

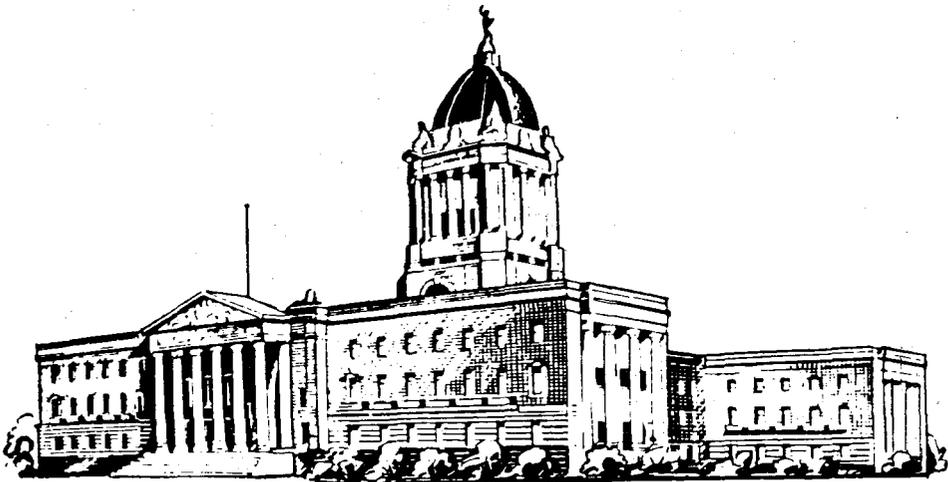


Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

Speaker

The Honourable Peter Fox



Vol. XXI No. 74 2:30 p.m., Monday, April 1st, 1974.

First Session, 30th Legislature.

Electoral Division	Name	Political Affiliation	Address	Postal Code
ARTHUR	J. Douglas Watt	P.C.	Reston, Man.	ROM 1X0
ASSINIBOIA	Steve Patrick	Lib.	10 Red Robin Pl., Winnipeg	R3J 3L8
BIRTLE-RUSSELL	Hárry E. Graham	P.C.	Binscarth, Man.	ROJ 0G0
BRANDON EAST	Hon. Leonard S. Evans	NDP	Legislative Bldg., Winnipeg	R3C 0V8
BRANDON WEST	Edward McGill	P.C.	2228 Princess Ave., Brandon	R7B 0H9
BURROWS	Hon. Ben Hanuschak	NDP	Legislative Bldg., Winnipeg	R3C 0V8
CHARLESWOOD	Arthur Moug	P.C.	29 Willow Ridge Rd., Winnipeg	R3R 1L5
CHURCHILL	Les Osland	NDP	66 Radisson Blvd., Churchill	ROB 0E0
CRESCENTWOOD	Harvey Patterson	NDP	978 Garwood Ave., Winnipeg	R3M 1N7
DAUPHIN	Hon. Peter Burtniak	NDP	Legislative Bldg., Winnipeg	R3C 0V8
ELMWOOD	Hon. Russell J. Doern	NDP	Legislative Bldg., Winnipeg	R3C 0V8
EMERSON	Steve Derewianchuk	NDP	Vita, Manitoba	ROA 2K0
FLIN FLON	Thomas Barrow	NDP	Cranberry Portage, Man.	ROB 0H0
FORT GARRY	L.R. (Bud) Sherman	P.C.	86 Niagara St., Winnipeg	R3N 0T9
FORT ROUGE	Lloyd Axworthy	Lib.	132 Osborne St. S., Winnipeg	R3L 1Y5
GIMLI	John C. Gottfried	NDP	44 - 3rd Ave., Gimli, Man.	R0C 1B0
GLADSTONE	James R. Ferguson	P.C.	Gladstone, Man.	ROJ 0T0
INKSTER	Hon. Sidney Green, Q.C.	NDP	Legislative Bldg., Winnipeg	R3C 0V8
KILDONAN	Hon. Peter Fox	NDP	Legislative Bldg., Winnipeg	R3C 0V8
LAC DU BONNET	Hon. Sam Uskiw	NDP	Legislative Bldg., Winnipeg	R3C 0V8
LAKESIDE	Harry J. Enns	P.C.	Woodlands, Man.	R0C 3H0
LA VERENDRYE	Bob Banman	P.C.	Steinbach, Man.	ROA 2A0
LOGAN	William Jenkins	NDP	1294 Erin St., Winnipeg	R3E 2S6
MINNEDOSA	David Blake	P.C.	Minnedosa, Man.	ROJ 1E0
MORRIS	Warner H. Jorgenson	P.C.	Morris, Man.	ROG 1K0
OSBORNE	Hon. Ian Turnbull	NDP	Legislative Bldg., Winnipeg	R3C 0V8
PEMBINA	George Henderson	P.C.	Manitou, Man.	ROG 1G0
POINT DOUGLAS	Donald Malinowski	NDP	23 Coralberry Ave., Winnipeg	R2V 2P2
PORTAGE LA PRAIRIE	Gordon E. Johnston	Lib.	135 - 16th St. S.W., Portage la Prairie, Man.	R1N 2W5
RADISSON	Harry Shafransky	NDP	4 Maplehurst Rd., Winnipeg	R2J 1W8
RHINELAND	Arnold Brown	P.C.	Winkler, Man.	ROG 2X0
RIEL	Donald W. Craik	P.C.	3 River Lane, Winnipeg	R2M 3Y8
RIVER HEIGHTS	Sidney Spivak, Q.C.	P.C.	Legislative Bldg., Winnipeg	R3C 0V8
ROBLIN	J. Wally McKenzie	P.C.	Inglis, Man.	ROJ 0X0
ROCK LAKE	Henry J. Einarson	P.C.	Glenboro, Man.	R0K 0X0
ROSSMERE	Hon. Ed. Schreyer	NDP	Legislative Bldg., Winnipeg	R3C 0V8
RUPERTSLAND	Harvey Bostrom	NDP	Manigotagan, Manitoba	ROE 1E0
ST. BONIFACE	J. Paul Marion	Lib.	394 Gaboury Place, Winnipeg	R2H 0L4
ST. GEORGE	Hon. Bill Uruski	NDP	10th flr., 330 Portage Ave., Wpg.	R3C 0C4
ST. JAMES	George Minaker	P.C.	318 Ronald St., Winnipeg	R3J 3J8
ST. JOHNS	Hon. Saul Cherniack, Q.C.	NDP	Legislative Bldg., Winnipeg	R3C 0V8
ST. MATTHEWS	Wally Johannson	NDP	418 Home St., Winnipeg	R3G 1X4
ST. VITAL	D.J. Walding	NDP	26 Hemlock Place, Winnipeg	R2H 1L7
STE. ROSE	A.R. (Pete) Adam	NDP	Ste. Rose du Lac, Man.	R0L 1S0
SELKIRK	Hon. Howard Pawley	NDP	Legislative Bldg., Winnipeg	R3C 0V8
SEVEN OAKS	Hon. Saul A. Miller	NDP	Legislative Bldg., Winnipeg	R3C 0V8
SOURIS KILLARNEY	Earl McKellar	P.C.	Nesbitt, Man.	R0K 1P0
SPRINGFIELD	Hon. Rene E. Toupin	NDP	Legislative Bldg., Winnipeg	R3C 0V8
STURGEON CREEK	J. Frank Johnston	P.C.	310 Overdale St., Winnipeg	R3J 2G3
SWAN RIVER	James H. Bilton	P.C.	Swan River, Man.	R0L 1Z0
THE PAS	Hon. Ron McBryde	NDP	Legislative Bldg., Winnipeg	R3C 0V8
THOMPSON	Ken Dillen	NDP	1171 Westwood Dr., Thompson	R8N 0G8
TRANSCONA	Hon. Russell Paulley	NDP	Legislative Bldg., Winnipeg	R3C 0V8
VIRDEN	Morris McGregor	P.C.	Kenton, Man.	ROM 0Z0
WELLINGTON	Philip M. Petursson	NDP	681 Banning St., Winnipeg	R3G 2G3
WINNIPEG CENTRE	J.R. (Bud) Boyce	NDP	777 Winnipeg Ave., Winnipeg	R3E 0R5
WOLSELEY	I.H. Asper	Lib.	Legislative Bldg., Winnipeg	R3C 0V8

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 p.m., Monday, April 1, 1974

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 17 students of Grades 1 to 5 standing of the Karpaty School of Gypsumville. These students are under the direction of Mrs. Ruth Zahorodny. This school is located in the constituency of the Honourable Member for St. George, the Minister responsible for the Manitoba Public Insurance Corporation.

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

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports.

TABLING OF REPORTS

MR. SPEAKER: The Honourable Attorney-General.

HON. HOWARD PAWLEY (Attorney-General)(Selkirk): Mr. Speaker, I would like to table the 1973 proceedings of the 55th Annual Meeting of the Conference of Commissioners on Uniformity of Legislation of Canada, held in Victoria, B. C. August 20-24th, 1973.

MR. SPEAKER: The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education)(Burrows): Mr. Speaker, I wish to table the Annual Report of the Department of Colleges and Universities Affairs for the fiscal years 1972-73 and 1973-74.

MR. SPEAKER: Any other statements or tabling of reports? Notices of Motion. The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): Oh. I'm ahead of time.

MR. SPEAKER: Okay. Notices of Motion. Introduction of Bills.

INTRODUCTION OF BILLS

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona) introduced Bill No. 44, an Act to amend the Workmen's Compensation Act. (Recommended by the Lieutenant-Governor)

ORAL QUESTIONS

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

HON. SIDNEY SPIVAK, Q.C. (Leader of the Official Opposition) (River Heights): Mr. Speaker, my question is to the First Minister. The First Minister has been quoted as stating that there's no involvement of my office in the matter of the R & M Construction. I wonder if he can confirm that his office has been involved with the Communities Economic Development Fund and its loans.

HON. EDWARD SCHREYER (Premier)(Rossmere): Not in any individual case application, Mr. Speaker, other than to pass on enquiries or letters that may have been directed to my office but not involved in any other way with respect to specific loan applications.

MR. SPIVAK: I wonder if the First Minister is in a position to confirm that he has received a letter dated March 16th from Mr. Kip Thompson, complaining of interference of Mr. Herb Schulz's brother-in-law in the private business of people and more particularly, a loan from the Communities Economic Development Fund.

MR. SCHREYER: Well, Mr. Speaker, I believe that the wife of the person named did ask to see me about two weeks ago - I believe it's two weeks ago - in connection with feeling on their part that they were not being dealt with fairly. So I met with the lady and indicated that of course we would want to deal fairly and I would enquire as to whether there was any basis for her to have any other impression. And that's where the matter rests.

MR. SPIVAK: Will the First Minister confirm that that meeting took place after the alleged interference by Mr. Herb Schulz with the loan?

MR. SCHREYER: Well, Mr. Speaker, it may well be that there was some letter directed to Mr. Schulz making allegations of one kind or another, or the letter may even have been addressed to me, in which case it would have been referred to some one in my office, to Mr. Schulz or Dr. Blauer and that they would have proceeded to make enquiries or to check it out or to refer it to the Communities Economic Development Fund.

MR. SPIVAK: Mr. Speaker, another question to the First Minister dealing with this

ORAL QUESTIONS

(MR. SPIVAK cont'd):. . . . question, his statement that "there's no involvement of my office in the matter of R & M Construction." I wonder if he can indicate at what time the information first came to his office regarding R & M Construction.

MR. SCHREYER: I've no idea, Mr. Speaker. I'd have to check files to see if in fact there ever was any communication relayed to my office; whether it came to my attention or was dealt with by someone in my office and referred to the CDF. Offhand, I've no recollection whatsoever in that respect.

MR. SPIVAK: I wonder if the Minister can confirm that the government report on R & M Construction was given to Mr. Herb Schulz, the Premier's Executive Assistant in December of 1973.

MR. SCHREYER: Mr. Speaker, I'd have to check that. Certainly it was something which was not brought forward to me. I have no recollection of that whatsoever. And in all of these connections, Mr. Speaker, I would say that there are, without exaggeration, hundreds of letters received in the office every day, some of them in connection - many of them in connection with one kind of case problem or complaint or another - that many of them are dealt with in a routine fashion, either by referral to the appropriate department agency, in this case the CDF; some of them dealt with by means of someone in my office speaking directly to someone in the department in order to pursue the matter, to ascertain the facts and so on.

MR. SPIVAK: A supplementary. So, the First Minister's in a position to confirm that it's quite possible . . .

MR. SPEAKER: Question please.

MR. SPIVAK: . . . even without his knowledge, his office could have been involved with the matter of R & M Construction.

MR. SCHREYER: Well, Mr. Speaker, it is quite possible, in fact it is extremely likely. I was referring, Mr. Speaker, to my personal incumbency. I don't know if my honourable friend is using the term "office" to refer to the entire staff that are associated with the Executive Council office, or whether he's referring to my office in my capacity as Premier. So my honourable friend has not made that clear even to this point.

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

MR. I. H. ASPER (Leader of the Liberal Party): Mr. Speaker, to the First Minister. I wonder if the First Minister would undertake to enquire as to whether or not Mr. Schulz and his office phoned - telephoned, not wrote - to the Manager of the Communities Economic Development Fund to enquire on what basis the loan was made to Mr. Thompson's company - I think it's Ilford Construction.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, if he received any complaint, I would assume that upon receipt of same he would have made enquiries in the routine way, and I would be very annoyed if he had not tried to ascertain whether there was any substance to the complaints or allegations or whatever. In the meantime, I assured the lady that I referred to earlier, and I assure anyone making application, that the application will be dealt with on its merits by those who are on the board of the respective agency or, in the case of a department, of their respective public servants.

MR. ASPER: Mr. Speaker, I have a question for the Minister of Finance. Will he be presenting to the House this session any measures, specific direct measures, to reduce the impact on Manitobans of the gas price hike, particularly in view of the announcement by Saskatchewan that it intends to reduce the tax by approximately seven cents per gallon?

MR. SPEAKER: The Honourable Minister of Finance.

HON. SAUL CHERNIACK, Q.C. (Minister of Finance)(St. John's): Mr. Speaker, I don't know how the honourable member can compare Saskatchewan's position with Manitoba's or any other province other than Alberta, but in any event it remains for him to see in due course what program is considered by this government.

MR. ASPER: Would the Minister at least inform the House, if he knows, and tell us how much more per gallon Manitobans will be paying for gas, how much more than the residents of Saskatchewan?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, I would like to take this opportunity to indicate to the Honourable the Leader of the Liberal Party that the position that we are in is as follows:

ORAL QUESTIONS

(MR. SCHREYER cont'd). . . That Manitoba, unlike Saskatchewan and Alberta, has a relatively small amount of oil production. The increase in oil prices that was announced last week in Ottawa will result in approximately - approximately - \$900 million of additional revenues in the Province of Alberta to the province, and roughly something in the order of 180 million, 200 million in the Province of Saskatchewan, and about 12 million to 12-1/2 million here in Manitoba. At this point in time there are still some specific additional pieces of information and details that we have to obtain with respect to what will likely be the ultimate price at the pumps, if you like, or at the retail outlets, and when we have obtained that information, at the same time we have to bear in mind that the provincial Motive Fuel Tax, which was always a couple of cents lower in Manitoba than in Saskatchewan, will now be something in the order of four or five cents higher if no adjustments are made. I can only assure my honourable friend that we did not ask for nor do we desire any additional revenues from oil in the way in which it's going to come about, and all of that revenue will be applied to cushion the impact on citizens of this province. The precise mechanism is one that we have not yet been able to ascertain but it will be applied, not to go into general revenues to the province, but will be applied to some cushioning of impact to Manitoba citizens. By one means or another, it may not be related precisely to oil, it may be related to some other mechanism, but it will all be conveyed by a special measure which we hope to introduce to this House at some future date.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I'd like to direct a question on the same topic to the First Minister. Can he indicate in reasonably close terms what a reduction of seven cents a gallon would cost for Manitoba to undertake? And secondly, could he indicate what additional revenues would accrue to Manitoba if the price of oil for Manitoba production is raised to the same level as Alberta and Saskatchewan?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: I didn't . . .

MR. SPEAKER: The last part is hypothetical.

MR. SCHREYER: Yes. Well I was referring to the last part of the question, Mr. Speaker.

With respect to the first part of the question, I could only indicate in a very approximate way that seven cents on motive fuel tax would amount to something in the order of \$20 million, I should think, approximately.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Well, Mr. Speaker, then I wonder if the First Minister could indicate -- in his earlier reply I believe he indicated that the cost of the move by Alberta and Saskatchewan would cost Manitoba about twelve and a half million dollars, and could he indicate what it would cost to offset the cost that will be imposed on Manitoba?

MR. SCHREYER: Mr. Speaker, I did not indicate that the cost of the reduction in the motive fuel tax in Saskatchewan and Alberta was any particular amount. I indicated what their additional revenues will be as a result of the increase in oil prices. I indicated that Manitoba's unasked for increment in revenue - if all that revenue is to be absorbed - will be in the order of 12 to 12-1/2 million dollars. The cost to Saskatchewan of their announced reduction in the motive fuel tax of seven cents, diesel fuel reduction of five cents, is a figure which I did not give my honourable friend. I don't have that aggregate figure although an approximation is quite easily possible on that as well.

MR. CRAIK: Well, Mr. Speaker, I think my question was probably misinterpreted. I think I did interpret the First Minister correctly, and just for the record the statement is that the decisions being made in Alberta and Saskatchewan are going to impose on Manitoba an additional revenue requirement from the taxpayers of 12-1/2 million dollars, having nothing to do with what Saskatchewan is rebating to their farmers, it's simply . . .

MR. SPEAKER: Order please. The honourable member is debating the question.

MR. CRAIK: Well, Mr. Speaker, then let me ask again. Based on the Annual Report of the Minister of Mines and Natural Resources' Department, the indications are here that '72-73 brought in \$400 million in oil revenue. If we raise the price, the royalty rate to the level of Alberta, and Saskatchewan, what does that do? That is the question and I don't believe it's hypothetical.

MR. SCHREYER: Mr. Speaker, the figure of \$400 million certainly is a figure that does not relate to Manitoba.

ORAL QUESTIONS

SOME MEMBERS: 400 thousand.

MR. SCHREYER: Four hundred thousand. Four hundred thousand. Well then, Mr. Speaker . . .

A MEMBER: What's a few million?

MR. SCHREYER: Four hundred thousand would be approximately the figure that one would associate with the Province of Manitoba's revenue intake from the royalties which were imposed on oil prices on the basis of past oil prices. But now, given the fact that there is an increase being allowed in Canada on domestic oil production, going from \$4.00 to \$6.50 a barrel, the greater part of that revenue will be captured by the respective Crowns in the provinces, and that brings us theoretically to a figure of 12-1/2 million dollars as being the amount of additional revenue which, in my reply to the Leader of the Liberal Party, I indicated would be passed on back to Manitoba citizens in its entirety. But the precise mechanism for doing so is yet to be announced here and hopefully will be done soon.

MR. CRAIK: Then my question is: To offset that 12-1/2 million dollars, if seven cents raises \$20 million, it would cost \$20 million, then the seven cents a gallon rebate that's being proposed in Saskatchewan, then they must be in excess of the additional revenues they're gaining from their oil by a considerable amount; and the question is; to what extent would a rebate be required per gallon to offset the 12-1/2 million dollars that's going to be imposed on Manitoba? Presumably it's less than seven cents but I assume that the Ministry has already calculated this.

MR. SCHREYER: Well, Mr. Speaker, I'm advised that my very quick estimate of 20 million is slightly high - it's in the order of 17 million. Therefore, everything calculates out relatively simply, Mr. Speaker, on the basis of the annual production of Manitoba oil, which is in the order of 5-1/2 million barrels a year, taking the increase in price that has been allowed in this country, that on that basis the increment in value of that oil is in the order of 12-1/2 million dollars, and that, we have indicated, will be made available to Manitobans by way of a cushion of the impact of increased costs that are directly or indirectly resulting because of the increase in price.

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

MR. J. PAUL MARION (St. Boniface): Mr. Speaker, I'd like to direct my question to the Honourable the Minister of Mines and Natural Resources. Will the Minister advise this House precisely what he meant when he said on Friday that the government intends to walk softly but wield a big stick with respect to its negotiations with Abitibi Paper of Pine Falls?

MR. SPEAKER: The Honourable Minister of Mines.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, the gentlemen from the media are here and I think that they will agree that the remark was made in the way in which it was taken entirely out of context. I was talking about the Garrison diversion and I said that somebody said to me, "Why don't you walk softly and carry a big stick?" And I said, "Because we don't have a big stick." Then somebody started talking about Abitibi and I said, "Our situation with Abitibi is entirely different. We have something to negotiate with. We have a big stick," meaning the forest. I did not indicate that there was going to be any undue or harsh negotiations with Abitibi. I was merely indicating that the situation was different, and it related to a previous remark.

Mr. Speaker, while I'm on my feet, I was asked by the Member for Sturgeon Creek with regards to the hiring of Gordon Trithart. I am advised, Mr. Speaker, that Mr. Trithart was hired first of all by the Manitoba Development Corporation. I have a copy of his application, Mr. Speaker, which went from himself to the Civil Service Commission, Province of Manitoba, Attention Mr. Merrill Newton. I am presuming that it went through the normal Civil Service procedure in view of the fact that people have made certain comments vis-a-vis references, Mr. Speaker. I'm going to try to deal with this in a way which I believe will commend itself to honourable members. If they want me to go further I will go further. There is a recommendation of a retired bank manager - I'll give the name if desired; another bank manager, the Bank of Montreal - I will give the name if requested; a medical doctor - I will give the name if requested; the President of a distribution company - I will give the name if requested - also I think that is a bad idea; one E. Schreyer, Premier, Province of Manitoba, Legislative Buildings, Winnipeg 1, Manitoba; and one L. R. Sherman, member of the Legislative Assembly, Province of Manitoba, 86 Niagara Street, Winnipeg 9, Province of Manitoba. I am not sure

ORAL QUESTIONS

(HON. SIDNEY GREEN cont'd) that references were contacted and I'm not sure what effect they would have on the Civic Service Commission, but the names that are of course of public knowledge are Mr. Schreyer and Mr. Sherman.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. MARION: Mr. Speaker, a supplementary to the Minister.

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

MR. MARION: Thank you. To the same Minister. Does the "big stick" then imply that the government will demand an equity position with Abitibi if the company does not yield to other specific government demands?

MR. SPEAKER: Order please. The question is hypothetical. The honourable member may rephrase it.

MR. MARION: Is the government at this stage - to the same Minister - is the government at this stage intransigent in its request for equity position?

MR. GREEN: Mr. Speaker, I indicated that the government is trying to negotiate a position with regard to Abitibi Pulp and Paper that will be for the advantage of the people of Manitoba and to the mutual interest of the Abitibi Pulp and Paper Company. When I was referring to a big stick, I tried to be humorous and did not apparently get through. I was referring to the fact that we are talking about forests and in the forest there are many big sticks, and I was saying that in contra-distinction to the previous situation where I said that, when I was asked why don't you walk softly and carry a big stick, that we did not have a big stick. With Abitibi we have many big sticks, they are the forest; and we are going to try to negotiate with them in a way which will be honourable to a corporate citizen of the Province of Manitoba, and also honourable from the point of view of the people of Manitoba who own the forest.

MR. MARION: A final supplementary to the same Minister. Can the Minister clarify for us what are the points in mitigation with Abitibi at this point?

MR. GREEN: Well, Mr. Speaker, I'm sure the honourable member perhaps used a word which I'm not aware of. I'm not aware of any litigation between the Province and Abitibi. I think that he's talking about negotiation; I have indicated to the House last year and this year, and the negotiations have extended over that period of time, that it is not in the interest of the public of Manitoba that its negotiating position vis-a-vis Abitibi be carried on in open in the Legislative Assembly. That is, the negotiating position of the public, which I believe is protected by not having it discussed in this Assembly.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Thank you, Mr. Speaker. I think we can understand the confusion of the Honourable Member from St. Boniface because, after all, there are many big sticks in the caucus of the gentlemen opposite. My question is to the Minister of Co-operative Development. Can the Minister confirm that a substantial reorganization of the department is now imminent, the Department of . . .

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture and Minister of Co-operative Development) (Lac du Bonnet): Mr. Speaker, the Honourable Member for Lakeside should know that the Department has been undergoing a process of reorganization for some months and hopefully, before we are through, it will be brought up to a standard which will allow it to provide far greater services, unlike the situation in the past.

While I'm on my feet, Mr. Speaker, I should like to use the opportunity to answer a couple of questions put to me with respect to the Department of Co-operative Development, mainly a question put to me by the Member for Minnedosa some time ago, as to the number of PEP trust accounts that were supervised by the officials of the Department, and the answer to that is 29; and that I should like to point out in addition, that the final supervision rests with the local co-operatives as to the project and the disposition of funds allocated for those projects.

The Member for Brandon West also wanted to know whether blank promissory notes signed by officials of fish co-operatives were put in the hands of departmental officials, and I should like to advise members opposite that that is a frequent event. Promissory notes are required by the Freshwater Fish Marketing Corporation to cover advances by that corporation direct to the co-operatives. Advances are used to provide general working capital and provide funds for ice harvest advances - yes that's right, and provide funds for ice harvest. Advances

ORAL QUESTIONS

(HON. SAMUEL USKIW cont'd) are repaid during course of operating season by a deduction from the fishing proceeds. From time to time, Development Officers carry promissory notes between the co-operatives and the Freshwater Fish Marketing Corporation as an expediency because of mailing problems. The notes are for advances to the agent made by the Freshwater Fish Marketing Corporation as working capital to be repaid out of proceeds of fishing operations.

The Directors as a rule sign the promissory notes but occasionally, where powers of attorney exist, or where special resolutions giving authority to the Development Officer for this purpose have been given and recorded, the Development Officers sign on behalf of the co-operative, this being an expediency measure.

The member also wanted to know the number of loans that were written off by the government or the Agricultural Credit Corporation with respect to fishermen or fishing co-operatives. The answer to that question is: to this date there have been no loans written off for any fishing co-operatives by the Agricultural Credit Corporation. Loans to fishermen are in no way a concern of co-operatives. Write-offs to fishermen since inception total \$671.00 due to an unfortunate drowning of one of the fishermen. That is the statistics to this point.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: A supplementary question, Mr. Speaker, to the same minister. Is the Minister now in a position to be able to answer an earlier question, as he was just doing, regarding the number of T4 slips that have not yet been sent out?

MR. USKIW: Well, Mr. Speaker, I don't know what the Member for Lakeside is alluding to.

MR. ENNS: Well, Mr. Speaker, the Minister can perhaps answer this further question then. Can the Minister confirm that officials of his department are now encouraging a number of the co-op boards to come out publicly against an independent investigation?

MR. USKIW: Mr. Speaker, I have no knowledge of that.

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

MR. ASPER: Mr. Speaker, my question is to the First Minister. Is it a correct interpretation of his answers earlier on the impact of gasoline price increases, that the Government of Manitoba, or the Province of Manitoba will pay approximately \$17-18 million more for gasoline, will have a \$12 million offset against that, and the net effect is approximately a cost to the public of \$6 million or \$7 million representing two cents a gallon or three cents a gallon?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: No, Mr. Speaker, the impact with respect to what it will cost Manitobans, or Canadian citizens anywhere, is simply to be calculated by multiplying \$2.50 per barrel times the barrelage, or the total amount of oil products that are consumed, and that figure is in excess certainly of any \$18 million my honourable friend referred to. It has an impact, I should think, more in the order of \$40 million, \$50 million, and Canada-wide it will have -- well from the so-called Borden line west in Ontario it will have an impact in the order of 450 million, I should think, but what I was referring to was that to the extent that Manitoba has some oil production, which is admittedly very modest, that the increment in value of that production will be passed back to Manitoba citizens completely by means of one mechanism or another, which has yet to be announced.

MR. ASPER: Mr. Speaker, to the same Minister. Then the effect -- would the Minister confirm, that effective, the announcement today, is that if the price rise to Manitobans is 8 cents or better the price reduction or the cost reduction through the distribution of the extra 12 million in revenue would be approximately 2 cents, equivalent to 2 cents, and the net effect of the price rise would be approximately 6 cents per gallon to the average gasoline consumer.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: I think, Mr. Speaker, that the figure of 2 cents imputed is on the low side. The amount, really, should come out to approximately a ratio of one to three, because Manitoba's production is about one third of its consumption, so that's the ratio you would use. So, Mr. Speaker, that would be the way in which one could arrive at the information my honourable friend is seeking, taking a ratio of approximately one to three, perhaps slightly in excess of that -- somewhere between one to three and one to four, put it that way -- but I want to make it clear that the means by which the approximately \$12 million will be passed on back to Manitoba citizens is something which we'll not be in a position to confirm with precise

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(MR. SCHREYER cont'd) detail for, oh, approximately two weeks or slightly more.

MR. ASPER: A final supplementary, Mr. Speaker. In view of the mathematics being either the First Minister's interpretation or mine, the people of Manitoba will be paying somewhere around five cents

MR. SPEAKER: Question please.

MR. ASPER: . . . more per gallon, does the First Minister have any intention of bringing any other proposal, such as the reduction of motor vehicle fuel tax, to reduce the impact on Manitoba citizens?

MR. SCHREYER: Well, Mr. Speaker, there are different mechanisms of achieving the same desired end, which is to use any revenue that was unanticipated and really unasked for, whatever that revenue is, to use it to provide a means of the citizen of Manitoba enjoying some protection or cushion against increased costs, and this will be done to as equal a degree as the increase in revenue to the province.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, my question is for the Honourable the Minister responsible for the Communities Economic Development Fund with reference to his reply last week as to when the Committee would be called again to continue the review of the Fund's activities. Is the Minister now in a position to give a precise date - next week I believe it was he intended?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, next Thursday. Thursday. Mr. Speaker, while I'm on - did the honourable member have a supplementary?

MR. MCGILL: Mr. Speaker, in support of the Minister's statement to the press on Friday, and I quote it: "Not in any way have I held back one iota of information with respect to this matter," meaning the R & M

MR. SPEAKER: Question please.

MR. MCGILL: My question is, Mr. Speaker, would the Minister be now prepared to support a request from the Committee to be empowered to call witnesses and to cross-examine witnesses at the committee meetings.

MR. GREEN: Mr. Speaker, I'm a member of the committee. I will certainly speak and vote against it.

MR. MCGILL: That is

MR. GREEN: Mr. Speaker, and I will have much to say on this matter, which I believe will commend itself to the Honourable Member for Brandon West, if not to his Leader, as to why I will be against it.

Mr. Speaker, I wonder if the House Leader of the Conservatives, if I can attract his attention - Mr. Speaker, apparently, and I don't wish there to be any misunderstanding, but apparently there was a question of some agreement having been arrived at relative to proceedings in the House that was referred to on Friday, and I'm going to try to indicate what I believe has occurred so that there is no misunderstanding - if there is afterward, I don't mind members referring to it and I have no criticism of any persons on either side of the House. I spoke to the Member for Morris on Wednesday at the Law Amendments Committee meeting, and I asked him, "Would you be prepared to facilitate the debate of Interim Supply?" And he said - and I quote: "No." And I have no criticism of that answer. He does not have to facilitate. I then saw the Member for Birtle-Russell that evening at a party and our discussion

MR. SPEAKER: Order please.

MR. GREEN: Our discussion, Mr. Speaker - and I'll leave out some of the colourful language - was to the effect that possibly if I spoke to the Member for Morris they would be agreeable to debating Interim Supply if we then extended the Budget Speech debate and I have left out what the Member for Birtle-Russell - who knows his colourful language - that I get paid from one side, that is my side, rather than from his side.

The next day I spoke to the Member for Morris and I indicated that I had discussed this matter with the Member for Birtle-Russell and asked him whether if we debated Interim Supply and then extended the Budget Speech debate whether that would be agreeable, and I indicated that we would want to know that Interim Supply was going to be able to proceed if that occurred,

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(MR. GREEN cont'd) that it wouldn't just be reserving some time. The Member for Morris then said, "I cannot make any commitments; I will speak to you tomorrow," and he did not speak to me the next day. I assume that he was not prepared to make that type of accommodation.

So I say this, Mr. Speaker, just to indicate that from my point of view I did not believe any agreement was reached, and from my point of view I also thought that the Member for Morris was going to speak to me the next day. I have, Mr. Speaker, no criticism of the position being taken on either side, I am merely indicating that is my understanding as to what occurred so that there be no misunderstanding amongst other members.

MR. SPEAKER: The Honourable Member for Morris on the same point of procedure.

MR. WARNER H. JORGENSON (Morris): Mr. Speaker, I feel that I should rise to make one small correction in what the Minister has related to the House up to the point where he said that I would speak to him the following day. What happened was that I indicated to him that I would have no objection but I would have to consult with the caucus to determine whether they would be prepared to proceed with it, and that I could advise him the following morning. I fully expected, Sir, that since the Minister is the House Leader, that he would contact my office to find out whether there was agreement. I received no such telephone call, and then coming into the House discovered that the matter had not even been raised with the Liberal Party and I felt that he had abandoned the idea simply because to get Interim Supply debated in the House would require unanimous consent, and it seemed rather strange to me that if you require unanimous consent that you don't consult with all of the parties of the House. However, we were prepared to deal with it that day had the Minister contacted us or even if he'd have called it at that particular time of the day when the order of business was called.

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

MR. GREEN: Mr. Speaker, just on a point of order, I'm speaking on a point of order, I know that the Minister of Labour doesn't like that but I'm speaking on a point of order. -- (Interjection) -- Well then he'll just have to live with the point of order like every other member. Mr. Speaker, the only point that I am making is that I wanted to make it clear to the House that I had not been in agreement on a certain course of action; the Member for Morris indicates that. I have no criticism either way. I did not approach the third party because I did not have agreement of the second, and it's useless to proceed with the third if there is no agreement of the major party in the House.

MR. SPEAKER: Order please. I believe it appears we have communication difficulty. Maybe if we provided walkie-talkies to the gentlemen they'd be able to get together. Question period. The Honourable Member for Brandon West, another supplementary? Order please. The Honourable Leader of the Liberal Party explain his point of order.

MR. ASPER: On the same point of order, Mr. Speaker. I would ask the Minister if he would take an opportunity to clarify what he said about the committee at the beginning before the party discussion came in. Would he indicate to the House or clarify what he said to the House about the committee meetings.

MR. SPEAKER: The Honourable Minister.

MR. GREEN: Mr. Speaker, I indicated that the Communities Economic Development Fund would meet on Thursday next commencing at 10:00 o'clock. This week we have Public Utilities Committee tomorrow, and Thursday Manitoba Development Corporation.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. MCGILL: Yes. Mr. Speaker, I did have a supplementary. It's been partially answered. I interpret the Minister's answer that it's Thursday, April 11th that he is talking about, and I also interpret his previous answer to indicate that he is not prepared to let the Committee call witnesses and cross-examine witnesses in order that there be not one

iota . . .

MR. SPEAKER: Order please.

MR. MCGILL: . . . of evidence that isn't provided . . .

MR. SPEAKER: Order please. Order please. I wonder if I could get the co-operation of members in respect to the question period. When they do have a question they should ask it, but if they have a debating point they would reserve it for the debating time. The Honourable Member for Birtle-Russell.

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MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. My question is for the First Minister. I would like to ask the First Minister if he can give this House assurance that no legislation will be brought forward which would prevent farmers from being able to purchase fuel in Saskatchewan if they live close enough to Saskatchewan, to take advantage of the approximate 25 percent price difference?

MR. SCHREYER: Well, Mr. Speaker, my honourable friend's question implies that there is a provincial tax being levied on farm fuel. That is not the case, so therefore the jurisdiction in which the farm fuel is purchased would not - that's to my understanding - would not be taken into cognizance under the law as it stands. I don't see that there is a problem in that respect. But the matter will be taken as notice.

MR. GRAHAM: A supplementary to the First Minister. Then farmers will be able to continue purchasing fuel in Saskatchewan as they have been able to do in the past if they so desired?

MR. SCHREYER: Well, Mr. Speaker, there is - I repeat - there is no provincial tax being levied on farm fuel, diesel and purple gasoline, and this is no doubt why it has been possible for them to purchase such fuel across a provincial border as my honourable friend indicates; and that being so, there wouldn't appear to be any problem in the future in the same circumstances.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: Mr. Speaker, I should like to direct my question to the First Minister and ask him if early in 1974 he had a meeting with Mr. Ferdinand Guiboche and Mr. Ben Thompson, a meeting at which Mr. Guiboche requested that Mr. Thompson be appointed as his Executive Assistant at a salary to be paid for by the taxpayers of Manitoba.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, I recall no such request but in any case that has not been done, so the matter is academic.

MR. JORGENSEN: Has it not been done as a result of representations being made by the Manitoba Metis Federation?

MR. SCHREYER: Well, Mr. Speaker, representations are made on a semi-annual basis so far as the Manitoba Metis Federation is concerned and a number of other organizations, but I have no recollection of such a specific request. Certainly that request, if one was made, would not have been acceded to in any case. The matter is academic on both counts.

MR. SPEAKER: The Honourable Member for Minnedosa. The Honourable Member for Morris have a supplementary?

MR. JORGENSEN: Was not the request first acceded to and then rescinded as a result of representations by the Metis Federation?

MR. SCHREYER: No, Mr. Speaker, on both counts. I have no recollection of such a request having been made and I've indicated that it would not have been possible to accede to the request in any case. All we have done, Sir, is to continue with the kind of grants such as have been in place for a few years now, to the organization as a whole. The organization makes its own internal decisions.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID BLAKE (Minnedosa): Thank you, Mr. Speaker, My question is to the Minister in charge of the Manitoba Public Insurance Corporation. I wonder if he could indicate to the House when he first received a copy of the Keil Report on R & M Construction of Wabowden?

HON. BILLIE URUSKI (Minister responsible for the Manitoba Public Insurance Corporation) (St. George): Mr. Speaker, I'll have to check that. I know I had a meeting, oh, approximately a month ago with a gentleman by the name of Keil who gave me some documents on St. Laurent, but I'm not sure whether it's the Keil Report or what he's referring to.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. BLAKE: Thank you, Mr. Speaker. I direct a question to the Honourable the Attorney-General. I wonder if the Minister could indicate when his Executive Assistant received a copy of the Keil Report?

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, my question is to the Minister of

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(MR. STEVE PATRICK (Assiniboia) cont'd). . . . Mines, Natural Resources and Environmental Management. I wonder if the Minister is doing anything to help combat the spread of Dutch Elm disease, both in terms of immediate action and long-term research in the City of Winnipeg.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, some years ago I had specific discussions with the Department as to what can be done to avoid Dutch Elm disease. At that time despite an indicated on-going sort of concern and direction to the problem, the response was very pessimistic. I noticed that very recently there have been some research developments in this connection and I'll have them looked into again.

MR. PATRICK: A supplementary. Will the province be providing the City of Winnipeg with any financial assistance to look into this problem and what financial assistance will the province be offering to the other municipalities as well?

MR. GREEN: Mr. Speaker, if there is indicated beneficial research to be done with regard to the problem it will be done by the province and therefore will be to the advantage of all of the municipalities in the Province of Manitoba which would be affected by the disease.

MR. SPEAKER: The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON (Gladstone): Thank you, Mr. Speaker. I'd like to direct my question to the Minister of Mines, Resources and Environmental Management, and ask would the Minister explain the circumstances under which affidavits are certified by Mr. Weinberg one in Winnipeg and one in Thompson, both on the same day?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, that would have to be found out from Mr. Weinberg. I could check with Mr. Weinberg. Mr. Speaker, I had no involvement in the preparation or dealing with the affidavits but I am sure that it was done quite properly.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Mines and Natural Resources. He referred to the application of Mr. Trithart earlier and with certain references. I wonder if he can indicate now whether any contact was made by the Civil Service with, or by the government, with Mr. Bud Sherman.

MR. SPEAKER: The Honourable Minister.

MR. GREEN: Mr. Speaker, I am prepared to do that vis-a-vis all of the names of personal references. I can advise the honourable member that on several occasions personal references have been given vis-a-vis myself and the Commission has never contacted me. I have also advised people who say that they are going to put my name down as a reference that they would be better advised not to, because it will be of no assistance to them. I cannot say whether any of the personal references were contacted.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: My question is to the First Minister. Can he confirm that a recommendation was given to the government and to the Civil Service with respect to Gordon Trithart?

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MR. SCHREYER: Mr. Speaker, this affords me an opportunity to deal with the matter on the basis of personal privilege, because I have taken note of an article on the front page of one of the newspapers of recent edition, either today or Saturday, in which it is intimated that I was personally responsible for Mr. Gordon Trithart's present position. My point of privilege is that this individual in question is a person who was known to me during high school days, and I might add is a person whom I saw so rarely that I could describe as having met perhaps four or five times over a span of about 15 years after high school, and that this individual has had some personal problems and that in attempting to rehabilitate he has received some support and references from persons such as bank managers, which have been referred to, such as myself, such as the Honourable Member for Fort Garry, and that subsequently, in seeking employment I did allow my name to be used. But I certainly disavow or reject categorically any suggestion that I used influence and I thought, Sir, I was acting only in the way that any decent person would act in the circumstance, and I believe that the Member from Fort Garry was acting likewise. Lest it be suggested that the individual in question is somehow a New Democrat and that this has any bearing on the matter, I would volunteer the information or

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(MR. SCHREYER cont'd). . . . impression that I rather suspect the individual in question is in fact not a New Democrat, wasn't some several years ago to the best of my recollection.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. R. (BUD) SHERMAN (Fort Garry): I rise on a matter of personal privilege on the same point, Mr. Speaker. I would agree with the Honourable the First Minister that I certainly never had the impression at any time that I had conversations with Mr. Trithart or his family, that he was a member of or a supporter of the New Democratic Party. Mr. Trithart was, and still may be, Sir, a constituent of mine, and at a time when he was having some personal difficulty I was contacted by him and by his family on frequent occasions and I tried to be of some help. I would say further that if he came to me today, or anybody in those circumstances came to me today, I would again try to be of help. But I must say, Sir, that unless my memory fails me completely - and I mean that sincerely - I never recommended Mr. Trithart on the basis of an inquiry from the Civil Service Commission or from the government. Now I say that unless my memory fails me completely - and I will certainly re-examine the whole record of consultations that I had with Mr. Trithart - but to my knowledge, Sir, I was never asked for and never gave a recommendation.

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MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSON: Mr. Speaker, I should like to direct my question to the Attorney-General and ask him at what stage the investigation into the Wabowden affair has reached.

MR. SPEAKER: Orders of the day. The Honourable Member for Riel.

MR. JORGENSON: Mr. Speaker, I believe that the Minister was about to give a reply to my question.

MR. SPEAKER: Orders of the Day.

MR. JORGENSON: Well, Mr. Speaker . . .

MR. SPEAKER: The Honourable Member for Morris.

MR. PAWLEY: Mr. Speaker . . . referring to the co-operatives matter that is presently under investigation.

If by a reference to Wabowden, he's referring to the CED matter, the Communities Economic Development matter, then I'm not certain that there's been any definitive proposal to refer it to investigation by the Attorney-General's Department.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSON: The First Minister indicated that the matter would be . . .

MR. SPEAKER: Question please.

MR. JORGENSON: . . . would be investigated and I'm asking the Minister if that investigation has been proceeded with by the Attorney-General.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I indicated that the matter pertaining to the allegations were being considered and reviewed and in the case of the Fish Co-op allegations at Southern Indian Lake that is under investigation, so it is confirmed. Insofar as the so-called Wabowden allegation, whatever those allegations be exactly, they are under - the allegations themselves are under consideration and review, because it is not clear, Sir, that there is anything there of substance to which to refer anybody on for investigation. That is still under consideration.

MR. SPEAKER: The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Thank you Mr. Speaker. My question is for the Minister of Health and Social Development. Can he confirm that a number of recipients of assistance from the Provincial Pensioners Program received assistance by using alias names?

MR. SPEAKER: The Honourable Minister of Health.

HON. SAUL A. MILLER (Minister of Health and Social Development) (Seven Oaks): Mr. Speaker, I have never heard of that.

MR. HENDERSON: Can he confirm that a Mr. Rodney Garrick also goes under the name of Mr. Settee?

MR. MILLER: Mr. Speaker, I have never heard of that one either.

MR. SPEAKER: The Honourable Member for Morris.

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MR. JORGENSEN: Mr. Speaker, I should like to redirect a question to the Attorney-General and ask him if his department has given any time to considering the possibility of prosecuting Mr. Allison?

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: No, there has been no consideration given in respect to the prosecution of any individuals, pertaining to the allegations that have been raised by the honourable members opposite in respect to the CED matter.

MR. JORGENSEN: I wonder if the Attorney-General could advise us if the same answer applies to the possibility of a law suit against the Leader of the Opposition?

MR. PAWLEY: Mr. Speaker, I would indicate that if there are proceedings involving the Leader of the Opposition, they will take place by a different form than one that involves this Legislature.

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

MR. MARION: Mr. Speaker, I would like to direct my question to the Honourable the Minister of Health and Social Development. Has the Minister now had an opportunity to study the letters of resignation from the medical staff and the administrator of the Leaf Rapids Community Health Clinic, and have the reviews proven that the charges were well founded?

MR. SPEAKER: The Honourable Minister of Health.

MR. MILLER: Mr. Speaker, the resignations were not made to me. The resignations were I believe to the Board of Leaf Rapids. As to the allegations made, I think in this House or outside the House, I've discussed with staff and with two members of the Board who were in Winnipeg, and I'm satisfied that the matter was handled as best they could handle it in view of the circumstances.

MR. MARION: Mr. Speaker, I'd like to follow that up with a supplementary, and I'd like to clarify my question. I was really referring to the political interference allegations, and I wonder if the Minister would be kind enough to table in this House a report, obtain a report from the Manitoba Health Services Commission and table it in this House with respect to those allegations.

MR. MILLER: Well, Mr. Speaker, I don't believe those allegations. I'm not sure how one can ever prove or disprove them. I believe the man who made them is no longer in Manitoba. I believe it was in a letter, which I have never seen because it wasn't addressed to me, but in any case I don't think there is anything to be gained by trying to stir up matters in this whole thing.

The Leaf Rapids Board is trying to establish a viable and proper health facility in Leaf Rapids and I think if we'd let them be and get off their backs, maybe they can succeed.

MR. MARION: A final supplementary to the same Minister, Mr. Speaker. Inasmuch as the Minister took care of the charges by the medical staff, I wonder if the Minister would obtain a report on the allegations made by Mr. Riordan, Dr. Riordan, with respect to the ensuing medical staff that was being hired and the conditions under which they were being employed.

MR. MILLER: Well, Mr. Speaker, I'm not quite sure what the member means. If he wants an answer I think he's got to be very specific, because these fishing expeditions are far too broad for me.

MR. SPEAKER: Order please. The honourable member has had six questions. I think it's time someone else had a chance. The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I direct a question to the Attorney-General. Can the Minister confirm that he has not asked the RCMP to participate in any of the aspects of the investigation into the northern co-ops?

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, if the honourable member will refer back to the earlier statements made in respect to the investigation he will be able to satisfy himself as to the . . . respect to the implementation of the investigation and the RCMP will be brought into the matter if there is good cause and reason that they ought to be, and at the present time the department is co-ordinating the investigation dealing with it on their own level as they would deal with any other complaints that are made to the department with respect to criminal behaviour, etc., and this matter will be handled in the same way as it would be handled for any other citizen in Manitoba.

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MR. CRAIK: Mr. Speaker, I would ask the Attorney-General then if the complaint of the Metis Federation is not adequate grounds for qualifying for him to ask the RCMP's involvement.

MR. PAWLEY: Mr. Speaker, I wish the honourable member would be more clear as to what complaints he's referring to, whether he's referring to the complaint by the Manitoba Metis Federation of this past Thursday or Friday, because his first statement was in reference to the northern co-operatives in his first question. I wish he would clarify which complaint he is referring to.

MR. CRAIK: Mr. Speaker, the specific was with regard to the northern co-ops included in the Metis Federation's complaint.

Mr. Speaker I would then ask a supplementary . . .

MR. PAWLEY: In respect to the complaint by the Manitoba Metis Federation in respect to northern co-ops, I do not recall, and I'm quite positive that I've received no correspondence from the Manitoba Metis Federation requesting any investigation into the affairs of the northern co-operatives.

MR. SPEAKER: The Honourable Leader state his point of privilege?

MR. SPIVAK: On a point of privilege of the House, and it may be because the Attorney-General can't recall, he made a public statement that I heard in which he made comment on that.

MR. PAWLEY: Mr. Speaker . . .

MR. SPEAKER: Order please. That is not a point of privilege. It's something outside of this House again. The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, on the point of privilege. I think I can explain the confusion that really exists across the way. The complaint by the Metis Federation relates to a different matter than one relating to the northern co-ops. The letter which was received in my office on Friday made allegations not pertaining to northern co-ops but pertaining to other affairs of the Metis Federation, and comments that I made were relating to the complaint by the Metis Federation of this past Thursday and Friday, relating to an entirely different matter.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Speaker, my question is to the Honourable the Attorney-General. Can the Minister confirm that the retiring President of the Manitoba Metis Federation last week asked the Attorney-General to direct the RCMP to undertake an investigation into the conduct of the Manitoba Metis Federation Regional Vice-Presidents?

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Yes, I gather that the President of the retiring President of the Metis Federation on his second last day in office, second last day I believe in office - I believe there is a new President-elect as of today - requested an investigation of the vice-presidents of the organization by the Royal Canadian Mounted Police.

MR. MCGILL: A supplementary question. Has the Attorney-General in his capacity a conflict of interests in respect of this request inasmuch as his own executive assistant would be one of those subject to investigation?

A MEMBER: That's what your game is eh?

MR. SPEAKER: Order please. Order please. Order please. Order please. Order please. Order please. I wonder if the honourable gentlemen--I wonder if all the honourable gentlemen who are so excited would --Order please--I would ask the pages to take a drink of water to everyone that's hot. The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Mr. Speaker, my question is addressed to the Minister of Co-operative Development. My question arises out of the Minister's announcement re an arrangement between his department and the Manitoba Credit Union Stabilization Fund. Is it the intent that within the three years the credit unions will be appointing their own auditors, or will their books be audited by the Minister's Department?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, the ultimate responsibility will still be on the department, as I understand is required by law. But we are asking them to undertake by agreement their own auditing on a regular basis, both the Caisse Populaire group and the credit union, or the CCSM.

MR. SPEAKER: The Honourable Member for Lakeside.

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MR. ENNS: Mr. Speaker, I direct a question to the Minister of Agriculture responsible for Co-ops. Can the Minister indicate on whose instructions the records of that department are now being sanitized against the possibility of an investigation.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKI W: Mr. Speaker, that kind of question is not worthy of an answer.

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

MR. GRAHAM: Thank you, Mr. Speaker. My question is for the Attorney-General. Can the Attorney-General confirm to the House that he has sent a letter to the Manitoba Human Rights Commission to disregard the requests of the Manitoba Metis Federation for an investigation?

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, I am unaware of any correspondence with the Human Rights Commission to begin with requesting an investigation in the Manitoba Metis Federation. Possibly honourable members across the way receive their mail earlier than I receive mine.

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

MR. ASPER: Mr. Speaker, my question is for the Minister of Health. Could he indicate to the House or advise the House how he can reach the -- or how he reached the conclusion that there was no substance to the allegations contained in the resignation of the four doctors in Leaf Rapids and the resident director if he hasn't even taken the time to interview them?

MR. SPEAKER: The Honourable Minister.

MR. MILLER: Mr. Speaker, I have indicated this not once but a number of times last week, and I think prior to that. The doctors withdrew their services from Leaf Rapids. This was known to the Lynn Lake Board. They knew that this was going to occur once they got a doctor full-time or working within Leaf Rapids who was not commuting in and out. This is what occurred, and that's all that occurred.

As to all these other allegations I think no service is being done to the Community of Leaf Rapids nor to the doctors involved nor to anyone else involved.

MR. ASPER: Mr. Speaker, is the Minister indicating to the House that in spite of allegations by the four doctors and the resident director that political interference was being exercised in the operation of the clinic, he intends to make no investigation of those allegations?

MR. MILLER: Mr. Speaker, I'm delighted to hear the Leader of the Liberal Party understands me. That is true, and the reason I'm not is this - it's very simple. The four doctors who were serving Leaf Rapids decided to withdraw their services. That is their privilege and that is their right. Tomorrow they could come back in. They can open up a clinic privately if they wish to -- no one is going to disturb them, no one is going to stop them. That again is their right and their privilege. If they choose to do so, they may, and that I don't know, neither does the Board of Leaf Rapids. But it has always been known that the Leaf Rapids Board and the clinic would have a permanent doctor living within the community. I don't think anyone quarrels with that concept, including the Lynn Lake doctors. That's where it stands, and that's where I hope the thing will end because what this community needs is services; they are now getting them, and they're now getting them on the basis of someone who is in the community 24 hours a day and doesn't fly in five days a week or three days a week as it was, and it's very difficult to service a community from 80 miles away. That's a distance and it's understandable that the community would want someone living in Leaf Rapids rather than have to depend on somebody outside.

MR. ASPER: Mr. Speaker, in the hope of clarifying my question I'll ask the Minister this. Quite apart from the issue of resigning and whether they withdrew their services or not. . .

MR. SPEAKER: Question please.

MR. ASPER: Yes, Mr. Speaker. I'm trying to give the Minister a question which he will answer. Is the Minister totally unconcerned with the - not withdrawal of services but the charges of political tampering in Leaf Rapids?

MR. MILLER: Mr. Speaker, I answered that the other day. Maybe the member wasn't here. I'm not only not concerned, I don't believe it. I said it; it was quoted in the press, and had he read the press he would have known that. I do not believe that in fact there was a political reason behind this entire matter of Leaf Rapids. There is not. The fact is these doctors withdrew their services because a man came into Leaf Rapids on a permanent basis and another one will be coming in May 15th.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, earlier in the afternoon I was asked about affidavits being sworn on the same day in Thompson and Winnipeg, and since it involves a member of the legal profession I got the answer immediately and I'd like to put it on the table immediately so that there is no delay.

Apparently at one time it was thought that the affidavits were going to be sworn in different places. They were subsequently sworn in Winnipeg by both persons that were swearing them and if there was a mistake it was an error in indicating the place of the taking of the affidavit.

MR. SPEAKER: The Honourable Member for Viriden.

MR. McGREGOR: Mr. Speaker, I'd like to direct this to the First Minister. Have the CORE Funds to the Manitoba Metis Federation been increased from 60,000 to 120,000 this year, and if so, for what reason?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well Mr. Speaker, they have not been increased. They have been held on a constant basis for several years and I believe that if there is an increase at all it would be in the order of 10,000, something in the order of 10,000 or 15,000 not 60,000. It would be more in line with normal incremental increases.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question's to the Attorney-General. I wonder if he can indicate to the House why, after Mr. Allison's affidavits were tabled in this House, he spent his time not investigating the allegations but he and his executive assistants spent their time determining what criminal prosecutions could be brought against Mr. Allison.

MR. SPEAKER: The Honourable House Leader.

POINT OF PRIVILEGE

MR. GREEN: Mr. Speaker, on a point of privilege. I want, Mr. Speaker, to know that the Communities Economic Development Fund Chairman told me that because of the allegations in the affidavit he felt that there should be a prosecution for perjury. I told him that I would not want such a thing to occur and that I did not want any investigation vis-a-vis perjury, because I feel, Mr. Speaker, and I've seen it occur, that a man swears an affidavit containing incorrect statements which have nothing to do with perjury. The question of perjury and prosecutions for perjury came up by the Leader of the Opposition.

MR. SPIVAK: On the point of privilege. I don't know in what - other than on a point of order or a point of privilege that the honourable member has been able to make that statement, but I must suggest, Mr. Speaker, that his statement would sound irresponsible, because what he suggested when perjury was alleged, or deemed to be alleged by others, he suggests that that would be an irresponsible statement . . . But, Mr. Speaker, my question - and I'm on the point of privilege, Mr. Speaker - is why the Attorney-General when the affidavits were filed was more concerned about criminal prosecutions against Mr. Allison than investigating the matter?

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Usually one can - I find that one is able to retain one's feelings, but at this point one just can not because I am absolutely unaware of what the honourable member is suggesting, and his allegations that I've been involved with, considerations re criminal proceedings against Mr. Allison, is muckraking. (Applause)

MR. SPIVAK: I ask the Attorney-General to determine whether his executive assistants for ten days did not try to get information for the purpose of criminal prosecutions against Mr. Allison, rather than investigating this matter so that the truth will be known.

MR. SPEAKER: Order please. The actions of others who are not members of this House do not necessarily - are not necessarily part of the procedures of this House. The Honourable Leader of the Opposition have another question?

ORAL QUESTIONS Cont'd

MR. SPIVAK: Yes, I have another question dealing with the fishing co-ops. I wonder if the Attorney-General would confirm to the House that his investigation at the present time consists only of asking the department to answer specific questions and to compile material for review by his Deputy Attorney-General and himself?

MR. PAWLEY: Mr. Speaker, the review does not involve myself. It involves the

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(MR. PAWLEY cont'd) . . . deputy minister who is involved in co-ordinating the allegations that had been made; the material has been assembled, there'll be further interviews. I gather that there are other matters that are being obtained at the present time. I know that the honourable member would like some advance information as to some material being obtained, but I'm not in any position at this point to indicate that to him.

MR. SPIVAK: Yes. Can the Attorney-General confirm that the only manner in which this is being now investigated is simply a request for information from the very officials who should be investigated.

MR. PAWLEY: Well, Mr. Speaker, I'm not angry. I am saddened that we have a Leader of the Opposition that continues to persist in making allegations without foundation, allegations which are incorrect in every detail.

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

MR. ASPER: Mr. Speaker, my question is to the Minister of Health. It relates to the answers he gave a few moments ago relative to the Leaf Rapids' investigation. Would he indicate to the House since he has now on two occasions categorically asserted that he does not believe that the allegations that were made, would he indicate to the House how he arrived at the decision that he does not believe the allegations?

MR. SPEAKER: Order please. Order please. I cannot see that a question of that nature is relevant to the procedures of this House. I would like to ask all members that particular question in reverse, how do their minds operate, and would they help me make the procedures of this House to proceed a little more efficiently? The Honourable Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, on a point of order, I think it's quite correct to put a question to a Minister asking him how he arrived at, what steps he took to arrive at a statement he made, a fact; and Mr. Speaker, he may not answer . . .

MR. SPEAKER: Order please. That is not a point of order.

MR. ASPER: Mr. Speaker, I'll rephrase the question. Has he with his own eyes read the letters of resignation and considered with his own mind the allegations that were made?

MR. SPEAKER: The Honourable Minister of Health.

MR. MILLER: Mr. Speaker, it's a good thing I don't have to use the mind of the Liberal Leader of Manitoba. The reason I made the statement is because the position of a medical practitioner for the Leaf Rapids Health Centre is in no way related to his political views in any way, shape or form. What was required was someone who could practise medicine, who qualified to practise medicine; that's the only criteria that was required and I know that's the only criteria the Board sought.

MR. ASPER: Mr. Speaker, a supplementary. Will the Minister confirm that in reaching the conclusion, which he stated in the House, that he relied on the statements made to him by the Department of Health officials, the very officials whose conduct was under accusation in this affair?

MR. MILLER: Mr. Speaker, I relied on discussion I had with the Board of the Leaf Rapids Health Centre; I relied on the discussions I had with the members of staff, and I have as much reason to believe them - or perhaps more reason to believe them, than the Leader of the Liberal Opposition.

MR. ASPER: Mr. Speaker, my question's to the Minister of Co-operative Development. I wonder if he can confirm to the House that the Provincial Auditor is having great difficulty in being able to reconcile and audit the books of the Southern Indian Lake Co-op.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, not knowing the shape of the books of the South Indian Lake Co-operative, I have no way of knowing.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Yes, I wonder if the Attorney-General's in a position to inform this House whether any determination has been made by his department as to whether the books of the Southern Indian Lake Co-op are in any shape to be audited at the present time, and if so, has any other further investigation been taken by him?

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, we can advise the Honourable Leader of the Opposition that there will be no point asking for questions pertaining to an enquiry in piecemeal or bit by bit form. When there is a report to be made it will be reported in total, not bit by bit.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Speaker, my question's to the Honourable the First Minister. Can the Minister indicate to the House how many discussions he had, either in person or by telephone with Mr. Don McIvor respecting the political situation of the Thompson constituency during the months of April, May and June?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: I have no idea, Mr. Speaker - very few as I recall, and none having to do with political campaigning but having to do with, as I recall one instance, having to do with building, or the feasibility of building better transportation facility for the community of Cross Lake relating to Jenpeg.

MR. MCGILL: Mr. Speaker, to the same Minister a supplementary. Could he recall or tell the House how many conversations he had on the same subject during the same months with Mr. Ben Thompson?

MR. SCHREYER: Well, Mr. Speaker, the way in which that question is posed I believe I can answer in the negative. I didn't have any conversations in the spring of the year or in the summer of the year with Mr. Thompson with respect to political campaigning. Mr. Speaker, one of the problems is that in the course of a year and a month, I have literally hundreds and hundreds of conversations. I can't swear to every precise detail, but I can certainly advise my honourable friend in a general way that discussions that I have had had to do with those two individuals have been few and far between, and have had to do with general improvements in northern Manitoba's communities, different communities at different times, etc.

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

MR. CRAIK: Mr. Speaker, earlier in the question period, I quoted from a document, the Annual Report of Mines and Resources, and I would gather I inadvertently referred to oil royalties as being 400 million and I want to make the record clear that if I didn't say 400,000 I should have said 400,000.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Yes, Mr. Speaker, I wonder if we can now proceed to the . . .

MR. SPEAKER: Order please. I see two more members standing. The Honourable Member for Thompson.

MR. KEN DILLEN (Thompson): I have a question for the Attorney-General. Could he indicate to the House how many requests he receives for an investigation when an individual loses an election in an organization or otherwise in the course of the year?

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, this is - though the question was asked without notice, let me inform the House that this is the first time in my recollection that I have received a request for an enquiry or an investigation when a president of an organization has been defeated within that organization as its president.

MR. SPEAKER: The Honourable Member for Pembina.

MR. HENDERSON: My question is for the Minister of Agriculture. Can he give an explanation of the shortage of stock minerals in Manitoba?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Well, not having been given notice, Mr. Speaker, obviously I can't.

ORDERS OF THE DAY - BUDGET SPEECH DEBATE

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I wonder if we can now proceed to the Orders of the Day, Budget Speech Debate.

MR. SPEAKER: The Honourable Member for Rhineland. The honourable member has 27 minutes.

MR. ARNOLD BROWN (Rhineland): Thank you, Mr. Speaker. I assure you I won't need all that time. I had just about finished on Friday, and as you will recall I was reviewing a letter that had been sent to the Premier by the Manitoba Hospital organization, and I was reading from this paragraph: "Now under the circumstances, there is a growing feeling that health care providers are tended to be completely overlooked and ignored, while power struggles and unilateral and arbitrary decisions are taking place internally at various levels of the Department of Health and Social Development, the Commission, and the Health Education and Social Planning Secretariat. We cannot appreciate that health planning and project approval requires involvement of all these levels of government, with providers being bounced back and forth between them. The public being served by our members is the victim."

Mr. Speaker, it is the responsibility of the Minister of Health to pay attention to this urgent matter. Health providers must know their position so that they can give us the best possible health care at the least possible cost.

The Attorney-General Thursday night said that they were a government with guts. If this is the case, Mr. Speaker, then a demonstration in the Department of Health and Social Development is required.

In conclusion, Mr. Speaker, I would like to reiterate that the government will have to review their priorities. A much more realistic budget in the Department of Highways is required to assure rural Manitoba that the provincial road system will not further deteriorate. I would hope that the Department of Mines and Natural Resources would finance the diking of a portion of the Provincial Highway No. 30 to give some protection to the town of Gretna. A decision on this is needed soon and I hope that this department will co-operate fully with all the municipalities affected by flooding within the province. Thank you.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Thank you, Mr. Speaker. I think I've heard just about every person who spoke on the Budget Debate, and I want to thank them all on both sides of the House who have--(Interjection)--Mr. Speaker, it may be that the honourable member thinks I'm closing debate. I can't close debate, we're on an amendment, so I'm just speaking just as other members are and have.

There are many interesting points raised by honourable members. I think that some of them were worthy of consideration. Even some of the arguments presented by the Leader of the Opposition were of some interest. As a matter of fact, I was somewhat surprised, and pleasantly surprised, by some of his comments. It seems to me that five years ago he was somewhat different. He talked about growth and targets and drum beating and the TED Report, and he seems to have been listening for the last five years. He seems to have changed somewhat; he seems to have learned. As a matter of fact, we have found nine major points in his statement which I have no trouble in endorsing, and I think it's worthy to note the advance he has made in that respect.

First, he called for detailed development planning by the Provincial Government. I agree - and I wish it had taken place during his term in office. He criticized aggregate economic statistics and called for the development of qualitative social indicators. I not only agree, I said so when I spoke on behalf of my party in opposition on the Budget Debate a year or two prior to our coming to office.

Third, he called for a more humane social assistance system with greater benefits. I agree, and I believe we've been doing that.

Fourth, he called for a broad guaranteed income program for Manitoba, jointly financed by the Federal Government and the Province. I agree. I don't know if members of his own party agree.

Fifth, he endorsed one of the major principles in our Guidelines for the Seventies, that is a maximization of the general well-being.

Sixth, he agreed that the natural resources of Manitoba are the property of the citizens of this province, that it is the responsibility of the government to determine their rate of

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(MR. CHERNIACK cont'd) development and the amount of return they yield to the people of Manitoba. I agree with that.

Seventh, he expressed concern about the quality of life and the need for regard for human problems. I agree. We are working in that respect.

Eighth, he expressed general concern about the need to do more for the disadvantaged. I agree, and the record of this government indicates that we have been working in that direction as well.

And, most interesting of all, he indicated his worry about government jumping into bed with business, and I agree wholeheartedly with his concern. So apparently he is beginning to see the light, there seems to be a transformation taking place, but I don't think I can say the same for some, or I'd say most of his colleagues. I don't think that they want to listen: I don't think they want to learn to the extent that he has.

But I don't want to give the House the impression that I agree with all that the Leader of the Opposition thinks and says. He has a long way to go. And, of course, he is no doubt impeded and obstructed by his own perverted sense of the role he must play and by the ideas which he seems to grasp or to associate with members of his own party. It would appear to me that in the time since he has been in opposition, he and his party together have gone in a direction which has lowered their own level, which has lowered the dignity of this House, and which has lowered the dignity of politics in this province. By the malicious criticism that they have resorted to, by their efforts to embarrass the government, by maligning individual administrators, by attacking civil servants, by allying themselves with shabby, cheap kinds of politics, they have shown that they deserve nothing but contempt, and I believe that the public is beginning to show that contempt for them.

This afternoon's performance is an indication, not of a sincere effort to understand what it is that the government is planning to do, how it is going about it, but an effort to raise all sorts of differences between people and of lowering themselves in an effort to drag down others. He talks about what is going on in Leaf Rapids, stabbing at individuals; Wabowden, stabbing at individuals; co-ops, attacking individuals. And that is the level to which the Leader of the Opposition has come with members of his party.

I must say to the Member for Fort Garry, who was not here when I spoke more recently about him, he is beginning to stand out amongst the people who surround him as being a person that one can continue to respect. (Applause). And unfortunately, unfortunately I have to say that he is beginning to show up in that light. I'm sure that must make him unhappy. I'm sure he must realize that that is not so much a compliment to him but a derogation of the people who surround him and amongst whom he seems to find himself.

And so, Mr. Speaker, in spite of the depth into which the Conservative Party has lowered itself; in spite of the--today we had a new thing. We had suggestions, allusions to the association of the Executive Assistant to the Attorney-General, which further lowered the Conservative Party and, of course, all that associate with them. Nevertheless, Mr. Speaker, I would like to spend my time in dealing with the positive things that have been said, that deal with program, that deal with policy, and that deal with the Budget Speech and the portions of the speeches of the parties opposite which are worthwhile discussing rather than demeaning to them.

The Leader of the Conservative Party spoke about mismanagement of the Province's finances, charged us with a huge expenditure increase, which is an interesting statement and calculated to reinforce the opposition's continual posture of concern about big government and its so-called threat to individual freedom. The simple fact is that the cost of government is going up every year in Canada. It's going up in every province in Canada. Now I wonder how the Leader of the Opposition characterizes the Alberta Government budget for 1974. Alberta was a Conservative government which talks a lot about free enterprise. When they brought down their budget a few years ago, they increased their expenditures by a greater percentage, 21 percent, than we did at 19.7 percent, which includes our supplementary. And that was before they made any allowance for revenues from the new higher oil prices. So, would the Leader of the Opposition go to Premier Lougheed and say, "Peter, I know you are a good Conservative, but you've mismanaged the Alberta economy; the 21 percent increase of your 1974 budget is evidence of that." I doubt if he would even say anything now that Alberta has announced its plans to add almost another billion dollars to its budget through oil royalties. Is that mismanagement, or would the Leader of the Opposition feel that it should have been left

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(MR. CHERNIACK cont'd) in the private sector as additional profits to the oil companies? The Alberta government says it's taking these kinds of action to obtain more returns from their resources from the people of Alberta. So what if it expends the numbers in their budget? The main point is that this money will hopefully be used to provide direct public benefits; it will not go into the bank accounts of the oil corporations.

So, Mr. Speaker, unlike Alberta or Saskatchewan, Manitoba isn't going to get any oil revenue bonanza this year, but our revenues will grow, just as they grew when the former government was in office, as Ontario's revenues will grow, as Quebec's revenues will grow, as British Columbia's revenues will grow, and as the revenues into the Federal Government in Ottawa will grow. The Leader of the Opposition likes to give the impression that his party when in power was able to hold costs down to some special kind of management expertise and restraint. Well the fact is that his party didn't do very much in their last few years in office, nothing of programmatic significance, but the size of their budget continued to go up despite all the accounting manipulations he and his colleagues went through to try to hide what they were doing.

Mr. Speaker, the Leader of the Opposition accuses us of manipulating the figures, of not telling the truth about the financial position of the province. Well, I think that's an interesting comment from a party which, when it was in government, deliberately kept the budget down by pretending that Medicare premiums weren't taxes; by excluding the premiums from the budget. Just before they were thrown out of office, they went through another manipulation. They took shared cost receipts for the Hospital Insurance and Medicare programs out of the budget and put them into a special trust fund, thus reducing the apparent growth and its expenditure - and that they called good financial management; that they called restraint.

Here we find, if one looks at the Manitoba Hospital Services Commission expenditures in the budgets of the previous government, in 1967 the Conservative estimates show Hospital Commission spending at \$63.3 million for 1967 and 1968. The following year, 1968, the Conservative estimates show Hospital Commission spending at \$56.1 million. For 1968-69, one looks in to see what happened, one finds not a reduction in cost - one would never expect to see that in the Hospital Services needs - one finds that the premium revenues had been eliminated in that year.

In the 1969 Conservative estimates, they showed a Hospital Commission spending for both 1968-69 and 1969-70, that the spending was down to \$21 million - simply because share cost receipts were deleted from the Budget, so they could say, "Well look, we've reduced expenditures." They didn't reduce expenditures; they didn't hide from the fact, when challenged, that they had not reduced expenditures. They said yes, we did a rearrangement in our budgeting - and I wouldn't say one was better than the other, as long as one isn't two-faced about it. And I believe that the Leader of the Opposition indeed has been two-faced in pretending that things are going up here in an uncontrolled way, mismanagement, whereas when he was a member of the Cabinet it clearly was a similar situation but with a change in the manner of presentation of the figures, unless it was a deliberately designed manipulation to hide one of the fastest growing programs that the government was trapped with, because they didn't want that; they were dragged into it, as we said, kicking and squealing as they were dragged in by the heels into the Medicare program.

And if we wanted, Mr. Speaker, we could cut dollar amounts of our estimates substantially. All we would have to do is to show our tax credits as a reduction in the income tax instead of an expenditure item. And that isn't so unthinkable, Mr. Speaker. As a matter of fact a Conservative government of Ontario did think of it, and in their estimates they don't show the tax credits as expenditures like we do, but they show it as a reduction in income tax receipts. You know, I wouldn't argue with that, because the fact is we don't get the income tax receipts and then pay out the tax credits. Ottawa pays out the tax credits and deducts them from what they send us, so that we in essence get the net rather than the total of the gross receipts and then pay out the difference. But that could be presented either way. We think the best way to present it is the correct way, and that is total revenues for which we are taxing as revenue total expenditures that we are using to reduce taxation in a selective manner as an expenditure.

I suppose if my purpose were to make the Leader of the Opposition happier - and I assure you, Mr. Speaker, it is not - but if it were, we could follow the Ontario accounting method,

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(MR. CHERNIACK cont'd) and if he and his colleagues pressed it, we might be prepared to do it so as to show them that we are, in their words, "managing our money better and therefore reducing the amount of expenditure." But we cannot reduce our budget by the amount of money we pay to the Health Services Commission, because there we are replacing a premium tax with general revenue, but if we could do it that way, there's \$60 million which have dropped down as being a reduction in revenue if we showed it the way the former government had done it. So I could go on, but I think the point has been made.

The Leader of the Opposition can't really find anything to grasp about the details of the Budget, so he grasped at something and talks about size. He forgets that a lot of our spending, about 20 percent of our spending, is in tax reductions, and a great deal more goes to replace spending that people had to try to do for themselves when his party was in power. When his party was in power, nursing homes were not insured; there was no Pharmacare program; there was very little being done in the way of public housing; there was no Day Care program; there was no ambulance service program; there was little for pensioners; in fact, there wasn't much of anything at all. But outside the government sector, low income people and average income people were paying huge amounts for essential services, and many still are, but we're trying to do something about it, and not with any help from the opposition. If the Leader of the Opposition sees our program as a threat to someone, I suppose in a way he's right. It's a threat to those who've been ripping off the ordinary Manitoban in the name of free enterprise.

Mr. Speaker, our government values free competition when it's truly, freely competitive. We've always said that and our actions prove it. When we have intervened it has been when the system of free competition has broken down and people have been subjected to profiteering and gouging. Public housing is an example, an area where we had to take action because of gouging. Drug prices are another; auto insurance was another; and we could cite more and more examples.

Mr. Speaker, the Leader of the Opposition continues to argue that because revenues grow from year to year, taxes are going up. He conveniently forgets that there is something called economic expansion and something else called a progressive tax system. Now when they interact, revenues generally do go up, under our government, under the former government as well, and under every government that this province has ever had. The same is true with every other government in Canada. The fact is that the Leader of the Opposition never mentions it, that our government has been able to freeze all major personal tax rates since 1970, aside from one increase in tobacco and liquor taxes. There was an income tax rate conversion in 1972, that as I think will be shown by the fact that we are getting income tax revenue guarantee payments from Ottawa, it is very clear that this adjustment which was intended to keep our effective rates at the same level as prior to that time, we've still ended up in a substantial revenue reduction.

So let's compare our government's record of no major increases in personal tax rates since 1970 with the former government's record of almost yearly tax increases. We could go back before the 1960s when hospital premiums were introduced, but let's start at 1962 as a matter of interest. So let's look at personal income tax rates. In 1962, Manitoba's rate was 22 percent of basic federal tax; in 1963, it went up to 23 percent; in 1964, it went to 24 percent; in 1965, it went to 26 percent; in 1966, it went to 29 percent; in 1967, it went to 33 percent. It doesn't sound like a broken record because the figures are different, but the record is still there, Mr. Speaker; it is an almost unbroken record of increases, year by year, during the administration of the Conservative government.

Now, Mr. Speaker, my friend opposite can argue that that was because the Federal Government was moving out of some of its income tax room as part of an abatement plan, and that's true. But at the same time, Manitoba's tax rate was maintained at a differential of five or six percentage points over the rate in most other provinces. So it could be argued, using the logic that the Member for River Heights likes to use, that the former government didn't really have to increase its tax as much as it did; other provinces didn't. The fact is, Mr. Speaker, from 1962 to its last year in office, Manitoba's personal income tax rate under the Conservative Party was the highest of any province in Canada, except for two years when it was the second highest. The Conservatives seem to forget that fact; and the Conservatives brought in a sales tax to augment their income in 1967.

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(MR. CHERNIACK cont'd)

Now, Mr. Speaker, our party believes that there's nothing particularly wrong with a higher than average personal income tax rate, if it means that we can maintain lower than average rates for regressive taxes. And that's something that the Conservatives forgot about completely. It appears that the former government shared this philosophy to a certain extent, but you'd never know it from some of the things they did and from some of the criticisms we hear now.

Let's look at some of the other examples of the tax restraints practised by the former government. In 1964, they introduced what they called The Revenue Act, which is a partial sales tax. They even tried to tax - may I say it? - heating fuel. They very quickly learned that their decision was not quite popular. And peculiarly enough, the Member for Riel doesn't recall or know that the Conservative government cancelled the heating fuel tax because they couldn't live with it, and it does not exist today. The honourable member seems to have some confusion in his mind about what is heating fuel. The utility tax that they imposed we have not removed, but the heating fuel tax that they imposed they removed in shame, running away from what they had done, with their tail between their legs.

In 1967 the Conservatives introduced the sales tax. In 1962, Mr. Speaker, the gas tax was 14 cents a gallon. In 1964 they raised it to 17 cents. In 1963 they imposed a tobacco tax. In 1964, one year later, they raised it. And in 1969 they imposed Medicare premium tax.

Now, Mr. Speaker, what about tax cuts? Where were they when it came to tax cuts? The only tax cut that I remember from the party now in opposition was something called the school tax rebate plan, where Mr. Roblin sent \$50.00 by a special envelope with a little note saying, "Here is a little benefit we are giving to you."

Mr. Speaker, they accuse us of hocus pocus and mismanagement and bad accounting and overtaxation, yet throughout their ten years or so in the Legislature I can only remember one Conservative tax cut, and that was the \$50.00 school tax rebate. Notice, a rebate. And it only lasted a couple of years for the vast number of school divisions in the province and then they introduced the present Foundation Program, a program which they now seem to be attacking, Mr. Speaker.

Mr. Speaker, the Leader of the Conservatives said, "We recognize and accept the intent of such measures as the abolition of Medicare premiums." Well, now we have the unqualified endorsement of our party's philosophy, a recognition and the rejection by the Conservative Leader of his own party's program. Because it seems to me that their record is clear. Who imposed the health insurance premiums? The Conservatives. Who eliminated them? Who eliminated them? The government today, and the Member for Swan River has the effrontery and the audacity to challenge the method in which we replaced the money. Not all the money, not all the money, part of the money by taxing another way. Let's get it on the record. The Member for Swan River . . .

MR. SPEAKER: Order please.

MR. CHERNIACK: The Member for Swan River is still accusing us of progressive taxation. He says, "and who did it?" We did it, Mr. Speaker. We did it, Mr. Speaker. I dare, I dare the Member for Swan River, who may never again stand for election, I dare him to get up and criticize the elimination of Medicare premium, here, in Swan River, anywhere in the Province of Manitoba. I dare him to criticize the elimination of the Medicare premium, and say, "We would not have done it if, to do it, we would have had to raise income tax like the New Democrats did." Let him go out and make those speeches and that will be to the benefit of this party and this government. I encourage him to do it.

So, Mr. Speaker, the fact is his own Leader - he may not have been here or heard - his own Leader endorsed the elimination of the premiums. It's an interesting about face, Mr. Speaker. I don't think that the Leader of the Opposition asked the Member for Swan River if he ought to have done what he did. I don't think he asked the Member for Riel if he ought to have done what he did. At least what they should do is talk to him about what he says, to find out more and more that the only thing that keeps them together is the fact that there are no members of the Conservative Party ready to unseat their Leader. That keeps them together. The other thing that--yet, I should say "yet!" because it won't be long because that person or persons will show themselves.

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(MR. CHERNIACK cont'd)

The other thing that keeps them together is the malicious back-biting that seems to hold them together like some sort of a cement which of course is heavy enough to bury them in time. But other than that, when it comes to policy, I love looking at the Honourable the Member for Pembina when the Leader, when his Leader talks about endorsement of progressive measures. I love looking at the Member for Pembina when I hear talk about the Progressive Conservative Party, because to him I am convinced the word "Progressive" just scares the daylight out of him, and he has to listen to his Leader talk about some of the things that we are doing and approve, when I know that the Member for Pembina has sincerely held views which are in opposition of so much that his Leader drags him along because he is his Leader. He's stuck with him. What can he do? However, let's leave that interesting point.

I want to repeat a statement made by the Leader of the Opposition when he said, "In Manitoba it has been all too apparent since 1969 that we continue to be heavily overtaxed in our work-day and personal lives." And that's the kind of erroneous and misleading statement that I have come to expect from the Leader of the Opposition. So I challenge him to show, to show these instances of heavy overtaxation. Because some would say, I'm sure that the Member for Swan River wants to respect my right to speak and really would not like to participate in doing that which, as Speaker, he condemned in others, so that he would be doing all of us a favour if he would just sit quietly and listen for a change. However, I guess my appeal is not of any help.

MR. SPEAKER: Order please.

MR. CHERNIACK: So, Mr. Speaker, there are some who would say that Manitoba tax filers were heavily overtaxed in 1969 under the Conservative Government. I was not aware that the Leader of the Conservative Party was one of those persons who would have said that, yet it must be true, Mr. Speaker, because our Party has cut taxes substantially since 1969 and the Leader of the Opposition says we are still overtaxing. So I suppose that the progressive and equitable step in taxation and in other areas, which have been introduced to him by this side of the House, have caused him to conclude that the Conservative way of high taxes, premium taxes, was wrong and the New Democratic Party was correct. And that's why, Mr. Speaker, we can understand why his party unanimously supported last year's Budget Address when they voted last year, and which reported on the first four years of New Democratic Party rule. I can appreciate that he and his party are in an especially difficult position in light of that unanimous endorsement of New Democratic Party policies just before the last election.

Mr. Speaker, I think it is of critical importance for all Manitobans to realize the progressive impact of the tax reductions measures taken by this government since 1969. And so, Mr. Speaker, I propose to present to this House a summary of the impact of the provincial tax cuts under our administration compared to 1969 and the Conservatives. And since there are very few members opposite present, I don't have to give too many copies out. If you would please distribute that on the front bench and to the Liberal Party.--(Interjection)--No, Mr. Speaker. Yes, that's fine, Mr. Speaker, if that would be distributed amongst certain of the members please.

This material that is now being distributed shows that a married tax filer with two dependants under age 16 and a gross income of \$6,000, paid \$362.00 in personal income tax and health insurance premiums in 1969. In 1974, a family with the same \$6,000 income will pay--well, Mr. Speaker, if you look, you will note that they will receive \$10.00 since their tax credits exceed their personal income tax liability. The net saving to that family is \$465.00. Its income and premium taxes are wiped out and it becomes eligible for credits. For the same size family at \$8,000 gross income, the tax liability in 1969 was \$500.00 as compared with \$110.00 for \$8,000 income in this year, a tax reduction of some \$390.00, or 78 percent in provincial taxes. At \$10,000, a family of four would have paid \$663.00 in 1969, and in 1974 a family of four with a \$10,000 income would pay \$333.00, a tax saving of 50 percent. And so it goes on. At \$15,000 income, a family of four paid \$1,191.00 in 1969 under that government, and in 1974 the same size family, same income, paid \$921.00, a saving of \$270.00 or 23 percent. And, Mr. Speaker, even at \$50,000 a year, in 1969 this family would have paid \$6,832.00 as compared with \$6,465.00 in 1974, a tax saving of \$369.00, five percent.

And now I must turn to my colleagues and apologize for that being made possible, and I can only do so by explaining that with the revision of the tax system on the federal level, we

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(MR. CHERNIACK cont'd) have found to our dismay that we are taxing less in the high brackets than we did under the old system, only fortunately the Federal Government is more than making up for that in their system, so at least the taxpayer is making the contribution.

Mr. Speaker, the distribution of these sheets proves that all Manitoba tax filers have benefitted from sound New Democratic administration, which has provided needed increases in services and new program initiatives, and at the same time provided all Manitobans with substantial tax savings compared to 1969 rates. There are other tables there which will show substantial savings, Mr. Speaker, and I leave it for honourable members. I am not prepared to answer questions because I have limited time, Mr. Speaker. There will be other occasions for the honourable member to speak.

I want to deal now with the question of equalization. There was a table released by the Leader of the Opposition last week dealing with provincial equalization payments. On the basis, of numbers, which the Member for River Heights says he obtained from the Canadian Tax Foundation, he concluded that Manitoba's equalization has gone up the fastest of any province in the last couple of years, and he therefore deduces that this must mean that our economy isn't in very good shape. Well I think I should say, Mr. Speaker, that Manitoba's equalization payments have gone up fairly quickly but the rise has not been the fastest. Some of the Leader of the Opposition's numbers were wrong. In fact they are about two years out of date. I'll table the correct ones on a subsequent occasion.

The honour of the fastest equalization growth since 1972-73 belongs to New Brunswick, and members opposite can decide whether it's the political party that seems to determine how it goes; they must know what political party forms the government in that province. But the fact is, Mr. Speaker, there are a number of simple reasons for the recent relatively rapid growth in equalization payments, none of which - none of which - relate to any weakening in our economy.

First, provincial revenues generally have been rising quite rapidly, not only in our province as the Leader of the Opposition would like people to think, but in every province across Canada, and this automatically increases equalization entitlements.

Secondly, there has been a change in the formula. Last year the Federal Government included school property tax revenues and this increased each province's total somewhat, as was pointed out in the Budget last year. The increase for Manitoba resulting from this change was the lowest of any equalization recipient province.

And another reason for the increase in equalization is the fact that the Federal Government's income tax indexing system tends to reduce the income tax base most seriously for the smaller provinces. And this factor is reflected in our equalization totals.

As I said, there are correct equalization figures for the last three years which will be made available. These figures are the most up-to-date available from the Federal Government and show that Manitoba's equalization has not grown significantly this year over last. In fact, between 1973-74 and '74-75, Manitoba's equalization growth has been the second lowest. I want to point out to all members that it is simply not possible to make snap judgments about current provincial economic conditions by looking at equalization estimates. Current year estimates are made on the basis of economic statistics that are often two or three years old. Then it takes about the same length of time - two or three years - for final adjustments to take place based on actual information. This last month, in March, we received a final adjustment payment for 1971-72, and that's an indication that these figures cannot be used. The fact is we still don't know the actual figures for '72-73 and we're just working on rough Federal estimates for 1973-74 and 1974-75.

So, Mr. Speaker, if our economy continues to expand rapidly, it could well be that we will have to start repaying equalization funds to Ottawa. We already had to make a small interim replacement for the 1972-73 year last month. I might point out that the figures for 1974-75 do not include any allowance for extra revenues which may accrue to the province as a result of the recent decision to raise oil prices. We just don't know that yet. It is far from clear what sort of effect these might have. Generally, though, it is expected that the greatest benefit of any extra oil revenue equalization would flow to the Atlantic provinces and to Quebec. But let me tell you that the percentage growth - and that's what the Leader of the Opposition apparently didn't get through to - the percentage growth in the last two years from 1973-74 to 1974-75, has been Newfoundland 12 percent, Prince Edward Island 13 percent, Nova Scotia 11

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(MR. CHERNIACK cont'd) percent, New Brunswick 14 percent, Quebec 10 percent, Manitoba 8 percent, Saskatchewan 1 percent, being the lowest, and we were the second lowest in spite of the wrong information that the Leader of the Opposition had.

Now, Mr. Speaker, I was glad that he said he agreed with the principle of greater returns to the people of Manitoba from their resources. I was also glad to see that he agreed with the need for a flexible mining tax system. But I confess I was disappointed that he expressed so much concern over the mechanism we are proposing to implement to ensure that fair returns are realized by Manitoba citizens. We plan to use a flexible rate system because of the need for different rates for different grades of ore. Volumetric taxation is extremely complex and it does vary with prices, types of mining output and so on. The need for a flexible system was recognized in Manitoba when the present Manitoba oil royalty system was brought in some twenty years ago. This system allows rates to be set by Order-in-Council. Has anybody heard the Conservatives when they were in government for ten years say that they didn't like that form of taxation? Did they make any effort to change it?

Similarly, the Alberta government's oil royalty legislation calls for the same sort of practice, and I might point out that the new royalties announced by the Alberta Premier last Thursday - royalties which I applaud - were set by the Alberta government on the basis of prevailing conditions. We have no intention of concealing our plans or of creating uncertainty. There is a need, however, for flexibility to deal with changing circumstances. In fact, flexibility will work in favour of mining companies. As prices go down, for example, their taxes are likely to go down as well. But a complete accounting of the government's taxation system would, of course, be made at the appropriate time, and to suggest that the Legislature is being by-passed is grossly misleading. Members of the Assembly have the opportunity to review the government's tax plans in general when they debate the budget and the revenue estimates which contain specific allowance for mining taxation - and of course I'll have more to say when the necessary legislation is brought in.

Mr. Speaker, you will recall that the Leader of the Opposition dealt with what he called errors in our staff study of the Education Property Tax Credit Plan. I dealt with the error, which he attributed to me and my staff in the study of the 1972 tax credit plan, and he argued that if an error could be made in a study like this, then how could anyone have any confidence in the other material in the study or in the budget itself? Well, Mr. Speaker, I proved to the Leader of the Opposition that the error was his, not mine, and I asked him if this meant that all his statistics should now be looked upon with doubt. He did not answer that question, Mr. Speaker.

And, Mr. Speaker, he spoke of very little aid in our budget to help the City of Winnipeg. Some of his colleagues made the point and the Honourable Member for St. James may look for another opportunity to do so, but I do want to dispute that. Well over 50 percent of our total budget goes to direct and indirect aid to local governments and property taxpayers, and well over half of our government's property tax credit payments go to City of Winnipeg residents, and well over half the new income tax revenue-sharing grants go to the City of Winnipeg. Winnipeg will be benefitting substantially from new Public Transit Assistance, and we have offered the City help in opening up new revenue sources. If Winnipeg wants growth taxes, I suggest that one place where they can find real growth is in the cost of real estate, and we say it again and again. A speculation tax would, we believe, be a significant revenue source. Moreover, it would discourage the kind of profiteering that is now taking place in our city and elsewhere. So I don't have a great deal of sympathy with present city representatives or former representatives who are unwilling to deal with problems when they have the tools available to them. I agree that property taxation is not a good source of revenue. It is not progressive. It does grow slowly. But there's plenty of room for reform. It's just that the majority of city councillors have preferred the status quo and the continuation of coming to Provincial Government and saying, "Share. Share."

Mr. Speaker, I was somewhat amused by the sort of criticism the Leader of the Opposition directed at our government's plan to implement a \$200.00 minimum monthly income for elderly people. He said our plan wasn't as large as British Columbia's. In fact, I think that was the only time in his speech where he compared our government with another provincial government. As I said before, a lot has happened in a few years - in the last five years. I say it must be a red letter day when the Leader of the Conservative Party uses an NDP province

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(MR. CHERNIACK cont'd) as an example for others to emulate, and I thank him for that recognition. I'm happy to assure him that even though our \$200.00 minimum monthly income program is starting after B. C. 's started, it will grow just as quickly, because it too is designed to supplement Federal payments which are indexed to grow at the same rate as the Consumer Price Index. Consequently, Manitoba's minimum monthly income for single pensioners will be \$200.00 on July 1, but the minimum guarantee level will be adjusted upward every three months afterwards because of upward adjustments in OAS and GIS payments.

Mr. Speaker--I believe I still have a few minutes left, Mr. Speaker. May I welcome you in that position, Mr. Speaker. Please don't count this against my time, but I want to tell you that you graced that chair for a number of years. It is nice to see you back. I assure you, Mr. Speaker - Mr. Acting Speaker - that you perform a real service to the public both by being in the chair you now occupy and are not present in the other chair, but no doubt you'll be back there.--(Interjection)--Pardon? Yes, Mr. Speaker, I believe I have about five minutes, I'm guessing, in all.

Mr. Speaker, I want to deal with the cost of living tax credit. I see I will not be able to deal with the Leader of the Liberal Party's comments. I do have notes. I undertake that I will deal with him, I will deal with him but I'm afraid not today. I have a lot to say about the Leader of the Opposition's criticism of our new cost of living tax credit plan and of our existing property tax credit plan, and I'll go into that in a moment; but first, though, every year I have to remind my honourable friend that he is indirectly criticizing his party colleagues in other provinces when he criticizes our tax credit plans. He conveniently forgets that Alberta and Ontario have very similar tax credit programs of their own, though the benefits are not as high as Manitoba's. I might point out to him that Ontario does a lot of advertising. They call their tax credit system a "fair share program" and, as members see, I happen to have just by coincidence almost, a copy of their advertisement where they speak of what they are doing, and if the credit system implemented by the Conservative Party in Ontario is a "fair share system" then, Mr. Speaker, I submit that our program which gives larger benefits is a fairer share program, fairer than Ontario's because it is relatively larger, fairer than any other province's credit plans and rebate plans, which aren't always related to ability to pay, and infinitely fairer than anything the former government in this province ever considered applying.

Mr. Speaker, the Leader of the Conservative Party said by the time the rebate is received - that's the cost of living rebate - the value of the rebate itself will have been eroded by inflation. It is Machiavellian in its approach. It's costly; it's cumbersome; it avoids the real problems. Now we would have met the real need here by cutting the sales tax on clothing and used goods.

Well, it's true Mr. Speaker, that the cost of living tax credit benefits will first be made available on the filing of the '74 tax returns next spring. It's also true that the value of \$14 million will be marginally less than now, but under the present system it's too late to make the plan effective earlier and it is being implemented as quickly as possible. But even with inflation, one of the real advantages of the cost of living tax credit plan is that the maximum credits will increase at the same rate as the cost of living is measured by the Consumer Price Index, so in subsequent years as the cost of living increases, so will benefits because of the exemption system. But the Leader of the Opposition said it's costly, cumbersome, avoids the real problems. It's quite surprising to me that he says it's costly. He might have been talking about administrative costs but there the costs are minimal because they are being done in Ottawa at a cost of one percent and we are negotiating for less.

But does he think that he would have implemented a less costly tax reduction? On the matter of tax cuts I prefer the error to be on the side of generosity. He says it's cumbersome. I wonder if he's talked to the Conservatives of Ontario and Alberta who have the same plans. Even New Brunswick now has a credit plan. The procedure is simple. The Leader of the Opposition also claims that he would have met the real needs by cutting sales tax on clothing and used goods. Well why didn't he when he had the chance? He was in power only five years ago, but he was too busy bringing in real Progressive Conservative measures like Medicare premiums. And what would the impact of his suggestion be? Well for the low income earners the effect would be minimal since food and children's clothing and used furniture under \$25.00, used clothing under \$25.00, used shoes under \$5.00, rentals, interest charges, they're all exempt now from sales tax. The bulk of the income of a low income person goes to meet those

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(MR. CHERNIACK cont'd) costs. But let us assume that a family of four people with two children under 16, with an income level of \$7,000, have \$2,000 left after dealing with tax exempt necessities. Let's assume this is spent on taxable items. That's a fair estimate based on Statistics Canada (Family Income and Expenditure Surveys). Of that \$2,000 let's assume that this family spends \$500.00 on taxable clothing and taxable used goods. Adoption of the, what I may call the Spivak Formula, would save this family \$25.00, \$25.00. Under our cost of living tax credit plan, this family receives \$48.00 in benefits, some twice the savings as under the Conservative plan.

And for lower income earners, of course, it would be less beneficial. His proposal would really not help the need. And so I'm concluding, Mr. Speaker, by saying that under the Conservative plan, as might be expected, the high income earner would realize quite substantial savings if there were no sales tax on the purchase of expensive clothing, a fur coat for example, or used goods such as an antique car, but I suppose this might gain the Leader of the Opposition some votes in the odd area represented by the Liberal Party, and that would be a pity.

Mr. Speaker, I believe my time must be about up. I don't want to take more time. I'm sorry I can't deal . . .

MR. ACTING SPEAKER (MR. BILTON): Order please. I believe the honourable gentleman is two minutes beyond his time but I'm sure . . .

MR. CHERNIACK: Oh. Well then, Mr. Speaker, may I conclude only by arranging for the distribution of the sheets I mentioned that I would distribute, which correct some of the figures presented by the Leader of the Conservative Party, and undertake to deal further with the Leader of the Liberal Party as time permits.

MR. ACTING SPEAKER: The Honourable Member for St. James.

MR. GEORGE MINAKER (St. James): Thank you very much, Mr. Speaker. I enjoyed the debate that took place in the House a week ago--well, it's six nights ago on Tuesday, between the Honourable the Minister of Mines and Natural Resources and the Honourable the Member from Lakeside. It gave us an opportunity to look at the two different points of view between the government and our Conservative Party as the opposition. It got into a very basic debate and I was very interested in what the Honourable the Minister of Mines and Natural Resources had to say about his objectives in life and his failures in life. I am sorry that the Honourable Minister isn't here at this time because I would have liked to have had him present when I spoke a few things on his general opinions and his beliefs, and in Hansard in that debate, the Minister - and I quote him - said, "The opposition said quite bluntly that we have not proven that through the programs that we have instituted, that we have effectively been able to re-distribute income," and he goes on to say after a few lines: "We have not succeeded to the extent that I would have hoped that we would succeed, that I still have high hopes for achieving, but I say in advance, Mr. Speaker"--I don't think I have to say it again, Mr. Speaker; I'm sure the Honourable Minister of Mines and Resources knows fully well who I'm quoting - on page 1887 of Hansard. "I say it here and now, if that is not accomplished by this government, then all of the years that I've spent in political life are a failure. I say that now, that I am a failure. Because it wasn't worth it if we do not do these things." He goes on to say later on: "And I say perhaps we haven't done it, but we are determined that it can be done." Mr. Speaker, the Honourable Minister has indicated that his objectives - his life objectives in politics - is to redistribute the wealth of the province of Manitoba and make it equitable.

One could go further and say, how far does the Minister want to go? And we know that the Minister is a very strong member of the government, and in fact it's generally recognized that he is one of the members of the super-cabinet of the government. It's also recognized publicly that he is a very strong cabinet minister and a very strong and determined individual.

MR. HENDERSON: A contender for the leadership.

MR. MINAKER: One wonders how far does the Minister want to redistribute? How far does he want to equalize everything? Does he have any interest or concern for initiative for the individual? Does he have any concern or responsibility of an individual? Should there be a difference in recognition in terms of monetary recognition for the individual who has that greater responsibility or has that incentive to work harder? The unions recognize this. They recognize there are different rates for foremen. They recognize there are different rates for incentives, that those members of the union who want to work longer hours, they get paid time and a half or double time.

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(MR. MINAKER cont'd)

But does the Minister recognize this incentive of the individual, because Mr. Speaker, if the equalization and the redistribution of the wealth of the province of Manitoba is such that one only has to occupy the space in the province to make the same income as a plumber or an electrician who has the responsibility of and the technique and the time spent to learn his trade, to go out and work, should they not make a little more and shouldn't they have a chance to keep a little more than the individual, say, who is content to sit and not necessarily put any initiative or any contribution into our economy? Because, Mr. Speaker, there is also the individual who has life in his hand, the surgeon. Should he not be receiving some additional revenue and being able to keep part of that revenue for the risk and responsibility of life that he has in his hands and the many years that he put in school? Similarly should the teachers not have additional moneys awarded to them for their many hours and years spent in college and what their contributions are to our economy? Because, Mr. Speaker, if the Honourable Minister believes that the success of his political life in the province of Manitoba, or if he goes further, federally, that equalization at all costs is the main objective of our society, and I suggest, Mr. Speaker, that's because I know when I was at university in our first year we were taught philosophy by a professor who fled Hungary the year before from the Hungarian Revolution, and he taught us Communism, Marxism, and I believe he taught us about Bacon - I forget the other economists he taught us about. But he said it wouldn't work. He said Marxism wouldn't work. Mind you I would believe he was biased, and I'm sure he was biased, but I think I would be a little biased too after fleeing Hungary the year before and still having one's life. So that he stated Marxism wouldn't work because in Marxism everybody is equal. Everybody gets the same monetary rewards. But the problem was, what happens to the foreman? There has to be a foreman, so not everybody is equal. Somebody has to make the decision.

So, Mr. Speaker, the question is, how far will this government go if one of their Ministers - and I respect the Minister for his openness and frankness in the debate, and that's what I enjoy about the Minister is his openness and frankness in debate, and I underline the word "debate". It is not always such when one asks questions but he is open and frank in telling you no, he is not going to give you an answer. But, Mr. Speaker, how far is this government going to go?

A MEMBER: All the way.

MR. MINAKER: Because you know Harry Marsden of the Tribune had an article - I think it was back in March - and he went to Chicago and talked to three economists there and one of them was Dr. Milton Freedman, and he's on staff at the University of Chicago and a highly articulate critic of accepted economic doctrines, and he went on to say, "As for socialist doctrine that governments should massively redistribute wealth, Dr. Freedman said in effect that's claptrap. You redistribute wealth only through market forces which is happening all the time, or through police forces. Do you think the police will do it? You only can have voluntary arrangements or troops."

Now, Mr. Speaker, when one looks at the Budget that we have had presented to us it's a budget where the main objective in my opinion is to control the cash flow of the individual in Manitoba, and their intent almost appears to control the complete cash flow in Manitoba if they can eventually meet that objective. When we ask them why don't they cut taxes and they still have a \$52 million surplus and a \$42 million redistribution through the tax credit plan, no, they don't want to cut the taxes because they want to control the cash flow. Keep the individual dependent on you; don't give him a break, keep him dependent on you. Keep him taxed. This appears to be the main objective of this particular budget, to try and control our whole social way of life in this province and for what objective? To redistribute the wealth equally? What about our union people? Are they going to accept this type of approach because it looks like where we're going. I am sure that the incentive is still there in the union worker, in the labourer, in the doctor, in the teacher, in the dentist. The incentives are still there, but this government wants to kill those incentives. It doesn't even have the courtesy to mention incentives of individuals in its Budget Speech; it makes mention to something to the effect that the desirability of incentives for a small number of wealthy individuals or corporations. Have they forgotten that individuals still have initiatives and incentives, or are they trying to kill those incentives? Because if the middle income - and where is the middle income? Because when one listened to the Minister of Northern Affairs in his speech the other

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(MR. MINAKER cont'd) day, he made a comment - it's on Page 1871 - and he says, "Now this is of concern to us because I think it's of pride to myself, as a member of the New Democratic Party and as a member of this government, and to my colleagues, that the programs of this party mainly assist the middle income and lower income people in our province or in the province where the New Democratic Party is government, and we'll have to admit to the Leader of the Liberal Party that the policies haven't been geared toward corporations or to the fat cats." Or to the fat cats. Who are the fat cats? Are they the corporations, or are they the people who earn over \$7,000 a year, or are they the people who are at \$9,000 a year or more? This is the type of attitude this government has, Mr. Speaker. Your fat cats but you can pay us money because we want to control you. We want to control your destiny. This is the type of government that we have; this is the type of budget that we have.

Mr. Speaker, the Honourable Minister in his debate, the Honourable Minister of Mines and Resources in his debate the other night, I think he mentioned something to the effect that people use governments, I think were his words. I suggest, Mr. Speaker, that this government is using people, it's the reverse. They're using people for their objectives to equalize at all cost. Break that middle income man's spirit, break him down; make him dependent; throw him another cob of corn, build the fence a little higher. This is the approach, the long-range approach.

They want to control the cities. The Minister today indicated that they were giving more revenue to the city - but are they really? Are they really giving more to the cities? One starts to wonder if the main objective of this government is to control from the day you arrive on earth till the day you die. Why wouldn't they want to assist the cities? Why would they want the house taxes to continue to rise, yet on the other hand build more and more public housing, or get into the land and housing mortgage program. Who controls the mortgage? The province? Are they going to control the mortgage on these houses or on these properties? The next step is if the taxes get so high on land, what is the quickest way out? The government takes over the land, then all of a sudden the government controls the land, and I know there are people on the other side who are waiting for the day that the government does control all the land. Take away the individuals' properties.

Now we all got this in our mailbox - at least most of us did in the Legislature - and I'll read a couple of the platforms. "Bring about a redistribution of the national income." "Win jobs or an adequate income for every Canadian as a right." "A 32 hour week with no reduction to take home pay." "Compel government action to expand the economy, build secondary industries on the basis of public ownership." "Undertake a vast public low cost low rental housing program of 300,000 units annually." "Institute public pharmacare." And I think there's a box here, it says, "The Central Executive Committee, Communist Party of Canada." That's their programs, Mr. Speaker. --(Interjection)--Throw them another cob of corn. Take away their control. This is this government, Mr. Speaker.

I was also interested in what the Honourable Minister of Mines and Natural Resources said in regards to the MDC, and he indicated that the MDC or the Manitoba Development Fund was originally instituted as a last resort borrower, that it was the failing of free enterprise. Surely I know the Minister is a very bright individual, and I know that he knew there was other causes for the creation of the MDF, such inequities as Confederation created with say the freight rates, the inequities in the freight rates; the very inequity of where Manitoba is located in relation to end markets, that there had to be some kind of assistance or initiative for the private enterprise to come in and to develop. And this was the reason for the MDF being established was to create the growth of our province. But how can one create the growth of the province when we hear Ministers call corporates fat cats?

How can the Minister of Industry and Commerce go out and sit down at a table when the contract that they're trying to negotiate with their partner on the other side - what does he feel like when he knows that the Ministers of the Crown call them fat cats. What kind of arrangement, or what kind of faith can a company have with our government when they say this? Because it's recognized - at least it was my understanding that a Minister of the Crown normally states the policies of the government. This is I think recognized in most governments. So what would the partner or some industry, some corporation that they're trying to attract into our province going to think when one of their Ministers stands up and says "fat cats". Come on in, we'll take the money off you but you're "fat cats".

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(MR. MINAKER cont'd)

What kind of growth can we get? Can we get growth like W. E. Clare? Or growth like-- well let's talk about Saunders. I also enjoyed the Minister when he said, "You know how we can make money at Saunders? We'll shoot down the airplanes." I think, Mr. Speaker, that the Minister has been passing on the wrong information to the people at Saunders. You're supposed to get the money before you shoot down the airplanes and they don't need to shoot them down, they sell them to Bolivia and they crack them up, but you'd better tell them to get their money first before they crack them up and not to finance it themselves.

Mr. Speaker, the other thing that this government is doing - and I say it, and it sort of hurts me to say it - this government's trying to deceive the people, people of Manitoba, because when the mining report came out if I was a citizen of the north I would have felt deceived, I would have felt misled, because on one hand just before the election, "Kierans Report attacked. Premier Ed Schreyer called the recommendations of the Kierans Report on the Manitoba Mining Industry too drastic and retrospective in an interview here today." And that was on April 21st. It goes on to say, "We should not get involved with already successful operating companies." Then I believe on April 22nd: "Schreyer says mine firms have nothing to fear. Lynn Lake, Manitoba. Premier Ed Schreyer called Sherritt Gordon Mines Limited one of the best mining corporations during an address at a public meeting here Sunday and added that along with other mining companies in the province it had nothing to fear regarding its continued operation on the present basis." On the present basis. --(Interjection)--Well they're fat cats, that's right, Mr. Speaker, they're fat cats. And we go on and on and on. So, Mr. Speaker, when the First Minister makes a statement like that on April 23rd, less than a year later the government comes out with a policy statement on mining, is the government - is the people using the government or are the government using the people? If you were in the north, what would you think Mr. Speaker? What would you think? Who do you believe?

But if the long term objective is to control; the long term objective is to equalize the distribution of wealth at all costs, then one can understand this, one can understand this budget.

But you know, on this mining report, I understand there was a big to-do about the Kierans Report. They had I think Professor Kierans' name on the front cover 50 pages, big to-do. We get a document and we don't even know who wrote it; they won't say who wrote it. But when one reads this report, I think you get to about page 341, you start to understand who wrote it I think. You know unless the government denies it I suggest that two economic students maybe wrote it on a summer program because I wonder if the Minister knows that T equals 25 minus 1 over 2500. Now what does that mean? But they won't tell us who wrote the report but they're prepared to change the destiny of the north, the destiny of Manitoba with this report, but they won't even say who wrote it, yet the real objective in this report, Mr. Speaker, is to give the Cabinet the power. They slipped that in their policy that they want it flexible; they want the Cabinet to make the decision, not the Legislature. Another step to control; another step to the red paper. We can read these platforms again if we like. But then I guess the First Minister could use something similar that he used in the CFI report or in the Commission. I believe in - this was with regards to the responsibilities of who had loaned out the money, how much had been loaned out by the Conservatives, how much by the NDP, and I was interested in the Minister, the Honourable Minister of Mines, in his comment in the debate the other night. I knew he would take the responsibility of Mr. Grose, because that's the type of individual he is, but as the Minister of the Crown he'll take the responsibility of his administration or Civil Service that makes the decisions and maybe errors, he'll take that responsibility the same as I would take it when I was in the Urban Government where we had decision-making government rulings. I took the responsibility of any civil servant that made the decision that was maybe in wrong or in error, but I took the responsibility and I was glad to hear that the Minister, the Honourable Minister of Mines and Resources took the responsibility. And I would presume, being a very strong member of the Cabinet, he was saying that the NDP government was accepting the responsibility, and I respect him for that.

But possibly, Mr. Speaker, if, you know, if the First Minister hadn't been deceiving the people in the north with his statements on April 23, 1973, and now the mining report, possibly the same thing has happened that happened with CFI. And I can read - I believe it was in Volume 209, Pages 144 to 145, the First Minister said that he accepted Mr. Grose's assurance in 1969 and thought it would be improper to do otherwise - that's Volume 208,

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(MR. MINAKER cont'd) Pages 20-43 and Pages 50-52 - and that prior to 1970 he did not consider calling on independent experts to review what was being done on the project. It is this total failure that I would suggest in checking, that's the cause of much of the money that presently is in the Swiss banks that otherwise would not have been there if there had have been control over the loaning out of the money in that short period of - well, I think it was 11 months.

I suggest, Mr. Speaker, that possibly the First Minister hasn't taken time to read this and he doesn't realize that it probably takes greater steps than the Kierans Report, because they're talking about getting involved in smelting, and taking over the complete operation of the north.

Mr. Speaker, as I indicated earlier the main objective of the mining and mineral policy is one where they will take the power of the north into Cabinet. They will make the decisions. And really, what they're saying is, to pass a law to give the Cabinet power to make a decision at some future date on a formula that we don't even know what it is, but it has to be flexible. Can you imagine that, Mr. Speaker? They're proposing and asking that the Cabinet can make laws at some future date, change the variable formula, do what they like, and not have to come back to this House.

Mr. Speaker, there's indication or reference to the fact that Saskatchewan and Alberta have imposed taxing situations on oil. There's something slightly different here. They imposed it on the whole industry, but in this proposal they're suggesting that it will vary from corporation to corporation. Now, the Cabinet will go right into a corporation and can vary it from corporation to corporation; it's not a flat base tax, it will depend on the individual corporation. This is what they're asking. They're also asking to become involved in the private operations of companies simply by being the law or government. This is what they're asking, that you open the books. What corporation next; what business next?

They're also suggesting that the mining industry should be run as a utility. But really, Mr. Speaker, what similarities are there to the mining corporation and a utility? If Manitoba Hydro were selling to our people within the province the majority of our power, and if we are fortunate to have additional power that can be exported - and I hope on a short-term contract which we have control over - then one compares it to the mining industry. What does it do with its end product, its commodity? It goes on the world market. The government doesn't have any control of the world market. I'm sure that the government would love to have control of the world market, but they don't, it fluctuates. Now what is the similarity to a utility in a mine, because the very end product that one is getting the revenue from is variable based on world commodities, world commodity prices. So that I question whether it will be feasible to operate the mines as a utility.

Mr. Speaker, again, how can we honestly believe the government can sit down at a table with a mining company, and how can a mining company sit down in good faith with a government whose Minister of Northern Affairs thinks of them as "fat cats"? How can they sit down in good faith with a government that believes this? How can any corporation come to Manitoba now, because I would presume that until it's denied by the other Ministers that corporations aren't fat cats and they are needed in our community, then one has to assume that everybody on that side feels that corporations or anybody that earns over \$7,000 are "fat cats".

What about the police in the City of Winnipeg that earn 13,000? Are they fat cats? No, Mr. Speaker, this government tries to pat itself on the back and say, look what we're doing? But what are they trying to do? They're trying to financially starve the individual who still wants to get ahead, who still wants to work, who still wants to contribute to the community; but this government wants to control the cash flow of that individual; they want to control the cash flow of the corporations. And why do they, Mr. Speaker? Why do they? Is it because that at the end of the road they want to equalize everything for everybody? As long as you sit in a chair in Manitoba you make the same amount of monetary gain as the individual who wants to go out and work extra hours and take extra responsibilities - is that the final objective of this government, Mr. Speaker? I think it is, because what else would they want to have state mines for, because once the initiative is gone, there has to be threat, and I would much rather see a social community that we live in where a desire to work is there and initiative to work is there, and not the threat as the main driving force to produce and keep your economy going. No, Mr. Speaker, this government seems to want to control everything. It wants to control our farm lands.

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A MEMBER: Mineral rights.

MR. MINAKER: Mineral rights.

A MEMBER: Livestock.

MR. MINAKER: Yes. Then we get into some of the bills that are going through the House. The Cabinet will issue the license - what a better way to control an individual, have the power of licensing. That's the next step, license everything, and if we don't like the individual, or we don't like the particular area and it's competing with our basic beliefs and our basic objectives, eliminate the license. Mr. Speaker, they're great in providing moneys for MDC companies that are not making moneys, and I grant them the objective of providing jobs for our people is a good one. But let's admit if it's a make-work project, let's identify it as that, not hide behind a plan that is one to develop permanent industries in Manitoba, because what is happening is we're not getting permanent industries. Yet we can pour money into Saunders which has no aircraft that has a certificate of airworthiness for the U.S. One of our potentially main customers, and also the guide or the base of whether or not the plane is acceptable in many other countries in the world. And let's admit it, if it's going to cost us \$50 million to develop an air industry in Manitoba come out with it, but don't take \$5 million here and \$5 million there and keep pouring it in. And if we find that there isn't a market there, let's admit it and get out, or diversify and get into another industry and make use of the trained personnel that we have there, and don't necessarily go all over the world trying to find trained personnel for an industry that maybe has no future in Manitoba when we could utilize and train our own staff of people in Manitoba.

The other thing that I enjoyed - I didn't enjoy it, but I was trying to determine - the mineral policy statement was, the excessive profits of the mining industry, and they mention what they consider ten percent, I believe, was considered a profit figure - on Page 341, I believe it was, if I remember correctly. I might ask, Mr. Speaker, is 33 percent profit an exorbitant profit? Is that what we would lead to eventually in the mining game, because if one reads the report of the 1972 March 31st Liquor Control Commission, I think it's about 33 percent profit, \$37,000,624 on total of 112 million sales. Is that exorbitant profit? But this is a government-owned facility, that's okay; we could charge high profits, we own it, but if anybody else happens to make 10 percent, that's an exorbitant profit. Is the prime rate of interest now on an investment 9-1/2 percent? What kind of investment can we expect, or growth can we expect in the mining industry if they're a half percent above the prime rate? But they don't say what the tax is going to be, other than they've estimated \$30 million. An increase of \$13 million in one year, where is it going to come? Where's it going to come from? Is it just an arbitrary figure that they've thrown out in this report? This report doesn't go into statistics to any extent, it just says it's been proven; it's been proven there's exorbitant profits in the mining industry. Yet they use figures of 1970 when there was tax rewrite-offs federally - and I understand that law has changed now. They use 1970 commodity prices which were at a peak, and then there was a valley between 1972 and '71. So they're not even comparing today's prices or today's tax situations with these companies.

How up-to-date is this report, when we get old tax laws being applied and coming forward with recommendations from those particular calculations? Who wrote the report? You know, Mr. Speaker, who wrote it? Two university students? Is that where we're going to run our north and our province on?

A MEMBER: PEP grants.

MR. MINAKER: PEP grants. --(Interjection)--. . . is going to make the decision of the north, our people. What about our people in the north. If the long-term objectives are to take over, and I think if we look at Page 306, if I remember correct, "performance requirements - performance requirements as part of a system of regulation the Provincial Government could prohibit mining corporations from retaining control of valuable resources under mining claims leases or reservations without performing a realistic amount of assessment work within a specified period. Although the existing regulations do provide for some annual assessment to be performed as condition of retaining mineral dispositions the requirements are minimal and token efforts are often sufficient to fulfill the obligation. In the case of leases there is no performance required." Now here's the line, the little sneaker they throw in. "The government could elect to strengthen its performance requirements and to penalize nonfulfillment more severely. What's severely? Is that confiscation? Does that mean that the Cabinet can

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(MR. MINAKER cont'd) decide whether or not a corporation is doing its best and if it doesn't like it say, we will take away your mining lease? Is that what they're suggesting here? Confiscate it? Without it even coming to the Legislature floor to discuss? This is what they're asking for, Mr. Speaker, but one can understand when one sees the long-term objectives of the some Ministers on the other side and obviously the government on the other side.

MR. SPEAKER: The Honourable Member's time is up. The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I'm quite prepared to start now. It's a case of asking honourable gentlemen opposite if they're prepared to call it 5:30.

MR. SPEAKER: Agreed. I am now leaving the Chair, shall return at the hour of 8:00.