

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o' clock, Wednesday, April 11, 1973

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 20 Senior Citizens of the Optomists Club. These ladies and gentlemen are under the leadership of Mrs. Franks. This group is located in the constituency of the Honourable Member for Wolseley, the Leader of the Liberal Party.

We also have 40 students of Grade 11 standing of the Tuxedo-Shaftsbury School. These students are under the direction of Mrs. McDowell. This school is located in the constituency of the Honourable Member for Charleswood.

And we have 34 students of Grade 5 standing of the Queenston School. These students are under the direction of Mrs. Peet. This school is located in the constituency of the Honourable Member for River Heights, the Leader of the Opposition.

On behalf of all the honourable members of the Legislative Assembly I wel come you here today.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports. The Honourable Minister of Municipal Affairs.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs) (Selkirk): Mr. Speaker, it gives me great pleasure this afternoon to request the distribution to members of the House of a very colourful book called "The Land in the Middle -- Manitoba's Interlake" which was edited and written by Mr. MacFarlane, the Editor of the Selkirk Enterprise who is with us today in the galleries. This book will be distributed to all members in the House so they can become more fully aware of the many benefits of the Interlake. (Applause)

MR. SPEAKER: Any other ministerial statements or tabling of reports? Notices of Motion; Introduction of Bills. The Honourable Member for Osborne.

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

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

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MR. SIDNEY SPIVAK, Q. C. (Leader of the Opposition) (River Heights): Mr. Speaker, my question is to the First Minister and it relates to the food prices mechanism which has now been proposed by the Federal Consumer Affairs Minister, the Honourable Herb Gray. I wonder if he can indicate whether the government has had any consultation with the Federal Government about co-operation from the Provincial Government with such a food price and review board?

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, if there has it would have been with the Minister of Consumer and Corporate Affairs and I leave it to him to indicate if that's been the case.

MR. SPEAKER: The Honourable Attorney-General.

HON. A. H. MACKLING, Q. C. (Attorney-General and Minister of Consumer, Corporate and Internal Services) (St. James): I'm not aware of any correspondence from the Minister in respect to that decision that has but recently been announced by the Federal Government. Hopefully there will be communication along those lines. We have been communicating in respect to the generality of the problem beforehand and about our eagerness to participate before the committee, but that may not be possible.

MR. SPIVAK: Mr. Speaker, really a supplementary to the Minister or to the First Minister. And while I appreciate the fact that the details are not understood by the government at this point, would it be the intention of the government to request provincial participation with the Federal Government in such a mechanism?

MR. SCHREYER: Mr. Speaker, the answer would be affirmative because I think it

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(MR. SCHREYER cont'd) would be generally agreed that to be effective any such effort would require Dominion/Provincial co-operation because it is in many ways a shared jurisdiction field.

MR. SPIVAK: Yes, Mr. Speaker, my question will be to the Attorney-General. I wonder if he can indicate to the House whether any steps will be taken to require tax consulting and tax return preparing firms to register with the Provincial Government?

MR. MACKLING: Mr. Speaker, I believe that businesses that hold themselves out in service to the public are registered under the Companies Act if they are incorporated; if they are not incorporated but they operate as a proprietorship they are licensed. That does not provide a mechanism however to supervise the operations of such companies. I have had correspondence - not correspondence, communications I think perhaps is the better word, with the Federal Government in respect to the need for some changes in the Small Loans Act to get at the problems that have been highlighted in the media. There has been no action forthcoming, no positive action forthcoming from the Federal Government and this government is considering ways in which some attempt can be made to answer this problem.

I'm aware of the fact that the Premier as Minister of Finance has had discussions with the banks and the banks have indicated they see no reason why they should not be in a position to loan money on the strength of commitment to pay money on the part of the Federal Government to citizens of Canada. Now we are approaching the problem on a multiple front and there may be further developments during a continuation of this session.

MR. SPIVAK: A supplementary question to the Attorney-General. Will the government be considering the possibility of licensing these firms under the Consumers Branch in this Bureau?

MR. MACKLING: Some consideration to that technique has already been given and I'm not in a position to indicate that that has been negated completely but I'm given to understand that that licensing mechanism will not provide for the kind of overview or change in the practice that would likely be warranted, because in effect we have a form of licensing now through the Companies Branch.

MR. SPIVAK: Yes, Mr. Speaker, my question is to the Minister of Municipal Affairs. I wonder if he can indicate to the House what portion of the federal funds for public housing currently allocated to Manitoba is unconditional?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Speaker, I think that that is a question that would be more fitting to be dealt with during the Estimates of the Department.

MR. SPIVAK: Well I wonder then if the Minister would indicate whether the government is prepared to support the Mayor or Toronto's position that there should be funds provided by the Federal Government for increased housing which would have no conditions attached to it?

MR. PAWLEY: Mr. Speaker, I would say this to the Leader of the Opposition, that I think it is somewhat irresponsible to support a position which would request moneys from any level of government without accountability whatsoever for those funds. The proposal that is outlined by the Mayor of Toronto is one which in fact pertains to block financing without any conditions, without accountability. So to that extent, Mr. Speaker, I could not support that position.

MR. SPIVAK: Mr. Speaker, if in fact -- may I ask whether the government would be prepared to support a proposition of block financing or block granting with the obligation to account specifically to the Federal Government for the manner in which the money has been funded? There's a distinction, Mr. Speaker, it comes really as a result of the answer of the Minister of Municipal Affairs. Realistically what I'd like to know is whether the government's position would be to dismiss this because of the question of accountability in the sense of not being in a position to have to account to somebody as to how the money was spent, would they be prepared to agree on block financing for public housing purposes?

MR. PAWLEY: Mr. Speaker, first course agreement in respect to accountability. Secondly, I do think there has to be a certain measure of conditions but those conditions should permit a certain degree of flexibility on the part of the provinces in order to adapt the housing program enunciated by the federal level so as to meet provincial needs. But to provide moneys to provinces without any condition whatsoever, without condition as to the use of that money, as to whether that money would be used primarily for those in the greatest need or not, I

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(MR. PAWLEY cont'd) would not support that type of principle. The Honourable Minister of Mines and Natural Resources can recall with myself that there was quite a lengthy discussion in connection with this at the conference last fall on housing. Ontario presented this point of view. I would inform the Leader of the Opposition that I think it would be fair to say that most of the provinces disagreed with complete block financing without any conditions whatsoever from the federal level for housing.

MR. SPIVAK: Mr. Speaker, my question would be to the Minister of Industry and Commerce or to the First Minister, and this has to do with the question of the screening decisions to be made by the Federal Government with respect to national foreign investments, Has the Provincial Government received any assurances from Ottawa that it will be allowed to participate in the formulation of the national foreign investment screening decisions to be made with respect to foreign investment in Canada and Manitoba?

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

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): Yes, Mr. Speaker, this was one of the topics of discussion at the Provincial Industry Ministers' Conference last Monday held in Ottawa and convened by the Federal Minister of Industry, Trade and Commerce. The matter of consultation with provincial authorities was raised and the provinces did urge this matter upon the Federal Government, but we have not received an assurance from the Federal Government that they would consult in a formal way, but they did indicate that they would consult in an informal way.

MR. SPIVAK: Well by way of another question of the Minister of Industry and Commerce. Were there discussions as well of provincial participation and the formulation of national tariff and trade policies?

MR. EVANS: I'm not sure whether I heard the entire question, Mr. Speaker, but all of the ten provinces are most anxious to have a greater role in decision-making and in the formulation of policy with regard to tariff policies and with regard indeed to transportation matters as well.

MR. SPIVAK: I appreciate the Honourable Minister's answer and I appreciate the desire on the part of the government for consultation, but is there any indication from the Federal Government that part of the decision-making will in fact include Provincial Governments?

MR. EVANS: Mr. Speaker, this is with regard to tariff policy I take it? Yes. Well there is, as the honourable member may know, new negotiations with respect to GATT under way or about to get under way, and all of the provinces are of the view that there must be negotiation - there must be consultation. The Federal Government did indicate that they're prepared to receive views of the provinces. We, the provinces - I think there is fair unanimity in this matter, suggested that we actually be at the bargaining table. Needless to say the Federal Government resisted this particular point of view. At any rate all I can say, Mr. Chairman, is that we as provinces under the Federal Constitution under the BNA Act, all we can do is suggest at this point. We have no authority to legislate or to administer tariff matters and I think all provinces did their utmost to impress upon the Federal Minister responsible for these matters that they want to be involved in research and in negotiation.

MR. SPIVAK: Well I wonder if the Minister of Industry and Commerce can indicate whether a Manitoba position or a Western Canadian position on tariffs and trades - trade changes - are in fact being prepared?

MR. EVANS: Mr. Speaker, there has been considerable amount of consultation among the four Western Ministers of Industry and Commerce with regard to these matters. We feel there should be changes in the tariff structure which takes into account regional needs. Now this is a matter of ongoing consultation, ongoing discussion; there has as yet not been any formal document prepared for submission to the Federal Government, but our views have been made known verbally and very forcibly so, I must say, Mr. Speaker, last Monday in Ottawa.

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

MR. I. H. (Izzy) ASPER (Leader of the Liberal Party) (Wolseley): Mr. Speaker, my question's to the First Minister as Finance Minister. In view of the government's refusal or failure last year to support the Liberal resolution calling for the abolition of capital gains tax on the sale of farmlands or on the inheritance of farm land, does the Provincial Government

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(MR. ASPER cont'd) intend to make any objection to the Federal Government's decision to exempt capital gains tax on gifts or inheritances of farmlands between father and son?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I don't have any comment with respect to the preface to my honourable friend's question. With respect to the latter part of it I understand that amendments have been introduced in the Parliament of Canada by the government and that these amendments come pursuant to representations by members of the New Democratic and Conservative groups; so there would appear to be consensus if not unanimity, so the matter can proceed from there.

MR. ASPER: . . . to the First Minister, Mr. Speaker. Then the Province of Manitoba formally supports the abolition of the capital gains tax on transfers of farm property?

MR. SCHREYER: Mr. Speaker, the matter is one which is in the jurisdiction of the Government of Canada. If we had a contrary position to state we would state it.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, I direct a question to the First Minister. I wonder if the First Minister can indicate to the House if we may expect an immediate reduction in school tax on personal property as a result of a meeting held this morning between the government and the National Farm Union, the Farm Bureau, the Manitoba Urban Municipal Association, the Manitoba Rural Municipal Association, the Manitoba Trustees Association and probably others?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, there is something wrong with my honourable friend's question. He said a meeting held this morning. I believe he's referring to a scheduled meeting with the association - Manitoba Association of School Trustees which in certain respects is speaking on behalf of four or five other organizations which he has named, but that meeting I believe is to take place later this week. It has not taken place as yet.

MR. WATT: A supplementary question. Then am I to understand that I'm incorrect, that there was no meeting held this morning with . . .

MR. SCHREYER: Later this week, Mr. Speaker, I believe tomorrow this meeting will take place, and it's interesting to note that the subject matter in question, the reduction and easing of property taxation levels relative to education costs has already been largely brought about as a result of the budgets of 1973 and 1972.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the First Minister. I wonder if he can indicate whether it was the intention of the four western Ministers to prepare a position with respect to tariff and trade matters so that there would be a common position for western Canadian economic opportunity?

MR. SCHREYER: Mr. Speaker, I believe that among the Ministers of Industry and Commerce of the four western provinces that discussions will be carried out on this subject matter. It is in relation to this subject matter that the common position of the western provinces relative to transportation costs and freight rates is being formulated, so there is a connection.

MR. SPIVAK: By way of a supplementary. I wonder if the First Minister can indicate whether there really is any sincere desire on the part of the other governments in western Canada to support a common front with respect to tariff and trade policies. He's made reference to transportation. I'm now talking in terms of tariff and trade policies. Is there a desire on the part of the four western provinces to in fact come together for a common position?

MR. SCHREYER: Mr. Speaker, perhaps the Honourable Leader of the Opposition and I do not share the same premise, but it is my definite view that transportation and freight rates in Canada and the patterns of them have a very direct relationship to tariff policy, and if not they ought to have. Because one of the fundamental features of tariff policy is that it militates in favour of the industrial heartland of a country and militates against the regions on the periphery of a country; especially if the country is geographically large, the disadvantages to the peripheral regions are very great of tariff policy. Therefore to offset and compensate for it there is need for consideration under transportation and freight rates and that is the basis upon which the western provinces are joining in common cause to make representations on freight rates.

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MR. SPIVAK: Mr. Speaker, my question is to the First Minister. I wonder if he can indicate whether there has been a request for papers to be completed for consideration by the western premiers in connection with the various sectors of industry, sectors of the manufacturing industry, in determination of what tariff policy should be supported and what tariff policy should not be supported.

MR. SCHREYER: Mr. Speaker, subject to correction by the Minister of Industry and Commerce, it is my understanding that the Honourable Fred Peacock, Minister of Industry in Alberta has been charged by the four western provinces with the responsibility of marshalling together the data, the information and the policy inputs of the other Ministers of Industry and Commerce relative to transportation freight rates and related tariff policy matters, so there will be a continuing consultation on the part of the Minister of Industry and Commerce here and in the other provinces with the Honourable Mr. Peacock in Alberta. All this prior to the 18th of June.

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

MR. ASPER: To the First Minister, Mr. Speaker. In view of what apparently appears to be a change in Manitoba Government policy over the last year relative to the capital gains issue, will the First Minister expend his support for the capital gains tax abolition to include not only the farms but small businesses that changes hands within families?

MR. SPEAKER: Order, please. Before the question is answered, let me once again appeal to the honourable member that in prefacing with an opinion he is violating our rule in regard to Citation 171. It does create heat and does create debate. And would he state his questions explicitly. The Honourable First Minister. The Honourable Leader of the Liberal Party.

MR. ASPER: Restating the question, Mr. Speaker. Does the Government of Manitoba in addition to now supporting the abolition of . . .

MR. SPEAKER: Order, please. Again the honourable member is stating an opinion which he holds. Would he express his question.

MR. ASPER: Mr. Speaker, the First Minister has just said, and I'm restating what he's just said.

MR. SPEAKER: Order, please. That is an opinion that the honourable member has, some others may share it but I do not. The Honourable Member for Wolseley.

MR. ASPER: In view of the First Minister's answer to the question about support for the abolition of capital gains tax on farms when they are transferred between father and son, will the First Minister confirm or reject the concept of Manitoba supporting the extension of this tax change to include not only farms but all small businesses?

MR. SCHREYER: Mr. Speaker, there is nothing belated or new in what I have indicated. This government has demonstrated its support for the concept of exemptions under succession duties and capital gains up to a certain basic amount, Sir, and we continue to support that concept; beyond which amount however it is felt that it is not in the public interest to support additional tax exemptions. So that between succession duties, capital gains tax we have here demonstrated that by virtue of the 150,000 and with surviving spouse \$200,000 of tax exemptions on estates, and the same reasoning would apply to the limit to exemptibility in the case of capital gains.

MR. ASPER: A supplementary, Mr. Speaker. The First Minister, so that I understand him, could I take it that he's now saying that while he supports the abolition of capital gains tax on transfers between parent and child of farms, he will not extend that same support to transfer of business from father to son?

MR. SCHREYER: I didn't state that at all, Sir; in fact I thought I would have stated the contrary. That up to a reasonable amount there would be support for that same concept for the sake of consistency and fairness. The question is, what is that amount, and that is something which cannot be settled in the question period.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I have a question for the Honourable Minister of Municipal Affairs. Will a report be tabled on Autopac during this session, whether year-end or interim?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Yes, Mr. Speaker.

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

MR. HARRY E. GRAHAM (Birtle-Russell): Mr. Speaker, my question is for the Minister of Public Works. I would like to ask the Minister if at any time his department has considered plans to erect a washroom on the west side of the power house on Memorial Avenue?

MR. SPEAKER: The Honourable Minister of Public Works.

HON. RUSSELL DOERN (Minister of Public Works) (Elmwood): Mr. Speaker, we have considered a number of alternatives. The problem with all of them is that when you consider such locations, the boulevard or those areas mentioned by my honourable friend, you have a problem of jaywalking, you have a problem of busting into buildings and redesigning them and renovating them, etc. The obvious best location is the one that is proposed.

MR. GRAHAM: A supplementary question. Would the cost of such a structure be more or less than the proposed \$100,000 cost for the present building?

MR. DOERN: Could the member just clarify what type of a structure he's talking about, separate or within a present structure?

MR. GRAHAM: A building attached to the power house on Memorial Boulevard.

MR. DOERN: It would be a comparable cost, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Flin Flon.

MR. THOMAS BARROW (Flin Flon): Mr. Speaker, I see where the Royal Bank will let you have \$25.00 . . .

MR. SPEAKER: Question, please.

MR. BARROW: . . . if you borrow \$1,000 -- (Interjections) -- I had to explain the question . . .

MR. SPEAKER: Question period please.

MR. BARROW: . . . and for this privilege you may pay them back . . .

MR. SPEAKER: Question please.

MR. BARROW: I'd like to know if the Attorney-General is aware of this type of advertising and is it legal?

MR. SPEAKER: Order, please. Asking for a legal opinion is out of order. The Honourable Attorney-General.

MR. MACKLING: Mr. Speaker, I will not give a legal opinion. I will indicate my awareness of the concern that the honourable member has because he gave me notice of his concern, and the concern is ostensibly in connection with the advertising that he alluded to of a chartered bank offering \$25.00 bonuses to people who become indebted to the bank. I am certainly concerned about that kind of advertising, I think our Consumers Bureau will want to look into it.

MR. SPEAKER: The Honourable Member for Flin Flon, a supplementary?

MR. BARROW: A supplementary question, Mr. Speaker, to the same Minister. Do you approve of a gimmick that deliberately gets people to go into debt?

MR. MACKLING: Well, Mr. Speaker, in our society we see a lot of very sophisticated and fancy advertising for people to do things that probably they in better responsibility should not do. I'm not so certain whether this is the case or not but certainly that kind of advertising offering sums of money for people to get in debt is something that I think we would want to discourage.

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

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I have a question for the Minister of Municipal Affairs and I hope I will be allowed the same latitude as the Member for Flin Flon before I put my question.

MR. SPEAKER: The honourable member place his question.

MR. G. JOHNSTON: Yes. Is the Minister aware that the Manitoba Housing and Renewal Corporation along with the Central Mortgage and Housing Corporation have advised certain non-profit organizations such as Portage Rotary Housing Limited, that they are advised to increase the rents on their suites to senior citizens in the amount of about 18 percent?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Chairman, I thank the honourable member for giving me some notice of the question -- aware of notice being given. The fact is that there is a continuing system by which notices are given to various projects that are built under the Elderly and Infirm Persons' Act, elderly persons' projects. Over the years, in fact prior to 1969 all projects were built under that program. So there is continuing notice given as a result of Central

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(MR. PAWLEY cont'd) Mortgage and Housing Corporation requirements, that the expenses must not exceed the revenue intake, so that as a situation occurs in which there is not sufficient revenue then the home built under that Act is requested to increase their rents accordingly.

So to the honourable member I say that the fact would be that the notice would be given subsequent to that understanding with Central Mortgage and Housing Corporation. Secondly, this is a problem which pertains in the main to projects which were built under the housing program of the previous government, previous to ourselves. Most of the problem is overcome with the senior citizens' housing built over the last two or three years which is built under Section 45 of the Housing Act. We are concerned about this to the extent that we -- in fact we are having meetings with some of the organizations in question who have found themselves locked in under the old program that was initiated in the days of the previous government.

MR. G. JOHNSTON: A supplementary question, Mr. Speaker. I think the Minister for the answer but in view of the fact that his suggestion will take some time to implement, would he consider a form of subsidy, to be discussed in Cabinet, to these organizations that find themselves in this financial bind?

MR. PAWLEY: Mr. Speaker, I could not be fair or honest to any of the occupants to leave any hope that there would be any form of subsidy in respect to the particular project that the honourable member has referred to. I might mention that there is a different degree also in the admittance to the suites built under the two different programs, so that the provincial subsidy to senior citizens' homes have been going under Section 45 rather than Section 15 here. So we will continue to look at this problem to ascertain whether there should be some provincial input, but I would not want to indicate to the honourable member that there could be any action in respect to this particular project he's brought to my attention.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Mr. Speaker, I direct a question to the Attorney-General. I wonder, Mr. Speaker, if the Attorney-General feels that the 20 percent or up to a maximum of \$3,000 lure or gimmick that his colleague the Minister of Agriculture offers, or hopes to induce the Manitoba farmers to buy more cattle with, is the kind of financing technique that he disapproves of relative to . . .

MR. SPEAKER: The Honourable Attorney-General.

MR. MACKLING: Mr. Speaker, there are programs that are enunciated by government to facilitate . . .

MR. SPEAKER: Order, please. Let us get one thing straight. If the honourable member wishes to place a question he's entitled to place it. If he hasn't completed a question I'm certain the honourable member that is asking will yield the floor until the question is fully put; but I do believe interjections are unnecessary and it makes it very difficult to hear the answer as well as to know what is going on. The Honourable Attorney-General.

MR. MACKLING: Mr. Speaker, there are programs that are designed by both federal governments from time to time and provincial governments and government agencies to facilitate the development of socially useful programs in society, and the reference to the program of my colleague, the Honourable Minister of Agriculture is one where there is obviously a desire to see a further development of cattle raising; a further development in that area is not only warranted by the markets but desirable from a long-range diversification point of view, and as an encouragement, incentives have been practiced both by this government and other governments in the past and I am sure will continue to be. However for someone to be urged to borrow for some thing, if you need a thousand-dollar loan for something else, anything, anything -- maybe a trip to Hawaii, maybe a trip to Hawaii, then we'll give you \$25.00, I think that is highly undesirable.

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

MR. ASPER: To the Attorney-General, Mr. Speaker. Then would he also consider it undesirable for the Government of Manitoba by drawing pictures of trips to Hawaii, ocean voyages, to encourage people to gamble by buying Manitoba lottery tickets?

MR. MACKLING: Mr. Speaker, whether it is desirable for an individual to spend, to take out of his pocket and spend \$2.00 or \$3.00 or how many dollars he wants in any number of lotteries he wants is up to that individual, but that is an expenditure that's finished. But to place yourself in bondage, in bondage for interest at 12 percent per annum to do something

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(MR. MACKLING cont'd) nice today which you'll have to pay for tomorrow is a totally different thing.

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

MR. JEAN ALLARD (Rupertsland): Thank you, Mr. Speaker. I have a straight question for the Minister of Mines and Resources. In view of the early onset of spring will the Minister consider, is he considering changing the opening of the sports' fishing date from something around the 12th of May to around the end of April -- the early onset of spring and of spawning?

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

HON. SIDNEY GREEN, Q. C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, the honourable member is well aware of my ignorance in such matters. I'll have to take the question as notice and discuss it with those in the department who know something about it.

Mr. Speaker, while I'm on my feet, the Honourable Leader of the Liberal Party asked me yesterday whether the Manitoba Development Corporation engages in advertising on television. My information from the corporation troubles me somewhat because it's in contradiction of what my honourable friend said, and therefore perhaps it'll have to be looked in further, but the information that I have from the Corporation is, and I'll read it verbatim: "At the present time the MDC is not advertising on television and has no immediate plans to do so. In recent months the only association that the MDC has had with TV advertising is that approximately three months ago the West-Man Regional Development Corporation announced on TV that an MDC account officer would be in the region to conduct interviews." The cost of that TV notice was \$90.00 and was paid by MDC. Now the honourable member told me that he has seen advertisements. It is possible, although I haven't looked into it further that it may be done through the Department of Industry and Commerce, in which case I am not the Minister to ask the question to. I would indicate that the Corporation by virtue of the information that they have supplied to me is not engaged in television advertising.

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

MR. ASPER: Mr. Speaker, rather than raise a point of privilege, rather than make this a point of privilege I'll redirect my question to the Minister of Industry and Commerce. In view of the fact that I and at least a dozen others have with our own eyes witnessed and heard the advertising of the facilities of the Manitoba Development Corporation, and urging people to go into debt by borrowing therefrom, will the Minister inform this House whether he knows of or authorized an advertising program on television whereby MDC outlines its services and encourages people to come in and borrow money?

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

MR. EVANS: Well, Mr. Speaker, I've had the pleasure of seeing one or two advertisements of the Department of Industry and Commerce offering the services of the Department of Industry and Commerce but I don't recall of any advertisement on television with respect to the MDC. Unless I don't hear or see right, I have no knowledge of such ads.

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

MR. GREEN: Well, Mr. Speaker, with the leave of the House on the question that the honourable member has put - and I say this only jocularly. Perhaps some of the people who have done well by MDC have considered that they should advertise what can be done through that program.

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

MR. ASPER: Mr. Speaker, to the Minister of Industry, a supplementary. Could he advise the House approximately the advertising cost of the program which is promoting the services of the Manitoba Development Corporation?

MR. SPEAKER: Better for an Order for Return. Order, please. The Honourable Member for Rupertsland.

MR. ALLARD: Mr. Speaker, I have a question for the First Minister. In view of the fact that part of the reason why communities like God's Lake and some others didn't get no freight by land this winter was partly the government's responsibility as well as an act of God, would the First Minister consider some form of subsidy to transportation to such communities who have been very heavily hit, for this year?

MR. SPEAKER: The Honourable First Minister.

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MR. SCHREYER: Mr. Speaker, I dispute heatedly the suggestion that if there was any problem in getting freight to God's River and God's Lake Narrows this past winter it was because of some omission on the part of the Provincial Government. In fact, Sir, we proceeded on the basis of both air and winter road freight delivery capability. I think if anything the province provided additional funds to try to upgrade transportation access and to the extent there is a problem it's I think due entirely to the unseasonably warm weather that was experienced in February and March, and therefore I do not believe there is any onus on the Crown whatsoever, the Provincial Crown, to incur additional expenditures.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. ALLARD: Is the First Minister saying that the contract for the winter road did not come on January 15th after the ice airfields were found to be impractical, the plan of the government for ice airfields in God's River, and the contract for the winter road was not given; is he denying that it was not given until the 15th of January?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, in the case of the Island Lake Road I believe the contract was entered into in late December; in the case of the Oxford House-God's Lake Road it was entered into in early January, and I believe that in any case the historical pattern has been for freight to start to be delivered into these communities on or about the first week of February or the very last part of the last week of January. So I don't believe that we were late in that respect.

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

MR. ALLARD: A final supplementary, Mr. Speaker. Would the Premier not agree that the normal beginning for the building of roads has always been before Christmas, in the December period?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, I couldn't say precisely, Mr. Speaker, except that the information I recall receiving is that the first loads of freight start to roll into these communities in the last few days of January at the earliest and it's a matter of normal course starting in February and March. It should be pointed out too that a good deal of freight has been freighted in on winter roads. One of the problems has to do with supplies for the school to be built at Oxford House, and there the problem is as much due to the fact that the contract was not let until well on in this calendar year, and a contract was not let by the authorities as I understand until considerably after the road contract had been awarded.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. R. (Bud) SHERMAN (Fort Garry): Thank you, Mr. Speaker. To the Attorney-General. I'd like to ask the Attorney-General whether he is of the view that if a citizen of Manitoba wishes to borrow money from a chartered bank that is offering a bonus for making that loan, that that citizen is not capable of making that decision and making that judgment for himself?

MR. SPEAKER: The Honourable Attorney-General.

MR. MACKLING: Mr. Speaker, that's rather a silly question. I'm sure . . . -- (Interjection) --

MR. SPEAKER: Order, please.

MR. MACKLING: I'm sure that the citizens in Manitoba can certainly exercise their discretion, but what I think that all citizens in Canada are concerned with is the mounting dependency on credit and the mounting personal indebtedness of people in society. That is a legitimate concern, and it should be of every political party in Canada. We want people to be able to afford what they buy before they buy things so that they're not enslaved to credit companies, finance companies -- and even the chartered banks.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: A supplementary question, Mr. Speaker. Is it not of equal or greater importance that the individual have the right to make that choice for himself.

MR. SPEAKER: The Honourable Attorney-General.

MR. MACKLING: There's no question, Mr. Speaker. We won't restrict people to make choices that may be unwise for them but we think that we would want to use moral suasion that business would operate in techniques where they wouldn't be taking advantage of people who might be gullible.

ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Member for Assiniboia. Final order - supplementary.

MR. SHERMAN: A final supplementary, Mr. Speaker. Would that business ethic apply equally to the business areas in which government operates as well as to the private sector and to the chartered banks?

MR. MACKLING: Absolutely and without equivocation, Mr. Speaker. We're concerned for the welfare, the total welfare of every citizen in Manitoba and we want him to be able to sustain a standard of living within his income; and where they don't have sufficient income we want to make it possible for them to enjoy the full life and have all the benefits that they should have in life.

MR. SPEAKER: The Honourable Member for Assiniboia.

POINT OF PRIVILEGE

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I rise on a point of personal privilege. On Monday while I was called out to the phone the Member for St. Matthews accused me of misquoting him and I would like to make the record straight. I did not misquote him and I don't know what reference he's making, what part of Hansard, but I would like to put on the record and the members can for themselves if I misquoted the member. On Page 1631, middle of the page, there's an interjection and the interjection is quoted in Hansard and this is the reference that I was making to, and I'll quote the exact line that the member had said. And this is what he's saying in quotation: "So my position personally is that I would be in favour of a confiscatory estate tax." That's the reference I'm making to that line. So, Mr. Speaker, I did not misquote the member.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, . . .

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

MR. WALLY JOHANNSON (St. Matthews): On the same point of privilege. That was not what I questioned. The statements I questioned were the statements from 1432 by the member stating that "The Member for St. Matthews who says that we believe in total expropriation of estate because he doesn't believe in estate anymore." I initially objected to that statement. It makes no sense. I said that. It still makes no sense and I objected to him attributing that to me, and I also objected to him omitting a qualifying term I used which was "virtually", I would be in favour of "virtually" taxing away entirely estates. You omitted that word and I objected to that kind of quotation.

ORAL QUESTIONS Cont'd

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I have a question for the First Minister and I didn't give him notice so I think he can answer the question. Does the government contribute or give support financially or otherwise to the Group for Good Government in their endeavour? That group does not recognize or excludes or omits Social Credit as an approved party that honours the principles of good government and I take exception to that.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, I take note of the fact that according to the Member for Rhineland, and I take his word for it, that this Group for Good Government does not seem to be wanting to endorse the Social Credit Party. But I would advise my honourable friend that he should worry about that about as much as I worry about it, which isn't very much.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID R. BLAKE (Minnedosa): Thank you, Mr. Speaker. My question is to the Honourable Minister of Tourism, Recreation and Cultural Affairs. I wonder if he could tell the House if he has now received communication from the Clear Lake Campers' Association in connection with the operation of the Post Office in Clear Lake for the summer months; and if so what has his action been in regard to the request for assistance?

MR. SPEAKER: The Honourable Minister.

HON. LAURENT L. DESJARDINS (Minister of Tourism, Recreation and Cultural Affairs) (St. Boniface): No.

ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I have a question for the Honourable Minister of Industry and Commerce. Has the Minister or the government supplied any data and traffic statistics to the Department of Transportation or the negotiating people that there is a need for a second airline carrier between Winnipeg and mid U.S. -- (Interjection) -- No it was not the same way, not that information.

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

MR. EVANS: Mr. Speaker, the air traffic statistics are collected under the jurisdiction of the Federal Government and they have the statistics through their control of the Department of Transport and through the Air Transport Committee of the Canadian Transportation Commission. They are the original source of data, and the ATC and the Minister responsible have all the data available - origin and destination, passenger loads and various costs and revenue data as well.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, has the Manitoba Government or the Minister made its own analysis and supplied a petition to the Transport Board?

MR. SPEAKER: The Honourable Minister.

MR. EVANS: Well, Mr. Speaker, I answered a similar question the other day. We from time to time do make submissions to the Federal Minister of Transport who is responsible for the bilateral negotiations and pointing out the need for this service. I think the Federal Government is quite aware of this and they have assured us as I have indicated to this House on more than one occasion, that a connecting route between Winnipeg and some other American city is among the top priorities in the negotiations.

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

MR. PATRICK: A supplementary, Mr. Speaker. It may be right that from time to time there were representations made but . . .

MR. SPEAKER: Question.

MR. PATRICK: . . . why isn't the representation made right now - or now?

MR. SPEAKER: The Honourable Minister.

MR. EVANS: I'm not sure whether I heard the honourable member. Why is representation not being made right now? Well, Mr. Speaker, I indicated this is an ongoing matter. I think we wired Mr. Marchand recently and I also indicated that I would be meeting with Mr. Marchand in a matter of, I think it's two or three weeks. I believe the meeting is scheduled for Calgary, and we intend to discuss it with him again personally.

MR. SPEAKER: The Honourable Member for Radisson.

MR. HARRY SHAFRANSKY (Radisson): Mr. Speaker, I beg the indulgence of the House to make a brief statement.

MR. SPEAKER: Leave agreed? (Agreed)

STATEMENT

MR. SHAFRANSKY: I would like to extend congratulations to the St. Boniface Riels who won the Manitoba Major Junior Hockey League championships last Thursday night at the Maginot Arena, beating the River Heights Cardinals 11 to 3. This was their -- 11 to 3 -- this was the second year in a row that they won the Manitoba Major Junior Hockey League championship at -- (Interjection) -- last night. -- (Interjection) --

MR. SPEAKER: Order, please.

MR. SHAFRANSKY: Some of the major scorers in the game were Gaudet and Haiko along with Paul Teillet, Bob Currey, Russ Harden, Larry Arnal and Wayne Vandevyvere. The Manager of the St. Boniface Riels is Bill Asmundsen; Coach, Bill Elliott and Assistant Coach, Chuck Doman. Thank you.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I feel it's incumbent upon me to -- may I suggest to the Honourable Member for Radisson that his expectations may have risen as a result of the win by the group over River Heights Cardinals but I doubt that it will be as successful in the next coming election.

ORAL QUESTION PERIOD

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

MR. ASPER: Mr. Speaker, my question is to the First Minister and relates to the answer he gave to the earlier question as to this government's support for abolition of capital gains tax on small business transfers between parent and child. In view of my understanding of his support for the same exclusion as has been given to farms, and in view of the fact that Parliament is imminently about to settle this amendment, will the First Minister indicate immediately to the Federal Minister of Finance the Government of Manitoba's support for the extension of this inheritance capital gains exclusion to include small business?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I indicated to my honourable friend that the principle was one that was supported. It all depends of course on the amount in question. And in any case it is not a desirable practice for provincial jurisdictions to send telecommunication messages on the eve of legislation being carried forward in the Federal House. The political parties of Canada are represented in the Federal House and we have our means of making our views known.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Industry and Commerce. It relates to the bilateral agreements now being discussed and the potential for a second carrier for Winnipeg. I wonder if he can indicate whether he or the First Minister or other officials have in fact met with the President or officials of North West Airlines to see whether there would be approval for a second carrier from their point of view?

MR. SPEAKER: The Honourable Minister.

MR. EVANS: If I heard the honourable member correctly he asked whether there has been a meeting with the President of North West Airlines with regard to getting their support or whether they would approve of such a matter. No there hasn't been a meeting. I have met with the President at least two occasions in the last eighteen months. Needless to say the position of Northwest Airlines would be rather negative in this matter, if it was with regard of course to the Twin Cities-Winnipeg service.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Industry and Commerce. In view of the fact that the carrier will have some influence on the decision with respect to the bilateral agreement with respect to the United States participation, is it not wise for a discussion to take place between the Provincial Government and Northwest Airlines to determine what in the barter arrangements could be provided to provide a second carrier in competition for Winnipeg and to allow Northwest in an area in Canada that may be desirable to them. Surely there should be some kind of . . .

MR. SPEAKER: Question.

MR. SPIVAK: Well, will a meeting take place either with the First Minister or the Minister of Industry and Commerce with the President to see whether in fact there can be some mutual satisfactory answer to a second carrier and to some new opening for Northwest entry into Canada?

MR. SPEAKER: The Honourable Minister.

MR. EVANS: Mr. Speaker, the Leader of the Opposition is a terrific optimist by the nature of the suggestion he now makes. I wish I could share his optimism in this regard, and that is his suggestion that we somehow or other get Northwest on side in order to somehow or another to assist in the negotiations between Ottawa and Washington to insure that we get another connecting link between Winnipeg and some American city. We can consider the honourable member's suggestion, but frankly I've heard many better suggestions from the honourable member opposite in the past.

MR. SPIVAK: Well I wonder if the Minister of Industry and Commerce can confirm to the House that in the barter arrangements that take place between United States and Canada the airlines negotiate with the airlines in Canada for arrangements which will provide additional outlets for them in substitution, or in exchange at least, for additional opportunities for the airlines from Canada. Surely there may be something of mutual interest to Northwest Orient Airlines which could be of benefit in trying to get Canada to in fact stand up for Winnipeg and for Manitoba in seeing to it that . . .

MR. SPEAKER: The honourable member is making a speech.

MR. SPIVAK: Well I wonder if he could indicate whether it's not a fact that the barter

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(MR. SPIVAK cont'd) arrangements do take place along the lines that I've suggested.

MR. SPEAKER: Orders of the Day. The Honourable Minister of Industry and Commerce.

MR. EVANS: Mr. Speaker, I'm not so sure that I can agree with the honourable member that that's how barter arrangements take place. As I indicated the other day, the matter of bilateral negotiations is in the nature of some horsetrading, it's a matter of quid pro quo. It's not just Northwest Orient Airlines; it involves the United Airlines, it involves many other airlines that have some connection somehow with Canada, and the Federal Government of Canada and the Federal Government of the United States look at the total picture, total trade-off between various American cities and various Canadian cities. So it's simply not a matter of a trade-off between St. Paul-Minneapolis and Winnipeg or some other American city and Winnipeg.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Industry and Commerce or to the First Minister, and relates to what I understand is a provincial preference given by Ontario, or suggested by Ontario with respect to the purchase of buses which have prevented Flyer Industries from being able to sell their buses to the City of Toronto. Will there be representation made from the Provincial Government to the Provincial Government of Ontario concerning an alleged provincial preference indicated by the Minister?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I have not seen the particular news item to which my honourable friend refers but I believe that there is sufficient evidence to indicate that there has been preference of that kind to some degree, if not at provincial, at city municipal levels in Ontario and Quebec for some considerable number of years.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, I wonder if I could have the leave of the House to make a brief non-political non-partisan statement?

MR. SPEAKER: (Agreed) The Honourable Member.

STATEMENT

MR. SHERMAN: Mr. Speaker, I'm in receipt, Sir, of a number of letters from the Grade 6 class at Ryerson School which is in my constituency and I wish to bring it to your attention and that of the members of the Assembly because in effect they're addressed to all of us. They're most laudatory in their comments on the Assembly, on the members herein, and on the conduct of the members herein as a result of a visit that they made to the Assembly on the 19th of March and I wish to raise the subject because you're aware, Sir, that there has been some criticism from some school classes in the past of some of the conduct that has not impressed them too greatly.

But if I might just take half a minute and read for your information and your pleasure, I think, Sir, the comments that are typical. This was from one of the children in the class who wrote: "Dear Mr. Sherman: On behalf of the two Grade 6 classes" -- this is at Ryerson School -- "I would like to express my opinions on our trip to the Legislative Buildings. I was thoroughly delighted with the building. Though I have visited there once before I learned quite a bit more. I appreciated the privilege of seeing the members of Parliament in session on Monday, March 19, 1973. I felt they had very pleasant manners and they didn't talk all at once. I found our visit very exciting" -- (Interjection) -- My colleague suggests the Minister of Labour may have been absent that day, Sir, but certainly there's no mention of that in this letter. "I found our visit very exciting and interesting. Sincerely yours, Carolyn Mills." There are similar comments in all the letters, Sir. They were entirely unsolicited and I thought members and you, Sir, would like to know that our impression abroad is not all bad.

ORAL QUESTIONS Cont'd

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

MR. ASPER: Mr. Speaker, my question is to the Minister of Mines. I believe he at one point took this as notice but if not the question comes originally. Has the 300 square miles approximately that is expected to be flooded in the Churchill River diversion project been the subject of an intensive or in-depth mineralogical survey by his department or others?

MR. SPEAKER: The Honourable Minister of Mines.

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MR. GREEN: Mr. Speaker, when the original program to flood South Indian Lake at a level of 869 feet which was approximately 30 feet above its natural limits was embarked in by the previous administration, there was an intensive speed-up program which I will have to give credit to the previous administration for embarking on. That program was continued with intensive exploration and mapping of the area. I also, Mr. Speaker, verbally received assurance from the head of the Geology Department of the University of Manitoba, and confirmed by other people, that the program that we are involved in will not be an impediment to the development of mineral resources in the area.

MR. ASPER: To the same Minister, a supplementary. In the event that the area flooded contains mineral resources, what is the additional cost of mining and exploration once they're underwater?

MR. GREEN: Mr. Speaker, I thought I answered that question previously by suggesting that my information is that there is no impediment involved. I think that the honourable member should be aware that one of the most extensive activities at the present time is trying to find oil and other minerals under the ocean for the purpose of developing them.

MR. ASPER: Does the Minister have a comprehensive report of any kind that he can table or make available to members of this House?

MR. GREEN: Mr. Speaker, the information that I've given my honourable friend is basically the information that is available to me.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Well, Mr. Speaker, I direct a question to the Honourable the First Minister. Sir, I wonder if the First Minister could indicate in view of the obvious concern that the Attorney-General has for what purposes people in Manitoba borrow money, that we can expect in perhaps the next volume of the Guidelines edition some specific guidelines as to what we will be permitted to borrow money for?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, it's been quite some years now that the banks have been advertising consumer loans. I remember a few years ago one of the banks was advertising the so-called "boots and saddle loan" for riding in the countryside, getting outfitted for it, buying saddles for nice quarter horses, etc., and I think this is all great. It's part of life. I don't know what problem my honourable friend has in mind.

MR. ENNS: A supplementary question to the First Minister who is sitting right next to his Attorney-General. Did he not hear the concern that his Attorney-General had in this respect?

MR. SCHREYER: Mr. Speaker, if there was some inducement offered to a loan I'm not aware of just what the alleged problem is all about. I'd have to check into it.

MR. ENNS: A final supplementary question. I believe the actual problem was a stay option out of bondage that the Attorney-General was concerning himself with.

MR. SPEAKER: That's not a question. The Honourable First Minister.

MR. SCHREYER: I think what's more important is the effective rate of borrowing or the effective rate of lending. As to bonus offers and so on, I have no particular comment.

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

GOVERNMENT BILLS - SECOND READING

MR. GREEN: Mr. Speaker, I wonder if you would call the bills that stand on the Order Paper for Second Reading in order as they appear.

MR. SPEAKER: Thank you. Proposed motion of the Honourable Minister of Labour. Bill No. 18. The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, I wonder if I would have the permission of the House to have this matter stand? (Agreed)

MR. SPEAKER: Proposed motion of the Honourable Minister of Agriculture. The Honourable Member for Rock Lake. Bill No. 24.

BILL 24

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I just want to make a few comments on this amendment to the Crop Insurance Act. I think, Mr. Speaker, if I understood the Minister's explanation correctly when he states that if a farmer has say 300 acres in crop in

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(MR. EINARSON cont'd) total and say he has possibly 100 acres of that covered under all-risk crop insurance, he then can qualify to cover his crop also for hail. But the amendment as I understand it and through his explanation that if he so chooses to cover his total crop for hail this makes it possible for him to do so.

This, Mr. Speaker, is an amendment that we certainly approve of on this side of the House. I want to say, Sir, that the crop insurance program is one that's been going on for a number of years; It's one that our party piloted in its originality and I think a good deal or a number of people who have been expertise in their field of insurance have lauded this program and gave it a sound foundation when it first started. As the years have gone by improvements have been made, Mr. Speaker; and as of the last few years I can say, Sir, that there has been a greater input to this crop insurance program from the Federal Government, which as a result, Mr. Speaker, has made it possible for the Provincial Government to make changes in the Act.

I think, Sir, that this certainly does make an improvement for those who feel that the crop insurance is the kind of a program that they'd look forward to which is a means of giving them security when there's a possibility that we could have a year of drought. And there is a chance, Sir, that if we don't get greater rainfall before too long and comparing the moisture conditions over the winter months, and, Sir, it makes many farmers wonder with such a long drought period, that is a dry period where there's been moisture free in this part of the country, farmers are already wondering how long this dry spell is going to carry on, and as a result it could have its serious effects in this coming crop year. And as a result of this I think, Mr. Speaker, that possibly these kind of amendments that are being made are an improvement in the Act.

I note the Minister, he makes mention of another amendment here that was sort of an inadvertent one and he indicates that it doesn't really require any debate on the matter. I think, Mr. Speaker, I'm inclined to agree with this. I believe it's a matter of tidying up the kind of legislation that we have before us; and, Sir, that with the amendments that have been made to the Act now we're prepared to accept it on this side of the House.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I would just like to add a few words to the Bill that is before us in amendment to the Crop Insurance Act. I too feel that it is a worthy one, it's one that we can endorse. I note from the Annual Report of the Agricultural Department that the section of the Manitoba Crop Insurance Corporation dealing with hail insurance had a surplus last year, or the year ending March 31, 1972 of \$163,000.00. This is all to the good when we had a \$20,000 loss the previous year, so I feel that the insurance corporation definitely is in a much better standing.

We also know that hail insurance under the Act as it is now constituted is available to those that carry crop insurance of one kind or another. Before I think any fields that could be insured for hail automatically had to have the general insurance on it. Now we're allowing, even though he doesn't insure all his crops, he'll be able to insure for hail as well even though fields that are not insured generally. In this particular corporation we find that the government is able to be competitive with other companies and I think that is the way it should be, and therefore I think it has something to commend itself to members of this House and to the farmers generally in this province.

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

MR. EARL McKELLAR (Souris-Killarney): Mr. Speaker, I beg to move seconded by the Honourable Member for Arthur debate be adjourned.

MOTION presented and passed.

MR. SPEAKER: Bill No. 30. The Honourable Attorney-General. The Honourable House Leader.

MR. GREEN: Mr. Speaker, I move, seconded by the Honourable the Minister of Agriculture that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and passed.

SUPPLY - AGRICULTURE

MR. SPEAKER: The Honourable Member for Logan.

MR. CHAIRMAN: Resolution 13--passed? The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, I would like to make a few comments on this particular aspect of the estimates of the Department of Agriculture. I know, Mr. Chairman, that we had a very lengthy debate and discussion on the matter of our Agricultural Estimates in the House last night and yesterday afternoon, and Mr. Chairman, I am one on this side of the House that is very concerned and very alarmed at the comments that I heard in regard to the operations of the Manitoba Agricultural Credit Corporation, and I know, Sir, that I've had a number of opportunities to deal with the people who are employed in that Crown corporation, and must say that I've had nothing but the very best of co-operation and results that is possible to attain through the management of the Manitoba Agricultural Credit Corporation.

Now, Mr. Chairman, there were comments made here last night insofar as one particular case is concerned in dealing with a particular loan that was exercised by the Manitoba Agricultural Credit Corporation, and I'm not satisfied, Mr. Chairman, with the reply that the Minister of Agriculture gave us and I think it should be made explicitly clear as to where the farmers -- and I think the farmers of this province are concerned about this particular matter. Here, Sir, we have a case that is on judgment as to the moral integrity of the whole Crown corporation when the chairman of such a Crown corporation becomes involved in a manner which was described in this House last night.

Mr. Chairman, there's one other matter that I would like to bring to the attention on this subject, and I noticed through the report, and the very beginning of it on the first page says: "Dear Sir: I present herewith for your approval the annual report of the Manitoba Agricultural Credit Corporation covering operations during the year ended the 31st day of March 1972. Yours truly, M. G. Hofford." And then further on we have the signature of the manager, Mr. L. W. Leggat. Then I also want to carry on further, Mr. Chairman, in the report which is the auditor's report, and here we have a blank; there's no signature to the signing of this report as far as the audit of this report is concerned. Mr. Chairman, as one who is a farmer, but I think nevertheless in reviewing through reports and when you look at the audit section as well as the other parts of it, there is a signature attached thereto, and I looked at some of the other reports and the auditor's signature was attached to it. And so I'm asking the Minister, Mr. Chairman, why is the signature not on this audit report of the MACC?

We had a different view insofar as figures were concerned, insofar as the loans that were discussed last night in regards to Mr. Bowles and Company. We also had the figures given in regards to the loan as to pertain to Mr. Hofford himself, who was supposed to have bought the same parcel of land for his son. The understanding I have, Sir, is that the same parcel of land that was bought by Mr. Bowles, the whole transaction was approved by the MACC in November of 1971, and as I understand it the chairman, the new chairman, Mr. Hofford, took over on January 2, 1972, and it was shortly after that that that transaction was turned down or rescinded, or declared null and void. Having done that, then the chairman saw to it that his own son was allowed to purchase, or to borrow \$125,000 to buy the same parcel of land through the MACC.

This, Mr. Chairman, is the point that concerns me. I know the Minister used figures to almost \$400,000 and this is the contention that he was saying, you know, that we didn't have the same figures on this side of the House. I'm not concerned so much, Mr. Chairman, about the figures, but I'm concerned about the principle in the way this corporation is being handled insofar as the chairman of that board is concerned. I think, Sir, this is one that is very very important, and I would like to know, Mr. Chairman, exactly from the Minister if we have those facts correct, and if we don't, then I think the Minister should stand up and state it very clearly as to where we stand on this matter.

MR. CHAIRMAN: The Minister of Agriculture.

MR. USKOW: Mr. Chairman, yesterday when the Member for Lakeside and the Member for Morris engaged in some discussion on the same subject matter, I responded by indicating to them that it was my opinion that they were in one of those excursions of innuendo which will eventually result in the truth coming out which will in fact challenge everything they have said, and I want to reaffirm my position at this point in time, but I want to take note of the comments made by the Member from Rock Lake. He indicates that he is alarmed about the comments made about the MACC. Well, he also indicates, Mr. Chairman, that he didn't receive an answer or reply from myself yesterday that was satisfactory to him. Well, you know, if you want

SUPPLY - AGRICULTURE

(MR. USKIW cont'd.) to peruse the proceedings of yesterday, Mr. Chairman, you will recognize that my friends opposite talked the clock out and there was no opportunity for a reply, so that let not my honourable friends imply that there were no answers forthcoming, because there certainly could have been, there certainly could have been.

Well, Mr. Speaker, the Member for Rock Lake says that you had a chance to answer. I think that it's advisable on my part, when such serious accusations are made, that I let fools venture where fools do venture on occasion so that I can recapitulate for them the silly position that they find themselves in through the kind of commentary that they made about the members in the civil service or the members in government, without due regard for ethics and whatever that go along with it, without due consideration of human beings that are not in this House to answer directly for their actions. So I think members opposite should appreciate that point. It is a very good point to remember.

The Member for Rock Lake also suggested that the chairman of the Credit Corporation bought the land in question for his son. Well, that is not true, and a member shouldn't suggest that it is. Obviously he's on a fishing expedition, because if he wasn't he wouldn't make such allegations. It's true that the son acquired a parcel of land through the proceeds of a loan under the MACC, or the Manitoba Agricultural Credit Corporation, but he did it in his own right; his father did not venture into that particular arrangement.

Now I would like to recapitulate for my friends opposite the sequence of events that did take place with respect to the two loans, and it's true that on December 4th the board of that day approved a loan in the amount of \$396,000 in favour of the Bowles family, a family corporation. The family were advised by letter dated November 5th that their loan had been approved. At a meeting of November 19th minutes of a previous meeting were read, and at that point in time we had our new chairman in position; he had not been there before. And he raised a number of questions as to what that loan was all about. It was then moved that perhaps it would be advisable for a review and for further information to be brought in so that all members of the board, some of them new, would be fully acquainted. At that point in time it was decided to hold the distribution of moneys pending such a review, and on December 10th following, the chairman instructed the manager to advise the Bowles family that more information was required before any money would be released. On January 14th of 1972, by resolution the original motion approving the loan was rescinded and moved by the same person who moved its adoption in the first place. And by the way, I would like to remind my friends opposite that that individual was not an appointee only of this government, but was one which we inherited from the previous government, so that let not members opposite cast such aspersions on members of the board and impute motives which are totally erroneous.

MR. EINARSON: Mr. Chairman, on a point of order, I have nothing but admiration for the board. I was referring to the chairman of the board in my comments. I have full admiration for the members of the board and the management of the board.

MR. CHAIRMAN: Order, please.

MR. USKIW: Well, Mr. Chairman, I would like to remind my honourable friend opposite that the chairman of the board very seldom exercises his voting powers, only in a deadlock, and in this instance he was not required to exercise any of his authority or opinions, so let not members opposite try to leave the impression, Mr. Chairman, that we have in some way for political reasons reversed a position; I think that a reversal was there and it was there on the basis of good sound judgment, and in my knowledge of the transaction I'm satisfied that the final decision was the right one and that the people of Manitoba have probably been saved a handsome sum of money because we didn't venture into that kind of an arrangement. That should be a credit to the board members in their deliberations over that particular application. It should not be something over which we should be unduly concerned.

Now, with respect to the question of the loan made to the son of the chairman, I want to reveal to the House the history of those events. The son did apply for a loan of \$100,000.00. He had money of his own, he had substantial assets, he did not require the kind of funding that was required by the other family. And the first contact that the son made was not for his credit needs, was not with the MACC, but rather with the Federal Credit Corporation, Farm Credit Corporation, and that was in July of 1972, many months after the decline of the Bowles application some six months after. And subsequent to that particular meeting, on July 28th the gentleman applied -- not applied, he had an interview in Swan River with the MACC credit agent.

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(MR. USKIW cont'd.) After that he again had another discussion with the Federal Credit Corporation - that was on August 9th - all endeavours that he made to acquire the said piece of property.

Now the Manitoba Agricultural Credit Corporation did not approve his loan until September 21, 1972, which is about a year after, practically a year after the other application was turned back, so that there's really no connection between the two in the way that my honourable friends would have the people of Manitoba believe.

Now in this particular case there is no question as to the security of the loan, there is no question as to the repayment potential. The loan is more than secure, no question at all. And the chairman of the corporation was not involved in the decision-making process on the part of his son's application. As a matter of fact, the chairman suggested that perhaps he should leave the corporation so that it would not even be implied that there was some conflict of interest, and the board unanimously persuaded him not to do that. As a matter of fact I myself would not recommend, would not recommend that that should have to happen, because there is nothing wrong with a legitimate application with respect to any people that are in the public service, provided that it's clearly shown that there is no conflict of interest, and in this case the records will bear that out.

Unlike this case, Mr. Chairman, wherein we have adequate security, more than adequate security, a repayment potential which is described as excellent, the other loan, which was declined, was termed marginal at best and a very high risk proposition to the people of Manitoba, which in effect had the potential of a very substantial loss. So there are two clear-cut cases, but let me say to you, Mr. Chairman, and to the House, that if members opposite wish to persist on the issue I have no reason to want to hold back any information, and because of that, Mr. Chairman, I am prepared and we are now researching our legal position with respect to revealing all of the details and transactions of the Manitoba Agricultural Credit Corporation. I don't know whether my friends opposite wish that to happen, because it does open up the lives of thousands of people that are involved with the MACC to public view. This is what is really being suggested and we are now looking at what must be done legally to bring that about, either by resolution of this House, by an amendment to the MACC Act, or whatever may be required. But let me remind my honourable friends that there will be thousands of unhappy people who will find that their very personal dealings will be revealed for the province to peruse, which they might feel is an intrusion of their privacy, their freedom, and it only arises because members opposite wish to indulge in innuendos that they cannot substantiate or back up, and it's a sad day for the people of Manitoba to find government in a position of having to go that far to satisfy some of the requests which are not based on sound information and accurate information, but based on some political expediency of my friends opposite.

So it could be, Mr. Chairman, that we would have to formalize in some way, after having received legal advice, formalize in some way the procedures which would make available to the people of Manitoba and to all members of the Legislature all of the transactions carried on by MACC.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, I just want the Minister -- Mr. Chairman, the Minister omitted to answer one question that I'd asked, why the audit report was not signed by the auditor.

MR. USKIW: My Deputy Minister informs me that it's probably an oversight but we will undertake to check that.

MR. CHAIRMAN: The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Mr. Chairman, it's rather enlightening to me today, when I returned to the House, to find that this subject had been under discussion. I was interested in what the Minister had to say, and he suggested he was allowing fools to venture. Living in the Swan River Valley and being the representative for that area, I want to assure him that the matter has been common talk for a long time and I want to assure him, I want to assure him that it is a matter of concern on the local level.

He went into some detail with regard to the dates and the rescinding of the approval, and he said that the people of Manitoba would probably save hundreds of thousands of dollars by the second look. Is he suggesting to us that there was something wrong with the board that did in turn approve of this loan and in fact suggested that it should be much greater than was originally asked for? I didn't hear him at any stage of his statement say that Mr. Bowles did not

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(MR. BILTON cont'd.) have the necessary security. Surely, Mr. Chairman, when the original board was dealing with this application, they must have assured themselves that Mr. Bowles had the necessary security, or why would they have gone so far as to have approved it?

The things that concern me, that Mr. Bowles dealings with the board, as I understand them, which went over many months, were such of encouragement and requiring of him to approach people that were in the farming business in close proximity of his farm, and they in turn made financial arrangements in order that they would be in the position to release the land on the approval of the loan which ultimately came along. And one in particular, that is now in the possession of the Hofford family - the sale of the implements is going on this coming week - and I have no axe to grind on the matter other than to see that justice is done and I don't think that justice was done by Mr. Bowles in this particular regard and I have no regrets that it is being brought out into the open, and I would hope that some way, some more satisfactory answer will be given by the Minister as to the reason why he turned down Mr. Bowles, or at least the board on its examination on January 14th, 1972, rescinded the efforts of the previous board. The Minister is telling us now that the second look has saved the Province of Manitoba many many thousands of dollars. What was the matter with the board that originally approved the loan, in which I have just as much faith in?

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, I missed a few of the opening remarks made by the Minister with this matter, but I heard sufficient to indicate to me that the facts remain unchanged, that indeed the Minister in no way refuted any of the charges that were made yesterday in the House in this matter, and that essentially, in fact, in his further explanation, he supported or weakened the very case that he was trying to make.

Mr. Chairman, if you examine The Manitoba Agricultural Credit Corporation Annual Report, you will note that on Pages 8, or Pages 6, 7 and 8 which gives a breakdown of the moneys loaned and for what purpose, you will note that by far, in all three instances, the greatest amount of money loaned was for debt consolidation purposes, or even for operating capital. In all three instances, that is the different programs under which the Credit Corporation loans money, and that, Sir, of course, has always been one of the principal features or guiding principles of that corporation. One of the first demands that the Corporation makes of an applicant, of a farmer, is to request of him that he bring together all his indebtedness, all his indebtedness into one manageable sum so that the viability of the operation will be made that much easier and the payments, demands of this indebtedness on the part of the applicant can be more easily managed by the farmer.

Mr. Speaker, for him to attempt to build up a case that in the case of the son of the Chairman of the Manitoba Agricultural Credit Corporation, whose situation was so bright, whose situation was so rosy, that there was no question of any risks being taken by the Credit Corporation, that there was ample security and more security than was needed. That, Sir, to me defines the very purpose for which this Act was created. The fact that the Bowles family nonetheless had essentially the same security on the basis of land, and one must consider essentially the same ability in terms of being able to convince the board in the first instance that that loan should be approved, only tells me, Sir, that even more influence was used and even more political interference was used in this instance than I had up to now anticipated to be the case.

MR. CHAIRMAN: Point of privilege has been raised.

POINT OF PRIVILEGE

MR. USKIW: The Honourable Member for Lakeside indicated that he did not hear my remarks, and then he goes on to imply that there were political considerations in the decision-making process of the board. I want to remind him and through you, Mr. Chairman, that in my remarks I indicated that the mover of the resolution to rescind the previous motion was the original mover of the motion to approve the loan in the first place, and it is not a political person as my honourable friend would want to describe it.

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MR. ENNS: Mr. Speaker, we have heard so often particularly by the Honourable the House Leader who I suspect has some influence in that party, about how this party and how this government is not at all hesitant in putting forward its point of view, and indeed in demanding that its full responsibility as to what happens and its philosophy should be applied to the kind of programs that they want to put forward, whether it deals with Hydro engineers or environmental engineers, or I suspect agricultural economists, or Agricultural Credit Corporation economists. Mr. Speaker, the only thing that has taken place here as a result of the Minister's further explanation is, as I said before, the facts remain the same. The loan was approved in November; in December Mr. Hofford was appointed to the Board; in January the loan was rejected; and then what we have learned - we have learned something more today - then a decent period of mourning ensued, from January to September, before that loan was then approved for Mr. Hofford's son. That we didn't know yesterday. Upon our checking of the Land Titles Office we assumed that that might have taken place post haste, but of course that would not have been the right thing to do. So what has been injected into the comments made by the Minister today is that he has now outlined for us that they were sensitive enough to allow for a decent period of mourning to take place from January to September before the other application was approved.

Mr. Chairman, we can bat this thing around back and forth but, Mr. Chairman, I suggest to you that the Minister has shown and this government has shown a sense and a lack of morality which we have long suspected, and I suspect that lack of morality that the people of Manitoba are only going to begin to experience in a far greater degree than we have yet to experience.

MR. CHAIRMAN: The Honourable Member for Arthur.

MR. WATT: Mr. Chairman, I just want to make a few remarks in this area and again I want to just deal briefly with the case at hand and to say that it is despicable and actually puts the government in a very bad light in the Province of Manitoba to find that we have before us in this House now a case which has been brought before the Legislative Assembly in respect to the transaction and the change in the position of the Board in regard to this particular transaction in Swan River.

There is one thing that strikes me peculiarly at the moment, Mr. Chairman. The Minister of Agriculture made a statement a few moments ago that the Chairman of the Board had nothing to do insofar as the operation of that Board is concerned other than to vote if there happened to be a tie. --(Interjection)-- All right. Hansard will point out that he did say that. Mr. Chairman, my understanding of the heads, the chairmen, or whatever you like to call them of boards, commissions or corporations are responsible, are held responsible to the Minister and to the people for the actions of that board, commission or corporation. And in this case apparently and according to the statement of the Minister a few minutes ago, that the chairman had nothing to do with the decision of the board. --(Interjection)--

MR. CHAIRMAN: Order, please.

MR. WATT: Mr. Chairman, in spite of the fact that the chairman had been changed on that board, that the chairman had nothing to do with the decision of the board, that he was there, that he was there to vote in case of a tie. That is exactly what he said. He indicates that the reasons which he gives or the reasons that the contract or the deal or whatever you want to call it, set up between Mr. Bowles and the corporation, was because of the fact of the risk that was involved in the original agreement. Now, Mr. Speaker, he referred to it as a high risk. I would like to find out from the Minister if this new structure of our Agricultural Credit Corporation is what he has described as a new thrust in the change in our agricultural policies insofar as shifting from grain to beef or to pork or what have you, into a different type of farming. Is the money being used for low risk or for high risk farmers? Is there going to be a selection here of whether a farmer is going to be eligible for the grants that are involved in the loans made out to diversify farming through the Agricultural Credit Corporation?

I know of cases, Mr. Chairman, where farmers have contacted their local agents, that is the Manitoba Agricultural Credit Corporation agents, to discuss the possibility of loans to diversify in farming, and they have been informed by the agents that because of their credibility in cases where they owe money to the FACC and they have money owing to the farm improvement loan - that is federal - and because of the fact that they are in good standing with both of these loaning agencies, and that their credibility, that their credit is good with their local bank, that they do not qualify for a loan which would involve and which does involve an

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(MR. WATT cont'd.) outright grant or a forgivable amount of that loan over a period of years.

Now what I want to know from the Minister: is there going to be selection in this respect? These loans, are they going to be made only to those farmers who are high risk or low risk farmers? Has the farmer got to be in the high risk area or the low risk area? It appears, according to this case under discussion now, that a farmer must be in good standing before he will get a loan. And yet the agents have informed farmers throughout the Province of Manitoba, who were considering diversifying and going into the operation of the production of meat in the form of beef, pork or what have you, Mr. Chairman, they have been told because of their credibility, because they are in a position to borrow from their local bank, even though they may not have money but because they are in that position, that they are not eligible under the Act or under the direction of the board or the approval of the board, to get money from the Manitoba Credit Corporation to diversify.

Now I understand and I understood when the Minister announced that this was a new policy, that it was a new direction, this was restructure of the Agricultural Credit Corporation in order to diversify in farming, that it would apply to any farmer, that we were talking about the general upgrading and uplifting of the economy of the province. But apparently, because of his statements a few minutes ago, this does not apply; that it's going to be on a selective basis. Whether it's going to be on the basis of, shall we say nepotism - that term has been tossed around here quite a bit lately, quite a bit - or is it going to be on the basis of a vote getter from the farmer who may be considered a third or fourth risk farmer and that the farmer who is credible is not going to be able to get a loan in order that he may participate in the grants, if you want to call it that, or the forgivable portion of the loan or loans that will be made by the Agricultural Credit Corporation. And I would just like to hear some comments from the Minister in this respect.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, the Member for Arthur, as well as I believe the Member for Lakeside, while one implied, the Member for Lakeside implied that these were all high risk loans and therefore there was nothing unusual about the Bowles application, and the Member for Arthur questions whether we are dealing in high risk loans at all or whether we're going to be selective. And I want to point out to both of them, but in particular to the Member for Lakeside, that the standard borrowing practices apply with respect to the operations of the MACC. The area of flexibility wherein greater risks are taken is in the area of the livestock incentive program where we are mainly concerned that the loan for the livestock itself, for the cattle program in itself, is secured, notwithstanding other obligations.

With respect to the question of board activities, let me point out or remind members opposite that the board does not make decisions with respect to loans for long term periods that are below \$50,000, of long term money, and \$50,000 of intermediate and short term money. In other words, where you have a guaranteed line of credit up to \$100,000 of which not more than \$50,000 is long term, the board is not even involved in those decisions. They are only involved in the large loans, the decision-making process of the very large loans, and thereby they were involved in the two cases that are under discussion. The high risk loans by and large are included in the ARDA program. There we have a high risk loan program and tied with it we have a very intensive farm management and educational program. Now that's under ARDA IIIA - farm diversification, so if one wants to separate the various programs one would have to accept the fact that yes, we have the standard loan procedures applied for the regular applicant, and then we have the high risk loans falling under the ARDA and FRED categories wherein we take much more risk, much more risk.

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

MR. GRAHAM: Thank you, Mr. Chairman. I would like to ask the Minister if any policy has been established yet through the Agricultural Credit Corporation or through some other means, to take into account the areas where the Federal Agricultural Credit Corporation is either getting out of the business or in fact in some cases may be foreclosing on farmers who are presently indebted to the Federal Agricultural Credit Corporation. Has the department established a policy either through this or some other organization to take care of cases of that nature?

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MR. USKIW: Mr. Chairman, we are taking into account the federal credit program and for that reason, as enunciated some time ago, we are not going to continue our involvement in a credit program for the financing of land purchases. That is recognition of the availability of adequate financing in the federal system.

With respect to the second question, I think it's really one that I cannot answer specifically in that it's quite possible that the MACC is involved with the loan that have had loans or have loans with the FCC as well as with the MACC, or that they may be involved in transferring loans one way or the other. It depends on the application itself, on the merits of the application. If we're involved in debt consolidation, it quite often results in the consolidation of debts not only from the FCC but from fuel companies, farm machinery companies, finance companies, etc. So that I would think that it's a flexible area in that particular case or in that particular area. We are in a position of having to take a look at all applications on their merits, and where the board feels if it's a large loan or where the corporations feels, the management feels that it's in the best interest of the applicant to consolidate his debts, then it may result in the takeover of all liabilities whatever they may be, which could number any amount.

MR. GRAHAM: I have something a little different in mind, Mr. Speaker. I was mainly concerned about areas where the Federal Credit Corporation is in fact closing out a loan and considering it a bad risk and saying, "Now we're finished with this fellow." Has the province made plans, either through the Agricultural Credit Corporation or some other organization, to insure that that farm will remain in production either under new management or some other means? In particular I'm referring to cases where the Federal Credit Corporation has closed out operations.

MR. USKIW: Well I would suspect, Mr. Chairman, that where the Federal Credit Corporation has foreclosed on someone, that that is a matter between that particular farmer and the Federal Credit Corporation, and we are not in the business of picking up that kind of a client in order that we might bail out the Federal Government or its credit agencies. We are not in that business - no. If an applicant has an application that makes sense, and it may involve some consolidation of debts which may involve the FCC, that is quite possible but not specifically for that particular purpose.

MR. CHAIRMAN: The Honourable Member for La Verendrye.

MR. LEONARD A. BARKMAN (La Verendrye): Mr. Chairman, I presume we're still on No. 13 and my question is a little bit different than what the Member for Birtle-Russell just put, but if the government intends to launch a farm land bank program similar to that one recently introduced by the New Democratic Party in Saskatchewan, and perhaps, as the Minister mentioned a little bit in his introductory remarks, perhaps the government has conducted detailed studies on the feasibility of launching such a land bank program, I'm wondering if this will dampen or affect the Manitoba Agricultural Credit Corporation's loans to perhaps fewer farmers and perhaps less money. Or in plain words, might the amount of moneys needed, as was shown in the Estimates for the Manitoba Agricultural Credit, be considerably lower than the current estimate called for?

MR. USKIW: No, Mr. Chairman, it is not a - I don't believe one can assume that we will have less demand in Capital Supply or administrative financing in the coming year, because I did indicate that we were moving towards a land lease policy wherein we would want to facilitate whatever numbers of young people want to get into the industry but have not the means or the equity with which they can borrow sums of money or on which they can borrow additional sums of money. We would want to facilitate those young people and to the extent that there is demand for that kind of program, we will purchase farms and lease them to youngsters that want to get into the industry. So that the capital supply remains intact for that specific purpose. We are withdrawing from the one but we're launching into the other.

MR. CHAIRMAN: Order, please. The hour being 4:30, the last hour of every day being Private Members' Hour, Committee rise. Call in the Speaker.

Mr. Speaker, the Committee of Supply has directed me to report progress and asks leave to sit again.

IN SESSION

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

MR. WILLIAM JENKINS (Logan): Mr. Speaker, I beg to move, seconded by the Honourable

IN SESSION

(MR. JENKINS cont'd.) Member for Ste. Rose, that the report of the committee be received.

MOTION presented and passed.

PRIVATE MEMBERS' HOUR - RESOLUTION 18

MR. SPEAKER: Wednesday, private members' hour. First item is Orders for Return and Papers referred for debate. We have none. Private members' resolutions - No. 18 is the first one. The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Speaker, I have a bit of a problem here. There's two errors in the drafting of this resolution that I would require leave to make the corrections in proposing it, otherwise I'd have to withdraw it for

MR. SPEAKER: Could the honourable member read it and insert his corrections so we would understand? (Agreed).

MR. EINARSON: Well, Mr. Chairman, I beg to move, seconded by the Member for Birtle-Russell:

WHEREAS livestock producers in Manitoba have requested the Provincial Government to pass enabling regulation that will permit a voluntary check-off on all livestock sales in Manitoba; and

WHEREAS moneys so collected will be used to further the promotion and research in the Canadian Pork Council industry for the benefit of the primary producers and the consumers, and where the check-off program in Manitoba will make it possible for Manitoba producers to contribute and participate with national promotion and research programs as sponsored by the Canadian Cattlemen's Association, the Canadian Pork Council, etc. for the benefit of the Canadian livestock industry nationally and the consumer; and

WHEREAS the livestock producers are to be commended for their desire and willingness to seek out means other than direct government involvement, to assist and promote their own industry for their benefit and for the well-being of the province generally;

THEREFORE BE IT RESOLVED that this government at this session do implement check-off regulation similar to that already passed in British Columbia, Alberta, Saskatchewan and Ontario, as requested by the Manitoba Livestock Growers Association.

MOTION presented.

MR. SPEAKER: The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour)(Transcona): Mr. Speaker, I just wanted to raise one question. Because of the change of the word legislation to regulation, I would like to be assured that there is the provision in the legislation for regulation, for this may not be in our legislation but it might be in the legislation in the other provinces. Whether that has been considered or not I just would ask my honourable friend.

MR. EINARSON: Yes.

MR. PAULLEY: If the provision is there then that's quite all right.

MR. EINARSON: Mr. Speaker, as I understand it, Sir, I think probably the Minister of Agriculture could confirm this, but we have under the Natural Products Marketing Act and I don't think the legislation is required. It's merely a matter of passing a regulation in order to accommodate this provision.

MR. SPEAKER: The Honourable Minister of Agriculture on the same point of order.

MR. USKIW: I would like to raise a problem here. The changes that the honourable member introduced today somewhat pre-empts the amendments that were prepared to his motion, and I'm wondering whether it wouldn't be advisable to just let the matter stand as it now reads so that members on this side would have an opportunity to rephrase their amendment.

MR. EINARSON: Well, Mr. Speaker, I gave notice that -- Mr. Speaker, I would suggest if there's any difficulties I would give notice that I wanted some corrections made only on leave of the House. If not, I'm prepared to withdraw it and re-submit the order.

MR. SPEAKER: Well, are we proceeding with the motion without the amendments?

MR. GREEN: Mr. Speaker, my understanding is that the honourable member is withdrawing the motion and will be re-submitting it.

MR. SPEAKER: Thank you.

MR. EINARSON: Mr. Speaker, that puts it to the bottom of the list, does it then, or . . . ?

PRIVATE MEMBERS' HOUR

MR. SPEAKER: Right. The proposed motion of the Honourable Leader of the Liberal Party. Resolution No. 14.

MR. BARKMAN: Mr. Speaker, may we have No. 14 and No. 15 stand, please.

MR. SPEAKER: They go down to the bottom of the list.

MR. BARKMAN: Right, I understand that.

MR. SPEAKER: The proposed motion of the Honourable Member for Assiniboia. The Honourable Member for Rhineland. No. 1.

RESOLUTION 1

MR. FROESE: Mr. Speaker, I haven't got my notes ready. When last speaking on this resolution, and I don't really know how to proceed at this particular point, therefore I'll forego the right to speak at this particular time and do it at some other time.

MR. SPEAKER: Order, please. I must inform the honourable member, if he foregoes his privilege to speak, he foregoes it totally because there is no second opportunity on resolutions. The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, as I understand it, the resolution deals with the giving consideration for homeowners to deduct mortgage interest and property taxes from his taxable income, and that this be allowed under the legislation. Certainly I can endorse the principle of the resolution. I think I've spoken on this on previous occasions in previous years, and I think I did mention too the other night, when speaking on this, that we have certain people that are privileged when it comes to deducting mortgage interest on homes and on property by certain groups that are not enjoyed by all members of society. I feel that this should be corrected and I think this particular resolution certainly would go along that line. I know I've had teachers in this province, when they asked for increases it was thrown at them that they were apparently going up with their salary, but at the same time they used as an argument that they could not deduct interest on their mortgages, taxes on their particular homes, when filing income tax returns.

And I think legislation should be passed and amended in such a way so that this would make it possible for those people to deduct interest on mortgages and taxes paid on their home as a deductible item from their taxable incomes when filing income tax returns. And surely enough, we wouldn't want to, as a Legislature here, as a parliament, to discriminate against people, and while I made mention of teachers I am sure this applies to others, and I think I also made mention that some of the bigger people in business have a way of renting apartments and including this in their expenses whereas other people who live in apartments certainly again cannot deduct that as an expense when they file their tax returns as a deductible item. And I think this has merit. The resolution should be supported, I think, on all sides of this House and that something be done. The matter of having disproportionate deductions, those people that can afford higher priced homes, that they may deduct more than others, well I don't think you can pass laws that will average things of this matter out completely, so that I don't think that that should be used as an argument against the particular resolution before us. So that all in all, Mr. Speaker, I think the resolution is a good one and one that we would support as members of this House.

. . . continued on next page

RESOLUTION 1

MR. SPEAKER: Are you ready for the question? The Honourable Attorney-General.

MR. MACKLING: Mr. Speaker, I wasn't in the House when my colleague, the Member for St. Johns, had spoken on this resolution. It may be therefore that to some extent since we think alike on a great number of matters, that what I have to say may be to some extent repetitive of arguments that have been advanced by him earlier in debate on this resolution, because I believe he did contribute to the debate on this resolution.

The resolution as it's framed has an attraction because of course anyone concerned with individual home ownership is concerned with the escalating cost to individual citizens of home ownership. Land itself has increased substantially, Mr. Speaker; largely because I suppose of the acquisition into fewer and fewer hands of development property for home construction. It is with a sense of very grave concern that we view the developments that have taken place not only here but all across the country where people that have means, people who are concerned to make investments on a large scale have acquired property at the periphery of cities and communities throughout Canada and have retained them and through developments are able to extract very substantial gains and all of this at the expense of development of individual home ownership. Land prices have spiralled. I heard recently where in the City of Toronto there has been an almost 40 percent increase in the cost of individual homes. Now this is a very sick situation, Mr. Speaker, and I know that when remedies are offered no matter what kind of a remedy is suggested people are concerned to have a look at them to see whether or not there is any practical relief available.

Now the relief that's suggested in this resolution is one that at first glance someone might be concerned to accept. But really, Mr. Speaker, when you evaluate all forms of taxation, real property taxation is not the worst of the lot. It is far and away from the worst. It is not the most regressive taxation, because after all -- (Interjection)-- The Honourable Member from Rhineland says "to some it is by far the largest". Well that may be a slight diversion for me but I don't mind considering his argument, Mr. Speaker, and I know that he's referring to those whose commercial livelihood involve the ownership of a large amount of land and specifically the farming community. And I certainly sympathize with the farming community's costs. First of all the costs of acquiring land for farming has increased and the taxation on land has increased as with everything else, as assessed value of property goes up then taxation goes up. If land values weren't increasing then the real property tax wouldn't be increasing. Now I know the honourable member, and I've heard him in conversation or in argument back and forth with my colleague, the Honourable Minister of Municipal Affairs, concerned with the high assessments of agricultural land in some parts of Manitoba. But assessments, Mr. Speaker, as I understand it do reflect the market value of land. Now if it doesn't then there's something wrong with the assessment.

As Minister responsible for the Land Acquisition Branch I'm aware of the fact that the assessors do look at every aspect, at every aspect of land valuation when they're concerned with making a proposal or an offer to a land owner on behalf of the taking authority. And one of the things they have to look at is what is the land assessed at because that very often is a very close evaluation from a percentage point of view of what the land is actually worth. We have equalized assessment in Manitoba and so far as I'm aware it has worked very well and does reflect market value. So that where we have complaints that people are paying high taxes it's probably -- part of the factor is -- of the taxation itself is the assessed value of the land. Now this government has taken very significant steps to shift the incidents of educational tax away from real property tax and onto ability-to-pay taxes, and I suggest to you, Mr. Speaker, and through you to the Honourable Member from Rhineland, that that kind of tax shift to a tax that reflects ability to pay is much fairer than land tax itself; but the kind of exemption that is proposed here if the proposal of the Honourable Member from Assiniboia, if it were to be accepted, it doesn't take into consideration ability to pay. Now I'm sure that the Honourable Member from River Heights and the Honourable Member from Wolseley and other honourable members -- I'm not particularly looking at the Honourable Member from Emerson but he may be one, certainly I think the Honourable Member from Rhineland may be in the position where the payment of their real property tax and the interest if they have a mortgage on their property, and that may not be, would be really no hardship because of the relatively high level of their income. But to small income earners or people on fixed incomes or pensions, the amount that they pay in real property tax and in interest on an encumbrance against their property, is a

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(MR. MACKLING cont'd) very significant feature and you know I really am sincerely concerned that we find ways in which to relieve that burden and that's why I welcome, I welcomed the change that we brought about in shifting educational tax away from real property. Because it isn't an across-the-board shift, and I want the Honourable Member from Rhineland and the Honourable Member from Assiniboia to reflect on that.

That tax shift is not equal. It's not -- every person who owns a home gets the same reduction in his real property tax. It is based on ability to pay. The first \$100.00, it is true, is a blanket across the board reduction for individual homeowners' taxation but beyond that the additional \$100.00 is on an ability-to-pay basis, and I suggest to him that that is the fairest way to shift taxation because surely we should recognize in society that those who are getting the maximum benefits from society ought to be prepared to proportionately pay back to society a qualitatively or quantitatively higher amount of taxation. Those who, as I say, get far greater benefits should exercise and should be called upon to face up to a larger measure of responsibility. And that surely is the essence of our tax rebate program. If we were to adopt the import of this resolution we would give everyone, whether his taxes be on a home that is assessed at \$200,000 or \$250,000 -- and we do have some homes in Manitoba that have values like this, and I don't want to deal with regions because I don't want to appear that I'm being discriminatory -- but for those people who want to build and own a fifty, a hundred or two hundred thousand dollar home, I say that's up to them, good luck to them, but I wouldn't be prepared, Mr. Speaker, to allow them to deduct the real property tax that they have on that kind of home from their income because they're going to be getting far too great a benefit from that. Why should we encourage people to build bigger and more affluent houses in Manitoba when so many of our people don't have adequate housing? That is a real problem in our province, Mr. Speaker, and if we are to accept the idea here we'd see a continuation of what went on all during the '50s.

The homebuilders quite rightly who are interested in making a profit, and you can't fault them, instead of building small very economical individual housing units, they would look for someone who wanted a bigger, more sophisticated housing unit; and why shouldn't they do that? There was a market for that kind of housing so they went out and built for it. What I do fault, Mr. Speaker, are national governments and provincial governments who just went blithely along with that system. They weren't gearing the production of housing to meet a chronic need at the low income level. And so we had a much more vigorous development of the higher priced housing. If we adopted this resolution not only would those people receive the most benefits but we'd again have a greater incentive for people to build bigger and bigger houses and tie up more of the national wealth through national housing mortgages, or whatever private institutions might wish to put money into the mortgage field, in fewer housing units.

And our concern, and surely the concern of all parties in this House and in this land, should be a facing up to the chronic need for sufficient individual housing units for people in this province; not fewer units, more sophisticated units on which people will be able to charge back against income their real property tax and the interest on their mortgage on that property. This resolution flies in the face of the best development, the urgent need for more individual housing units in society that are within the range of the vast percentage of the people of Manitoba to finance and to thus occupy.

But I want to turn to another aspect that the Honourable Member from Assiniboia and others who have spoken frankly haven't faced up to. We have an increasing number of people in our society who can't possibly afford to buy a home because of the high cost of individual housing. They just can't possibly expect that in the next ten years they're going to be able to buy a home and they live in apartments, and they live in apartments where they just don't have the same degree of privacy; they don't have the same amenities; there is much greater density, much greater congestion. But you know our society is changing with the tremendous costs of land, individual houses, more and more people are destined to live in apartment dwellings. And so we as a government have had to face up to the fact that we're going to have to build apartments for senior citizens and for public housing for people on fixed or low incomes. And what we have to do, Mr. Speaker, is insure that that kind of apartment construction, those kind of units are as attractive as we can; and we're going to have to face up to the fact that in order to have the kind of amenities in that kind of living, that we're going to have to spend much more money and take much more care in the planning and the development of that kind of facility. Now I don't know how many of the honourable members have frequented the Courts of St. James.

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(MR. MACKLING cont'd) Now that is not in my constituency, it's in the constituency of the Honourable Member from Sturgeon Creek, but . . .

A MEMBER: Shame.

MR. MACKLING: I don't think that's a shame at all. The Honourable Member from Lakeside says it's a shame. I think there are a lot of very nice people live in the Courts of St. James and the fact that they're represented by a Progressive Conservative Member of the Legislature is no shame. I think that, I think they'll have an opportunity to make a change you know some time in 1973, or perhaps early 1974, I don't know just when, but I don't think it will be a shame if they make a change either.

But I would like honourable members, I would like honourable members to reflect on the change that has come about in that area of our city with the kind of massive apartment development that has taken place there. And I'd like the honourable member, the Honourable Member from Assiniboia, whose constituency isn't too far distant, and who has within his constituency a large number of apartment dwellers, too, to reflect on the fact that not one of those people, not one of those people would get any advantage or benefit from the kind of adoption of a tax policy that he is recommending to this House. Rather it would be the people, the people who have the more sophisticated homes, and the Honourable Member from Assiniboia - I don't know, I've never been in his house, but I'm sure that he would agree that his house isn't the kind of low cost economical housing that we would want to see made available to everyone, and people in the income bracket of the Honourable Member from Assiniboia and others and myself - I fully equate with him. I think my house may be just as elaborate, more elaborate than his, I don't know - but this isn't the area of priority, Mr. Speaker. The area of priority is to provide more income, more income to those people in order that they can attain a higher category of decent housing accommodation. And this --(Interjection)-- I beg your pardon? --(Interjection)-- Well the Honourable Member for Rhineland you know speaks from his seat and says, "Tell that to my colleague, the Honourable Member from Agriculture." Well I want to assure the Honourable Member from Rhineland that as I understand it he has sat in this House for many years and it is only since this government came into office that there has been more programs developed to provide for greater benefits, greater amenities of the quality of life in the small towns and the farms in Manitoba, than he has seen in over a decade. And I talk about programs dealing with water and sewer developments, individual sewer and water programs for individual farms, and that, Mr. Speaker . . .

MR. FROESE: Mr. Speaker, when making the interjection I was referring to . . .

MR. SPEAKER: Order, please. Order, please. Interjections aren't allowed. The Honourable Attorney-General.

MR. MACKLING: Well, Mr. Speaker, I always enjoy the interjections of the Honourable Member from Rhineland regardless of whether they're in order or not because I find some amusement sometimes about his ideas, but on the other hand from time to time we have reached relative agreement on some points.

But I want to point out, I want to point out to the honourable member that the further development of senior citizens' housing in some of our rural communities, including Winkler and other places in Manitoba, comes about by the infusion of public spending in housing areas that are needed in Manitoba. And I suggest that the adoption of this resolution would have the effect of cutting back in the amount of taxation that is realized by the Federal Government and then the Provincial Governments and therefore cutting back on the kind of revenues that are available to senior governments for funding, for housing development that is a pressing need, not only in Manitoba but in all of Canada. The fact that one would seriously consider the acceptance of this resolution indicates to me that they really don't appreciate and understand equitable taxation, because as I indicated earlier, and I'll conclude on this point, Mr. Speaker, the real property tax is not the most regressive tax, the most regressive tax certainly of all is a premium tax, and this government has eliminated that kind of taxation because after all real property taxation does reflect the quality of life that the person can afford because it's he that buys the home, it's he that establishes the kind of home that he wants to have, and if he has a 25, 50 or 100,000 dollar home its assessment is reflected in that value and his taxes paid accordingly. For all of those reasons, Mr. Speaker, I urge that this resolution not be acceded to.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

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MR. PAWLEY: Mr. Speaker, I'd like to deal with some of the items raised by the Attorney-General and the Honourable Member for Assiniboia.

Insofar as the resolution itself is concerned the first "whereas" is I am sure a statement that we would all wholeheartedly agree with that there is urgent need for more and better housing in the province. This was very descriptively brought to my attention only this past Saturday when I took the opportunity to see a number of families on a small little street in a town not too far from here in which those that lived on the street were of very very low income. One well served every family on that street. One common well served eight to ten homes. This particular well had been spilling out rusty water for a period of years; the people on the street didn't know how to go about obtaining proper repair to this well by the authorities that were responsible for providing the common well. One of the homes that was on the street was inhabited by a man who had been working in a mill plant for about 20, 25 years. His health was rapidly failing because of pollution and fumes in the plant and his period of work would only last for a few remaining months before he would have to terminate his employment, his health was deteriorating such. Seven children, seven children in that particular family, and his earnings this past year were \$3,600 having been unemployed for about two or three months of the year. The individual in question who, I think we would all agree, is among that working poor that really is so much of the basis of this country, have contributed so much and yet have shared so little in return. This family of nine all told were jammed into premises which they were renting for \$65.00 a month; heating costs of \$40.00 a month on top of it, and electricity costs of 10 to 12 dollars a month, plus this problem of obtaining water from this common well which I described earlier. Certainly there when you see these type of vivid examples there can be no hesitation in saying that we do have in this province, as we do throughout all of Canada, some very damnable housing conditions that should want each and every one of us, despite and regardless of our political affiliations, to want to do what we can to bring those housing, terrible housing conditions to an end.

But let me say to the Honourable Member for Assiniboia that I can't create within myself great enthusiasm for this measure because the deductions from income tax, from mortgage interest, would not have helped that man that I described a little earlier. It would not have assisted him one bit. The Honourable Member for Thompson says, what are you doing now? And I'm disappointed in the Honourable Member for Thompson because I thought he was more fully aware of what this government has been doing by way of housing. We are providing a greatly increased policy of housing over and above anything that's ever been done in the history of this province, more --(Interjection)-- and let me tell the Honourable Member for Thompson specifically that there's been more senior citizens' housing built since 1969 by this government than in 99 years of former governments in the Province of Manitoba.

Secondly, there has been low rental accommodation built in excess of 35 to 40 communities in Manitoba, in which not one community had received low rental housing in rural Manitoba by the previous governments in this province . . .

MR. SPEAKER: Order please.

MR. PAWLEY: . . . received requests for decent housing in Manitoba prior to 1969. But I'm not going to permit the Honourable Member for Thompson to detract me because he knows better, I know he knows better, and he's --(Interjection)-- Yes. Gladly.

MR. SPEAKER: The Honourable Member for Thompson.

MR. JOSEPH P. BOROWSKI (Thompson): Mr. Speaker, I'm not trying to sidetrack him, I'm asking a simple question. What is he doing for this individual which is obviously in very serious condition, both in terms of wages and houses? What are you doing for him as a person?

MR. PAWLEY: The honourable member should know that we have been doing whatever we possibly can to relieve these types of conditions. We have offered to individuals like this, many individuals like this, a program of rental geared to income housing; we are now developing -- and I want to come to this, and I'll be answering the honourable member's question in considerable detail so that he will know a little later what we're trying to do for individuals like this. But I raise this example to indicate that our priorities must always be kept in mind and that is to serve those in the greatest need in our society; that there are thousands upon thousands, there's a high percentage of people in our community that require urgent need as far as their housing requirements are concerned.

In the year 1969, the year of the defeat of the then Weir government, the City of Winnipeg

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(MR. PAWLEY cont'd) was built excessively insofar as units were concerned, living units were concerned, for units that would cater to those in the eight thousand and over income bracket. In fact much of the problem that now exists are the many luxury apartment buildings that were built in that year, and in the year 1968 in the City of Winnipeg; in fact in the five, six year period prior to '69 only 1, 000 of the 28, 000 units of housing that were built in the Province of Manitoba could at all be described housing that would serve the needs of those in the low income group, 5, 000 and under, one in 28 housing units. Need there be any doubt as to where the priorities of the government of that day rested insofar as providing housing to the people of the Province of Manitoba. --(Interjection)--

The Honourable Member for Sturgeon Creek suggests "all wet". He obviously hasn't looked at the figures himself or taken any conscientious effort to examine those figures or he would know the facts. And I'm glad that the Honourable Member for Sturgeon Creek is defending the actions of his government prior to 1969 because it indicates that he would duplicate, he would duplicate if he had a chance the housing policies of the government prior to '69 in the Province of Manitoba, a "do nothing" policy.

So the Honourable Member for Assiniboia requests deductions of interest for mortgage payments. I can't get overly intense either for or against this particular proposition, except to say to the honourable member that the measures that this government is implementing are in fact making it more possible that those of low and middle income range receive decent housing. And I'm not stopping here and referring to rental geared to income housing, or senior citizens' housing, we're proceeding with, and I want to commend the Federal Government in this respect, to a program of assisted home ownership, a program by which the Federal and Provincial Governments together will contribute matching dollars towards minimizing mortgage payments with interest as low as 7 1/4, and terms as great as 40 years, extended as far as 40 years to assist those in the 5, 500, 6, 000 a year income bracket. This is where there is a great need. Too, as the programs that this government has embarked upon in respect to property tax rebate, tying in a person's income with the amount of taxes paid, should be another example of a more equitable type of policy than that which is described in the resolution before us, for the resolution before us would really result in those with the largest and most expensive homes receiving the greatest benefit under this type of program. Priorities would be given to them rather than to those in the greatest need. Thus a person that would be living in a home mortgaged to the hilt, and a very expensive home, and with a high income, would receive maximum benefit. . . . I suppose nothing to be too intense about that as long as you served all your other housing needs for those in the greatest need first. But we are so far from that day that we can at least look proudly at our brothers face to face, and say that we have remedied the housing problems of this province, that we can embark on a program such as this which places the wrong priorities towards housing in the province at the present time.

So I would like to simply indicate that this government has recognized more than any previous government the urgent need for better housing in Manitoba, and that we do recognize that home ownership is important and thus our desire, in fact our enthusiasm, for participating with the Federal Government's matching program. We are conscious however of inequities that exist within this resolution, which reverse the priorities, the priorities to combat those in the greatest need of better housing conditions, and we feel that our programs that we've embarked, the property tax program, school tax reduction plan, go much further in relieving the lot of those who are attempting to make payments towards home ownership than the program that is suggested here by the Honourable Member for Assiniboia.

MR. SPEAKER: The Honourable Member for Assiniboia shall be closing debate. The Honourable House Leader.

MR. GREEN: Mr. Speaker, I'd like to follow up some of the remarks that have been made by the honourable members. I'm hoping that either by 4 or 5:30 arrives, or if not by then by the time that this matter comes up again, that I will have an amendment drafted to the resolution that I hope will commend itself to the honourable members.

Now, Mr. Speaker, it appears that the Honourable Member for Assiniboia is really dealing with two subjects, and the first one is home ownership, and the second one is taxation. And with respect to home ownership, Mr. Speaker, I think that there is a need to consider this problem, or housing rather than home ownership, on its merits aside from the question of an equitable system of income tax. And I believe that in that regard that the Province of Manitoba

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(MR. GREEN cont d) through the Manitoba Housing and Renewal Corporation has provided a wider option of home ownership opportunity than existed in previous times, and I would have to say that the Honourable the Minister of Municipal Affairs is correct, that it is at least a much more intensive program than existed under the previous administration, and I really am surprised to hear a great deal of argument or see the pained expression on the Member for Sturgeon Creek's face when the Honourable Minister of Municipal Affairs makes this remark, because I think it was, and I don't see why there should be apology for it, a philosophical position on the part of the previous administration, that there was no desire, or at least a luke warm desire, to be involved in public housing. I think that the previous First Minister of this province, Mr. Weir, and I say this with respect to him, I don't say this in criticism of him, believed that Manitoba would be a better society to live in if the state did not involve itself in housing programs, if they left it to the individual to be the constructor of his own home. And, Mr. Speaker, I hope I'm not being unfair to Mr. Weir, and if members on the other side believe that I am wrong in saying so, I hope that they would rise and point that out on a matter of privilege, that Mr. Weir made the statement that he believes that the Manitoba citizens want to build their own homes, and that they don't want to be involved in public housing. And I don't look upon that as a statement over which I would be very critical in terms of the philosophical approach of the Conservative administration. I would think that it's one that they would be proud of, and therefore it surprises me to see the pained expression on the Honourable Member for Sturgeon Creek's face when the Minister of Municipal Affairs says that the previous administration did not involve itself in public housing, that as a matter of fact they were negative to public housing. --(Interjection)-- Yeah, it may be the other people's position, Mr. Speaker, and I don't know why somebody who took that position would want to shrink from it. I think that there is a legitimate philosophical difference, that one says that the way a person can most have the greatest freedom of action with regard to himself is for him to be the initiator or the builder of his own house, and I think that that is a legitimate position.

I think the other position which is held by members on this side of the House to a greater extent than members over there, is to say that as an individual my best opportunity of having the greatest freedom towards building homes for myself and for the rest of people in society is to have a vehicle in which the democratic process permits me to operate in such a way that Manitoba's housing needs will be accommodated.

Now there are two different approaches, and I think that one can choose one and wind up with the Honourable Member for Rhineland, the Honourable Member for Sturgeon Creek, the Honourable Member for Lakeside, as a person who believes essentially in conservatism. And one can take the other approach and say that as an individual my greatest freedom of expression, my greatest freedom of action, is being democratically involved in financing and building housing for myself and for other people in society. I think that that approach was alluded to by the Member for Lakeside when he was making his speech about the two positions, which I believe was one of the best speeches that he made in this House where he outlined the difference, and he believed that when the government is involved that somehow freedom of action has been taken away from the people; that every time the democratic process is used by the people to do something, he believes that it has been a denial of freedom.

I have in my lifetime been of the opposite view. I have known that when the public is involved through the democratic process that they have the greatest opportunity of exercising freedom of action, of gaining freedom. And I think that the Member for Lakeside put it most pessimistically in his speech on the budget, when the Member for Lakeside said that whatever government is coming in he knows that there's going to be a diminution of freedom, that it's getting worse and worse all the time. And I think that he described it that under a Conservative administration it will accelerate less than it will accelerate under a New Democratic Party administration. But his view was essentially pessimistic. His view was that the more the people as a whole -- (Interjection) -- Well let me carry it further and you'll stop saying that's right. That's right. The more the people use the democratic process to realize their aspirations, the more freedom is denied to the people. And his view was very pessimistic. He looked upon it, I'm sure, as George Orwell did with regard to 1984, although 1984 is almost here and gone, and the people on the world I believe are more free today than they were in the year, let us say 1000, and they will be more free in 1984 than they are in 1973, and they will be more free in 2084 than they were in 19 . . . --(Interjection)-- I'm sorry I'm not hearing my

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(MR. GREEN cont'd) honourable friend. --(Interjection)-- Well, yes, I was going to get to that. If I followed my honourable friend's reasoning to its conclusion, the caveman was most free. The caveman had no restraints; the caveman had no laws; there were no regulations, no statutes, no ordinances, no legislatures, no governments; he was completely free. Now I want my honourable friend to think, yes he was free from what he calls governmental control. He was a slave to many other things, he could not travel more than a mile from his abode because he didn't know whether he could get back there before the elements changed; he was a slave to the fact that he could not eat unless he first of all built himself the equipment to go out and hunt, and then was a slave perhaps for 18 hours a day to feed himself for one hour.

MR. SPEAKER: Order, please. I wonder if I could remind the honourable member to come back to the topic we are discussing. The interjections may have been interesting but it's not pertinent.

MR. GREEN: Mr. Speaker, with the greatest of respect we are permitted a certain amount of leeway in dealing with a subject. The subject matter that the honourable member for Assiniboia is presenting is that the way in which a person can get his home best of all is to own it by himself and have mortgage interest deducted from his income tax. And I say that that is basically an argument against the suggestion the Manitoba Housing, that public housing and the options that that provides to people, is not an acceptable form, because somehow, as the Leader of the Liberal Party put it, that the state being the landlord is somehow repugnant to him, that suddenly the public getting together through the democratic process and building homes for the public to live in. is repugnant to him whereas if he was able to get the money and build the houses and sell them to the Member for Lakeside, or other members, that is not repugnant. And I am therefore dealing with that general argument in talking to the Member for Lakeside, who is talking about freedom in those terms.

And I think that there are many people who believe that the absence of society is a guarantee of freedom because if there is no society, there are no restraints from what a person is able to do. Therefore there being no laws and no policemen, and a person can do anything for which he will not be accused of breaking the law, that that means freedom. And I think that that is the position that essentially the Member for Lakeside was taking because he said that the further we go, the more we lose our freedom. Mr. Speaker, I think that man by virtue of the social progress, and particularly the educational process that he has made, is a freer human being today than he was when he was a caveman. I believe, Mr. Speaker, that it is almost that freedom and knowledge are almost one and the same thing, that the more knowledge man acquires, the more free he becomes, and that the means of achieving that freedom are through the democratic process being used by the people to its fullest extent.

Now the Honourable Member for Lakeside says that is going to destroy his freedom, and I think then the other day he had some critical remarks to make of me, and I'll get back to the specifics of the resolution as soon as I've dealt with those remarks, because it was an indication that the honourable member misunderstood me. I said in Brandon that the struggle in the next election is going to take place between those who believe that the people can have the wisdom, have the capability, and have the competence, to govern their own affairs, and that that is the group which I am a part of.

And the other side who believe that the people are not competent, or capable of managing their affairs, who believe that this real competence rests in the hands of divinely inspired people that are essentially aristocrats and elitists, and that's the way I put it, and I made no criticism of those people, I want to make it quite clear that I do not criticize anybody who feels that they are going to make the best contribution. And the essential difference, and the honourable member says, was he referring to me as the aristocrat, the Member for Virden as the aristocrat, the Member for Roblin as the aristocrat - not at all. I recognize the Member for Lakeside, the Member for Roblin, the Member for Virden, as being men of the people, but they don't believe the people can govern; they believe that the people should not govern. They believe that the aristocrats should govern; they believe that those people who are the captains of industry, they believe that those people who they term rugged individualists, the great free enterprisers, that we should stay out of their way. That's what the Member for Sturgeon Creek, this is what the Member for Sturgeon Creek believes. If we only, if we the representatives of the people, if we the representatives of the people, just stayed out of the way of the Rod McIsaacs and the Jim McBrydes and the MacAulays, and the other people who have demonstrated a

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(MR. GREEN cont'd) competence and an ability to create wealth, if we stayed out of their way this would be a great society. Now that's what I meant.

I was not referring to the Member for Virden, the Member for Lakeside, and I think, Mr. Speaker, in all fairness that that is the argument. That the question is whether the democratic process can be used to advance the interests and the aspirations of the people in all of its social and economic parameters, whether we as representatives of the people are able to translate those aspirations into action, whether that can happen, or whether we must stay out of the way of the aristocrats and the elitists. And I make, Mr. Speaker, no apology for that statement, and I do not criticize anybody for having made a dollar; I've tried to make as many of them as I can, and I'm going to still try to make as many of them as I can. I don't criticize that at all.

On the other hand I have spent a good deal of my life trying to convince people that the taking of power by the people through their elected representatives will create more freedom not less freedom, and I really believe that that is the difference between my honourable friend and myself. Or to put it the way Tommy Douglas put it once at the national convention of the New Democratic Party when he was first elected, and I think this - I've never heard it better put. He said that somebody says that the public collectively can take the machinery of the state, can use that machinery for the purpose of creating the greatest production, and can also use that machinery to create the greatest distribution of goods to the people in an equitable fashion to all of them, and that we can all do this by a co-operative effort for ourselves. Whether we are going to do it that way or whether it's going to be every man for himself, as the elephant said when he danced among the chickens, that that is the real argument as between whether it's going to be that way or whether it's going to be every man for himself, as the elephant said when he danced among the chickens.

And I really think that that is the difference and the resolution that is proposed by the Honourable Member for Assiniboia is one of the many resolutions that is going to reflect the kind of differences which distinguish the various groups in society. I don't look upon that as a bad thing. As you know, Mr. Speaker, I've looked upon it always as a good thing; I look upon it now as a good thing; I've told the Opposition, I told them in 1970, coalesce, what are you waiting for - coalesce. If you coalesce, if we will coalesce, we will discuss the next election on the basis of issues. When the Leader of the Opposition said that in response to our guidelines the Conservatives will produce a guidelines and we will go to the people of Manitoba and we will give our ideas, and they will give their ideas, that to me, Mr. Speaker, would be the ultimate in the democratic process and I welcome it. I notice, Mr. Speaker, that it's 5:30

MR. SPEAKER: Order, please. The hour being 5:30, the House is now adjourned and stands adjourned until 2:30 tomorrow afternoon. (Thursday)