage of this bill makes it impossible for the government to review and reconsider the items of consumables, some of which have been referred to. That doesn't mean that I'm now prepared to say that all of these consumables can be or will be exempted but I can say that I told the two callers that I referred to that given time, and I hope yet to have time, I will be able when the session is over to spend enough time to get the proper information to be able to define the definition of "catalyst" and "direct agent" in relation to the problems raised by specific industries and how it relates to them. And that's really the way I propose to do it, as was similar in the case of when the Revenue Tax Act was itself was brought in that made it possible under the review of the specific cases to deal with under the regulations with that.

Oh yes, the Honourable Member for Birtle-Russell raised some questions about changing in forms. I believe there is no substantial change required in the Revenue Tax remittent forms except where there's the change in the percentage on liquor; and of course there's no application in that case until July 25th when is the deadline for the reporting on the liquor taxation. I am informed and I am informed by the person responsible so I can hold him to it that there will not be an increase in cost of collection percentage-wise. May I say that my department has managed to continue its work with -- well I think this year we have a reduction of one half man year in our staff; the staff is able to manage quite well and I believe it will do so. As to distribution of information material that's gone, it did go to all the vendors. There's been a follow-up sent to non vendors who are registered - I have a copy of it if members are interested, I could have it distributed - but it's just information -- we're doing our best to get the information out so that people are aware of it.

The Member for Rhineland raised a question. I can inform him that materials used in the construction of elevators have always been taxed. There is no change in that. Labour has not been taxed as elevators are real property and the tax on production machinery therefore should have very little impact on the cost of elevators.

Now I want to deal a little bit with what the Honourable the Leader of the Opposition said and repeated and repeated and said -- and I'll try not to be as repetitive as he has been up to now. He talked -- oh he talked about out-migration, and I thought we should refer to the out-migration figures released by Statistics Canada. Out-migration from June 66 to June 67 was 2,500. I believe the year before that there was a net out-migration, a net loss, but of course the Honourable Member for River Heights should know.

MR. SPIVAK: Yes, Mr. Chairman, if the Minister of Finance is to be allowed this latitude -- and I have no objection -- I want it clearly noted that it is a point of order that he is having this latitude and I would want the same privilege accorded to the other side.

MR. CHERNIACK: Mr. Chairman, I thought I was responding to the very points that was made by the Leader of the Opposition when he waved his arms and raised his voice and screamed out loud and talked about more and more people are leaving the province, and if that is not migration I don't know what it is. But, Mr. Chairman, --(Interjection)-- No, it's all right. He doesn't want the figures. He no doubt knows them and he'd rather not have them. I will not refer to them. I will just stick to the point he wants me to but, Mr. Chairman, I'm going to call him to order every time from here on in. Of course, I don't know -- you know, he comes in, makes his speech, rushes out, makes the same speech on radio. I don't know if he talks about out-migration there but of course there's no rules of the game outside, so that's okay. Well however, I will not deal with that question. He raised a point of order.

(MR. CHERNIACK cont'd) He's right, and I will try to keep myself within the confines of the rules. Of course he did talk -- you know the funny thing that we're getting coming across from that side is great speeches in defence of the industry; great speeches in defence of the businessman, of the Manufacturers Association; great speeches from the Member for Russell who talked about, why are you bothering the small businessman, why are you attacking him. Equally great speeches . . .

MR. GRAHAM: Point of privilege, Mr. Chairman. I did not refer to the small businessman at all.

MR. CHERNIACK: No, no, no. The member's quite right. I withdraw that. I meant the Member for Roblin, and I apologize. It's true, the great speeches were made by the Member for Roblin about the poor businessman -- and great in his mind, no doubt, no doubt, and in the minds of others on his side of the House. And then we get the other side the fact stated so clearly and loudly and screamingly that really this whole tax, the whole tax is being passed on to the consumer. And then we hear all the speeches about the consumer, and only the Member for Sturgeon Creek started to refer to the fact that there's another side of the coin, and don't forget the figures, some 20 million estimated as compared to some 34 million estimated -- and I think members present including the press know very well what the 34 million is that I'm referring to. I did get a note from up above, Mr. Chairman, from a person who obviously wants to be correct as much as he can. I said that the returns on liquor taxation are to be filed by July 25 for the increase and he hastens to correct me - July 20 is the date I should have said, and I give him credit for wanting to be so careful in the responses that I give.

Now I want to refer to something said yesterday by the Honourable the Member for Morris when he was talking about the speeches we made, and I think they've been aside now. I should only remind him that if he read all of it, and I'm sure he did, then he will certainly recall that one strong point we made was that additional taxation such as sales taxation, a new item of revenue should not be brought in at a time when the Carter Commission Report was fresh, was being reviewed and where it was clear that there would be new taxation brought in on the federal level hopefully based on the ability to pay. And I think the Honourable Member for Morris would agree that that is one of the very strong points we are making on that side, and I haven't checked back to what we said but I recall that we said that this is not the time to be bringing in a major change in taxation form of the government when it was almost imminent that there would be substantial changes in the Federal Income Tax Law. Well, those have been made, we know what they are, we're now living with what we know now rather than what we expected we might know at that time. I think in all fairness, in all fairness --(Interjection)-- Well the fact is they proved not to be imminent at all but we had great hopes that they would be and it's only the Conservative and Liberal parties, I believe, that took all that time to reject the Carter Commission and to start studying something new which turned out to be practically a zero, I say "practically" because there have been some advances made.

So let me now deal with only the question of Quebec and I've already indicated that I don't believe that the effort in Ontario was really a successful one. And let me remind the Honourable Leader of the Opposition that what he referred to is the Budget Speech of Quebec which has been in our hands and all of us for some time, and as far as I know as of today - I shouldn't say that - as of yesterday or at least day before yesterday, there was no change in the Quebec law. And the fact is that what was announced is that it would be for three years, and what is clear to me is that it's a partial removal of the -- a partial change, and I know it will not affect all industry, and I don't know the full impact of it. Now, if the Leader of the Opposition knows more than that then he knows things I don't know. Now I should be careful-- I've been given some confidential information, and I can't reveal it. I can only say that I am satisfied that the removal or the exemption is for a stated three-year period and it is related not completely to a total exemption in production machinery. It is partial, and that is as far as I would say on that. So that, Mr. Chairman, I am not yet satisfied that we have to say that there is a difference in Quebec. I should say that consumables in Quebec are generally taxable. There is an export formula applying to exports but that too is subject to a 33 1/3 percent minimum. Catalysts and direct agents are treated the same way. Consequently for sales made in Quebec, there is no exemption for consumables. That is the law today. What it will be tomorrow I don't know, but I don't believe anybody else in this room knows, and therefore we have legislation before us and I would hope, Mr. Chairman, that we could pass

(MR. CHERNIACK cont'd) Section 12 and go on.

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

MR. SPIVAK: Mr. Chairman, the Honourable Minister of Finance probably correctly suggested that the issue of consumables should not have been discussed at this particular time, but I think that he has to understand that we were motivated on this side to discuss it simply because of the format of the information service bulletin produced the Revenue Tax Branch which was sent out a few days before the tax was to commence on cigarettes, and which the vendors received or the people who are licensed — who carry licenses received, and which we then were able to ask the Minister to be distributed in the House so that we ourselves could examine it. And it so happened that we had under their presentation, production machinery exemptions discontinued — that was item No. 3. Item No. 4 — production supplies exemption discontinued. And while it may have been that we could have dealt with it under the earlier items when they were dealt with under the sections, we took it that if we were going to be dealing with the issue of production machinery, exemptions being discontinued and production supply exemptions being . . .

MR. CHERNIACK: Mr. Chairman, on a point of order, I don't think it's important the fact that the -- well, the honourable member is explaining why it was not brought up at a certain time, but the fact is I didn't object to it and I did debate it and I don't know why he's apologizing.

MR. SPIVAK: I agree. Mr. Chairman, I accept the fact that the Honourable Minister did not in any way quarrel with it. I just wanted to explain and I think I have a right to explain why we approached it that way. It's interesting the fact that he's kept a record as a statistician and he's a good statistician except he's never produced how he got his education tax credit figures for 28 million. But nevertheless he's indicated to us that there's been a 105 speeches on one side and so many on the other.

MR. CHERNIACK: 106 at the moment.

MR. SPIVAK: Well, Mr. Chairman, I'm not in a position because I do not have all the debates on the sales tax issue of 1967 when the honourable members were in opposition, but I can tell you that in front of me I have at least 100 speeches that were made by members of the New Democratic Party, and they weren't even the Official Opposition with respect to the sales tax. I've got them right in front of me, Mr. Chairman, and this is not all by any means of the debate so -- and that's in committee, so I can see that the statistics really work to the advantage, really work to the advantage of the Honourable Minister -- (Interjection) -- and there's no defence on my part. I believe in any case that if the Honourable Minister of Finance wants to get to bat in the statistic war, on this one, Mr. Chairman, I believe I could win. I could leave -- I could tell you there are more NDP speeches in the salestax . .

MR. CHERNIACK: . . . calling the honourable member to order. I ask you to do so.

MR. SPIVAK: Well, who introduced it? You did.

MR. CHERNIACK: Mr. Speaker, just as in the case of the out-migration, I am asking that you call the member to order.

MR. CHAIRMAN: I would respectfully ask the Honourable Leader of the Opposition to continue his remarks on Clause 12. I too have been keeping statistics. I can give them if anyone wishes. I have the amount of the speakers and times. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, I'm glad someone is keeping statistics but, you know, it was introduced by the Honourable Minister of Finance, not by me.

MR. CHERNIACK: Mr. Chairman, I promised that I would ask for order every time the honourable member went beyond a section. Once I was stopped on the out-migration figure.

MR. CHAIRMAN: The Leader of the Opposition.

MR. SPIVAK: I believe the statistics came after the out-migration if I'm correct, Mr. Chairman.

MR. CHERNIACK: Mr. Chairman, I don't know. Possibly you ought to make a ruling.

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

MR. SPIVAK: Mr. Chairman, I think that for those who may have been concerned about the length of debate, the admission by the Minister today that he is now prepared to review to consider the enactment of regulations, which he had the right to do under the act for exemptions of the tax on consumables justifies the complete debate that has taken place so far. Well, Mr. Chairman, because in effect this is the first time that the Minister has

(MR. SPIVAK cont'd) admitted, not that they didn't have the power, but that they were seriously going to consider it and that there had been some representation made to him.

Now, Mr. Chairman, this is an interesting admission and we now then have to ask the Minister what criteria is going to be applied and I think his answer will be, he doesn't know. In effect what we are going to have to do is allow discretion which exists in the Act to be exercised by him by way of regulation for exemption of some consumables. Now the question has to be asked what are we talking about a criteria. Is the profitability of a particular concern who may apply to him an issue; is it a question of the number of jobs that the particular concern has, or industrial undertaking it; is the competitive position of the industrial concern, is it the question of the financing and the inability to be able to operate with additional costs; will there be consideration given to those industries which supply their goods, or at least whose goods are consumed in Manitoba, will that consideration be a factor, or will it only be for those who are going to, involved in export?

And surely at this point if the Minister is now prepared to admit that a section is now going to be used by the government for the purpose of exempting consumables that will now be taxed, we should have some idea of the criteria, at least, that was to be applied. And I'm surprised that the Honourable Member from Inkster hasn't jumped into the debate, because Mr. Speaker, Mr. Chairman, if you examine the debate on the sales tax of 1967 the Honourable Member from Inkster was one who was concerned about government by regulation, and I have his speeches in front of me. And I don't think I want to bore him or bore you with it, but it's an interesting thing, Mr. Chairman, because he was concerned that government should not be given power to regulate, but rather, and the discretion should not be given to the Minister, but rather the Legislative Assembly should be given. -- (Interjection) -- No -- on March . . .

MR. GREEN: Mr. Chairman, if my honourable friend is going to quote me if he will read the whole speech. I acknowledge that the government has that power by regulation, but that it is a dangerous thing. I still think that that is the case.

MR. CHAIRMAN: The Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, let me quote the speech of March 15th, 1967, "Regulations are for the purpose of implementing a procedure which has been agreed to by members of . .

MR. CHAIRMAN: A point of order has been raised. The Honourable Member for St. Vital,

MR. JAMES WALDING (St. Vital): Mr. Chairman, is a debate of 1967 or any other year in the past really relevant to the clause before us?

MR. SPIVAK: On a point of order, notwithstanding the fact that the Member from Inkster says his speeches are relevant, I must point out that the Minister of Finance has indicated that he would find it agreeable and possibly acceptable after study to exercise his discretion under regulation for further exemptions. And I think the issue of that power, particularly in this item is certainly a matter that is appropriate for discussion of the committee.

Well let me indicate, this is the -- March 15th, 1967, Page 1682, the comments of the Honourable Member from Inkster: "Regulations are for the purpose of implementing a procedure which has been agreed to by members of the Legislature, not for the purpose of enabling the Cabinet to do what they couldn't do if they hadn't come to the Legislature, and that's the kind of Act we have before us." Now we have no criteria established by the Minister of Finance as to what exemptions he is going to now allow for consumables, but we have an acknowledgment that he may exercise that as a result of certain considerations that have taken place already, and I think as a result of this debate. Yet we do not know how that discretion is going to be exercised. -- (Interjection) -- Prudent, well, I wonder.

So if I may conclude with the honourable member, I think -- or at least -- I thought -- conclude the page -- (Interjection) -- Yeah. The Honourable Member for Inkster when he was on this side spoke I think several times. As a matter of fact I would think he could match the number of my speeches, but we're not going to get into that -- very easily. But he says at the end of the page "So I would suggest that the amount of ministerial discretion makes us a particularly arbitrary unacceptable piece of legislation". All right, the Minister says that he is going to possibly exercise a discretion. Surely we can have from him a basis and a criteria of how he's going to do it, and what considerations there would be, and I think this is an appropriate question to be asked of him, and I'd like him to be able at least to give an answer, if not in a specific in a general way.

MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, the Minister did respond to some questions that I raised earlier in the debate having to do with consumables in the printing industry. I wonder if he has had time to consider the questions I raised this afternoon having to do with consumables in the welding and welding supply industry, and if he could respond to that question?

MR. CHAIRMAN: The Minister of Finance.

MR. CHERNIACK: Mr. Chairman, what I indicated and I indicated it either last Friday-- I'm pretty sure it was last week that I, when asked by members of the trade, I informed them that I wanted to have complete details from them in a prepared and understandable form, understandable for a layman, just what is the nature of the consumable that they feel is really part of the finished product, and that is the issue under which I would propose to deal with the specific items. It is not a question of export, it is not a question of anything other than the nature of the agent itself which is used and how it forms part of the finished product, and that is the question that of double taxation or triple taxation, or whatever. I only said it once. And that is the basis on which I wish to review and I wish to review it on a question of specifics so I can understand it, and I certainly haven't had time. It looks to me like I won't have time for quite awhile, to be able to apply myself to these specific questions that were answered, but all I can do is assure the House that I intend to do so.

MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, is the Minister saying that he is extending an invitation to industry in the Province of Manitoba generally to raise specific points of concern with him where this issue of consumables and consumable taxation is involved.

MR. CHERNIACK: I have never yet, to my knowledge, rejected any opportunity for people to come and discuss specifics. I have also said so in this House, and if the Member had been paying attention I'm pretty sure I said it today. Specifically I even gave a telephone number. So that surely if there is anyone who wishes has an opportunity to approach the department, and I don't know that anybody can say that they have not received a response within a reasonable time -- a reasonable time, of course, is something that can be longer and shorter depending on the nature of the inquiry.

MR. CHAIRMAN: The Honourable Member from Fort Garry.

MR. SHERMAN: Mr. Chairman, I did not say that I felt the Minister may have rejected any overtures or any attempts to communicate with him on the subject. I did not say that he had not been responsive to any that may have been made. What I asked him was is he saying that he is extending an invitation to industry in view of the objections that have been posed to this section of this Bill, that he is extending an invitation now today to industry in Manitoba to consult with him on the effect that this section may have where there are consumables concerned?

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Chairman, I will not get into some semantical game as to who starts what with whom. As far as I am concerned, anybody with a problem should approach the department and no matter of the nature of the problem, should approach the department concerned and in the case of consumables I don't have to wait for anybody to come to me. Once I've said I'm going to study it, I'm going to study it.

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

MR. SPIVAK: I wonder if it is the intention of the government to issue another bulletin of the Revenue Tax Branch indicating that there will be consideration given by the government for criteria that the Minister has referred to, so that those who may very well be concerned will know that the Minister is prepared to consider it.

MR. CHAIRMAN: The Minister of Finance.

MR. CHERNIACK: Mr. Chairman, I confess that at this moment I've lost interest in what the Leader of the Opposition wonders.

MR. CHAIRMAN: The Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, I'll just be one second or one minute, I hope. Referring to the Act of 1967 -- the honourable member read my remarks, I don't have the remarks in front of me but I know that if the honourable member will look at the documents that he is reading he will find that in the Revenue Tax Act of 1967 one of the powers given by regulation was to define every word in the Act; that the Minister could define every word in the Act. He could take the word "black" and say it means white; he could take the word "clothing" and say

(MR. GREEN cont'd) that it means houses, and if the honourable member will recall as a result of these observations having been made in the very speech that he is reading from, the government amended the section and removed from themselves the right to define every word in the Act.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Well, Mr. Speaker, before we pass this particular clause, Clause 12, that we have had under discussion for some time, with or without permission of the Honourable Minister of Finance, I do want to plagiarize and use one of his speeches as my final contribution on this particular clause. So wherever the Minister appears I would place the Member of Lakeside in his place and use it as my speech. Mr. Chairman, -- that was the Minister of the day speaking in 1967, about four years ago to this time: "Let me repeat our position. Our party is opposed to the sales tax and does not feel this government should be entrusted with the administration of it." This is now what I'm speaking about. We're speaking about this particular clause. "We don't accept the sales tax; we don't accept it at five percent; we're not even willing to settle at three percent." You see, Mr. Chairman, at that time the official opposition was opting for three percent but the New Democratic Party, they didn't even want three percent. We're not even willing to settle for three percent. And I know the honourable member . . . Well this gets embarrassing because I know the Honourable Member for Lakeside seems sensitive about his vote or that of his party in favour of three percent. I want to assure you, Mr. Chairman, the reference to the Member for Lakeside is not the present Member for Lakeside but the past Member for Lakeside, who is still very much alive and active. But -- "we're not willing to settle for three percent." The Honourable Leader of the Opposition is quite willing to put words in other people's mouths but all I know is how the vote went. -- (Interjection) -- Yes, that was the other Leader of the Opposition. "There was a vote in favour of three percent tax by the Liberals and there was not a vote by the New Democratic Party at any percentage of tax," and the record speaks better than does the Honourable Leader of the Opposition of that day.

Mr. Chairman, that was the position of the Honourable Minister of Finance just four short years ago. They were unalterably opposed to the sales tax, to the entire sales tax. What our position this afternoon is we are opposed to one minute but nonetheless vital and important section of this sales tax. We ask, Mr. Chairman, that we be not counted as irresponsible or not responsible in terms of our concern for this particular section of the Act. We wonder and we show our amazement at how fast and how different the wheel turns when they move to the other side of the House.

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