

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Wednesday, April 26, 1972

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 45 students of Grade 11 standing of the River East Collegiate. These students are under the direction of Mr. Krawchuk. This school is located in the constituency of the Honourable Member for Rossmere, the Honourable the First Minister.

We also have 15 students of Grade 11 standing of the Transcona Collegiate. These students are under the direction of Mr. McEwen. This school is located in the constituency of the Honourable Member for Transcona, the Minister of Labour.

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

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports of Standing and Special Committees; Ministerial Statements and Tabling of Reports. The Honourable Minister of Industry and Commerce.

MINISTERIAL STATEMENTS

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): Mr. Speaker, first of all I have a brief report on the Shellmouth Reservoir operation and I have copies for members of the House and members of the press gallery. Much above normal runoff is being experienced in the Assiniboine Basin above the Shellmouth Reservoir with the result that releases from the Reservoir must be initiated on April 27th. Releases will be gradually increased to 2500 c.f.s. on May 1st. This will result in flows near bankfull on the Assiniboine River above St. Lazare. On the Assiniboine River from St. Lazare downstream, flows are now receding and therefore, Mr. Speaker, peak stages previously recorded will not be reached.

Mr. Speaker, in addition I have another brief statement that I'd like to make on the subject of Columbia Forest Products and I have some documents which I will file with members of the House and the Clerk of the House at this time, at the conclusion of the statement. Great Northern Capital has issued a statement to the press -- (Interjection) -- I'm sorry.

MR. SPEAKER: . . . the honourable member has a copy for myself and for the Honourable Leader of the Opposition?

MR. EVANS: Yes, Mr. Speaker. I have copies, Mr. Speaker, for **yourself** and for the Leader of the Opposition. I have extra copies for the Clerk and anyone else perhaps who might like to obtain a copy. As well as this I have copies of the documents which I will be making available to members.

Great Northern Capital has issued a statement to the press which purports to prove their allegations that the government owns Columbia Forest Products. We do not own the company but there is a need to respond and to clarify the position of the Manitoba Development Corporation. I am tabling, Mr. Speaker, the three agreements between the Manitoba Development Fund, or Corporation as it is called now, and the company, and by way of background copies of two letters dated October 26, 1971, and November 3rd, 1971, between lawyers representing the Manitoba Development Corporation and the company so that members can see for themselves the position in which the Manitoba Development Corporation was left in relation to the company.

The original loan to Columbia Forest Products followed a recommendation by the consulting firm of Arthur D. Little Incorporated that a particle board industry be established to utilize the wood grown in the Sprague area. The Manitoba Development Fund sought out an individual who was operating a successful plant in Seattle and induced him to transfer his machinery to the new company. The loan of \$1,267,000 was approved in 1960. It did not include the cost of equipment which represented the original loan and its contribution to the program but it did include the cost of transporting it from Seattle.

Problems of the main shareholder which led to family litigation resulted in him turning the plant over to the Fund in 1964 when financial difficulties reached an impossible state.

(MR, EVANS cont'd) Western Plywood Company Limited later to become Wellwood, a subsidiary of U.S. Plywood Corporation, took over the shares of Columbia Forest Products. Western Plywood assumed the debt of \$1,267,000 with the condition that no interest accrued during the first three years and a further loan of a quarter of a million dollars was granted for new equipment to bring the maintenance of the plant up to standard. By 1967 after three years of difficult operating conditions during which the competitive picture in the United States and Canada was adversely affected, Western Plywood terminated its agreement. At this time the indebtedness to the Manitoba Development Fund was \$1,301,000.

In August of 1967 a report from A.D. Little indicated that if the plant was adopted and if the sawmill was added to produce lumber a profitable wood utilization project could be operated at Sprague. In October of 1967 an agreement was concluded with Rodell Corporation which, Mr. Speaker, is now Great Northern Capital Limited. The agreement required the purchaser to assume the responsibility of giving effective and proper management to the company until such time as all monies due by the company to the Fund had been paid. Rodell saw fit to withdraw before exercising its option -- to acquire further shares in the company they would have to pay \$250,000, and if it did so after acquiring the shares it would have to pay \$500,000. Their agreement requires Columbia to pay back the principle portion of all loans made by the Manitoba Development Fund but only out of profits. Interest was forgiven up to March 31st of 1969 but since April 1st, 1970, it has accrued and has been demanded.

Rodell Corporation 67 Limited now Great Northern Capital Industries Limited assumed management of Columbia Forest Products in late 67, 1967. Initially G.N.C. guaranteed a payment of Columbia's debt to the MDC to the extent of one quarter of a million dollars and then only under certain conditions. Later in 1969 GNC, that is Great Northern Capital, exercised an option to buy all the rest of Columbia's shares from the MDC for one dollar and increased its guarantee to an unconditional one for \$500,000. GNC's obligation to pay money under that guarantee is really the main if not the only matter in dispute.

In 1968 construction started on a \$2 million lumber mill complex to be operated in conjunction with the particle board facility. A loan of \$2 million was provided for this purpose under the terms of the agreement. The particle board plant went into operation again in early 1969 and lumber production started in the fall of that year. In 1969 the plant realized a profit of \$156,000 after depreciation of \$244,000 on sales of \$2,028,000. Under the terms of the agreement no interest was charged. Market demand declined in late 1969/1970 which resulted in a net loss of \$660,000 after interest . . . charges of \$226,000 and depreciation of \$289,000 on sales of \$1,194,505.

In 1970 in an attempt to diversify and utilize raw materials, Dormand, a manufacturer of architectural doors was acquired as a wholly owned subsidiary. On August 12, 1970, a further loan of \$600,000 was advanced to Columbia Forest Products for working capital to enable operations to continue. In December, 1970, it was apparent that additional funds would be required to keep the plant in operation and after consideration a further \$72,000 was disbursed for this purpose. In an attempt to arrive at a mutually satisfactory agreement for the continued operation of Columbia Forest Products there was a series of discussions, correspondence and negotiations which failed to produce a solution.

On July 28th, 1971, the Chairman of the Manitoba Development Corporation following a meeting with the President of Great Northern Capital to discuss contracts between Columbia Forest Products, Rodell Corporation 67 Limited and MDC wrote, and I quote: "to confirm as I stated at that meeting that we wish to terminate at the earliest possible date the existing contracts referred to above." He went on, "I'm prepared to meet with you and Mr. R.H. McIsaac as soon as possible to arrange an orderly termination." On September 8th of 1971 after a second meeting the Chairman of the MDC wrote again to the President of GNC Industries Limited setting out the substance of the Corporation's position as: (1) that the Corporation has fulfilled its commitments under the existing agreements; (2) that the Corporation will not advance any further money to support Columbia Forest Products; (3) that the Corporation will be expecting Columbia Forest Products to begin payment of its debt and services charges, and (4) that the Corporation is prepared to discuss a termination of GNC's commitments under the existing agreements. He concluded his letter with the paragraph: "I can assure you that the Corporation remains ready to discuss further your commitments under the agreement and will respond to any reasonable approach for resolving your concern. I look forward to hearing from you."

(MR. EVANS cont'd)

Now in the company's press statement their solicitor implies, Mr. Speaker, that in December of 71 the government wanted to take over the Sprague Plant and operate it but did not want it to look like a takeover. Let me just quote from a letter of November 26th, 1971. from the company's solicitor to the solicitors of the Manitoba Development Corporation, And I'm quoting, Mr. Speaker: "Manitoba Development Corporation has refused to give a direction or consent to close the plant. They have refused to provide necessary working capital to keep it open; they have refused to take over the operation and have refused to enter into a new contract with our client for the operation of the plant either for a short or a long term.

"During this period we have stressed that we do not want to act irresponsibly or cause additional loss or hardship to the workers or the province and we have repeatedly asked for a decision from the Manitoba Development Corporation on the orderly termination. If you believe that our clients are liable to the Manitoba Development Corporation for a penalty of \$500,000 the courts are available to you." And I continue to quote, Mr. Speaker, from this letter from the lawyers of Great Northern Capital: "Under the agreement at any time prior to the first of November, 1972, the Manitoba Development Corporation could terminate the contract and get all the shares back. This has happened as a result of the notice by the Manitoba Development Corporation by their letter of June 15th. So our clients have notified the Manitoba Development Corporation of the closure of the plant and have transferred the shares back to them. What we are asking and have been asking for months is that the Manitoba Development Corporation take over the plant as a going concern and see to the continuation of the contracts, purchases and then payment of the accounts." This, Mr. Speaker, I say again is a quotation from the solicitor of the company, GNC dated November 26th, 1971, addressed to the solicitors of the MDC.

I suggest to this House, Mr. Speaker, that this letter hardly supports the allegation that the MDC is trying to take over the plant in any guise whatsoever. GNC is there accusing us of refusing to take it over. On April 12th, 1972, the Vice President and General Manager of GNC Industries Limited wrote to the MDC and said, and I quote: "In view of the termination of the agreement last summer and the failure of the Manitoba Development Corporation to provide further working capital or to accept the offer of GNC Industries Limited to enter into a new agreement, GNC Industries Limited hereby notifies you that it is divorcing itself wholly from the management and operations of Columbia Forest Products Limited as of the 12th of April, 1972."

Mr. Speaker, in light of this evidence and in spite of the claims that they wish to act in a responsible manner I am bound to conclude that the company has been totally irresponsible. Great Northern Capital has simply walked away from the plant or is attempting to walk away from the plant and is trying to force the MDC to accept the shares. They were willing to support the project as long as it was funded by public monies but they walked away when the public money stopped. Not only do they want the government to take over Columbia Forest Products they want the government to take over their responsibilities as well. Thank you,

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q. C. (Leader of the Opposition)(River Heights): Mr. Speaker, we thank the Minister for his statement. I must say that we can now more or less draw the lines between the legal battle that will take place and the political battle that will take place. And, Mr. Speaker, the old saying that a little inaccuracy saves a world of explanation is the way in which the government approaches this particular matter. Mr. Speaker, the government has not tabled all the documents that are relevant. They've tabled a selected -- and I have to use the word "selected" and it applies so appropriately to the Minister -- a selected group of documents which are being conveyed to give an impression that they would like to create. Mr. Speaker, we will have the opportunity . . .

MR. SPEAKER: on a point of order.

MR. EVANS: Mr. Speaker, I'm afraid that there is a misconception here. Perhaps the Honourable Leader of the Opposition didn't hear me at the beginning of my remarks. There are three legal agreements and I have tabled all three legal agreements.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, the one document that he did not table was the minutes of a meeting of Columbia Forest held on April 12th at which the representatives of the Fund agreed with the representative from GNC Industries that in fact a motion be passed and the

(MR. SPIVAK cont'd) solicitor, the solicitor for the Fund was present in which the following motion was unanimously passed: Resolved that the transfer of all shares of the company to Manitoba Development Corporation be approved and the secretary authorized to report such transfer now and to issue certificates accordingly on surrender of the old share certificates. -- (Interjection) -- -- (Interjection) --

MR. SPEAKER: Order, please.

MR. SPIVAK: Mr. Speaker, there is going to be plenty of occasions to argue and debate the particular issue but there are certain things as a result of this statement that have to be said now. There have been inaccurate statements presented with respect -- by the government -- with respect to this particular issue. And in effect the answers that the Honourable Member from Emerson asked before with respect to Columbia Forest Products were not answered in a straightforward manner.

Mr. Speaker, the other very fundamental point is whether the Fund, its Board of Directors and the Act under which it operates in fact create a legal entity independent of government. Now, Mr. Speaker, if the government has now said that the Fund is now an arm of the Cabinet and of the Minister and declares that's the position then we'd better amend the Manitoba Development Corporation Act in a much more significant way than the Honourable Member from Portage la Prairie suggested. --(Interjection)-- Because, Mr. Speaker, if in fact, if in fact the Fund and its Board of Directors and its managers are independent of government as a Crown corporation, and the Premier has often been prepared -- suggested it's a Crown corporation so that its proceedings cannot be covered -- if that's the case then I suggest that those officers who sat on Columbia Forest Products representing the Fund and who executed and carried out the Fund's policy, albeit maybe not finally approved by the Cabinet who in this matter as in every other matter cannot make up their mind of which way they're going but who are in the course actually . . . --(Interjection)--

MR. SPEAKER: The Honourable Minister of Labour. Point of order.

HON. RUSSELL PAULLEY (Minister of Labour)(Transcona): . . . based on a point of order and refer you to our new rules dealing with the matter of the tabling of a document or a Minister making a statement of policy which is Rule 19, subsection (4) which reads: "A Minister of the Crown may make an announcement or statement of government policy at the time in the ordinary daily routine business appointed for Ministerial Statements and the Tabling of Reports and a spokesman for each of the parties in opposition to the government may make a brief comment with respect to the announcement or statement and the comments shall be limited to the facts which it is deemed necessary to be known to the House and shall not be designed to provoke debate at that time. Mr. Speaker, in all due respect to my honourable friend the Leader of the Opposition, I think what he is stating in essence is provoking a debate. -- (Interjection)--

MR. SPEAKER: The Honourable . . .

MR. SPIVAK: On a point of Order, Mr. Speaker . . .

MR. SPEAKER: The Honourable Leader of the Opposition on that point.

MR. SPIVAK: Mr. Speaker, the House Leader suggested that I am provoking debate. May I quote from the statement that we have just received: "In the light of this evidence and in spite of claims that they wish to act in a responsible manner, I am bound to conclude that the company has been totally irresponsible." Now who's provoking debate. --(Interjection)--

MR. SPEAKER: The Honourable the House Leader.

MR. PAULLEY: Mr. Speaker, the rules of the House do not refer to the statement itself but to the spokesman for a recognized party provoking a debate and if it is the desire of my honourable friend to provoke a debate, Mr. Speaker, I in all due respect say that he has ample opportunity but it should not take place on the contents of the statement itself. -- (Interjections)-- I am raising this point -- I am not decided. You go back to Flin Flon.

MR. SPEAKER: Order please. I should like to say to the House that the Honourable Minister of Labour, the House Leader does have a point, a valid point. I would suggest that the Honourable Leader of the Opposition's remarks stay within the bounds of the statement. I am sure we will have ample opportunity to delve further into the subject matter that was raised by the Minister's statement. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, it's our contention that not all the documents have been tabled by the government, all the documents that are relevant to understanding the situation, Mr. Speaker, the inconsistency of the government's position was exhibited the other day when

(MR. SPIVAK cont'd) the Honourable Member from Emerson was accosted by the Minister of Industry and Commerce outside this Legislative Chamber, when it was suggested that he prevented by his reference and by his grievance, he prevented the possibility of the sale being made to a Montreal company -- well, Mr. Speaker, if the government doesn't own this, how could they make a sale? Who is kidding who about this? --(Interjection)--

MR. SPEAKER: Order please. --(Interjection)-- Order please. --(Interjection)-- I believe the Honourable Leader of the Opposition has made a statement. He's concluded it. --(Interjection)-- He hasn't? Very well then I'll take the points of order, one at a time. The Honourable House Leader first.

MR. PAULLEY: Mr. Speaker, again my point of order is that you have ruled that the Leader of the Opposition should contain himself in accordance with the rules of this House and he is not so doing. In referring, Mr. Speaker, in referring to any statement that was made by the Honourable Member for Emerson, he is violating the rule of this House. And you, Sir, requested of him to adhere to the rule of this House and I suggest, that in all due respect to the flamboyancy of my honourable friend the Leader of the Opposition that he should adhere to the rules that his party was party to enacting. --(Interjections)--

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY ENNS (Lakeside): Mr. Speaker, with all due respect to the Honourable the House Leader and to you, Sir, I believe that the original point of order was raised and listened to by you, Sir, as Speaker of the House -- that now it's only a question of you, Sir, ruling -- or ruling my leader out of order or in order and it does not behoove the House Leader to continue to interrupt my leader in his statement. It's certainly entirely the prerogative of you, Sir, to do so. And up until that time I suggest the kind of interruptions that we're having from the House Leader are following a pattern that has been developed all too recently and all too often by this government.

MR. SPEAKER: Order please. Order please. The last remarks -- the Honourable Member for Lakeside is reflecting on the Speaker since he is indicating I should be adjudicating. I do try, and if he is saying I'm not then I'm saying that he's out of order in that regard. Let me again indicate to the Honourable Leader of the Opposition that he should try to contain his remarks within the terms of reference of the statement that was made. It is not necessary to include what has taken place outside yesterday, day before, what will take place tomorrow. But strictly on the statement that was introduced by the Minister of Industry and Commerce. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, one of the interesting suggestions made in the statement by the Minister is the fact that the government did not want to take over this plant, or the allegations that have been made -- not in the statement but outside -- that the government did not want to appear as if they were taking over this plant. And, Mr. Speaker, I believe this is probably fundamental to the whole inconsistent course of action that the government has undertaken. And, Mr. Speaker, although we have some written presentations in the forms of the -- some of the correspondence and some of the agreements -- I suggest that that has to be supplemented by the actual conversations that did take place between those who in fact were negotiating on behalf of GNC industries and on behalf of the government and the Fund. And I believe, Mr. Speaker, that when you examine that and when you have an opportunity of being in a position to examine that, you will in fact find that the government for reasons best known to itself -- and because of the political exigencies of the moment and even because of the prospects of a Minnedosa by-election -- did not in fact act in a straightforward manner in this respect; have not acted in a straightforward manner in the last three months in this respect; did not answer in a straightforward manner to the questions of the members on this side. And, Mr. Speaker, this is a violation of the rules and the privileges of this House --(Interjections)-- the manner in which the government has answered and accounted to the people. --(Interjections)--

MR. SPEAKER: The Honourable House Leader.

MR. PAULLEY: Mr. Speaker, I deem that as House Leader in that Assembly that I have certain responsibilities, and included in those responsibilities that have been entrusted to me --(Interjections)-- is the responsibility --(Interjections)-- from time to time to draw to your attention, Sir, points of orders. And I believe -- I believe that I on two occasions have risen from my seat on a point of order -- I believe, Sir, that on those occasions you admonished the Leader of the Opposition to adhere to the rules. And now, Sir, in this particular instance deals with a statement of a Minister --(Interjection)-- oh you keep quiet and go back to your

(MR. PAULLEY cont'd) hog ranch, you're more capable there! --(Interjection)--

MR. SPEAKER: Order. Order please. --(Interjection)-- Order please. --(Interjections)-- ORDER! Do all members wish to speak at once? I'll recognize all 55, I have no problem that way, but I'm sure that no one will hear what the other person is trying to say. And I believe we're here to listen to each other so that we may have some progress and some procedure of the business of government for Manitoba. I would suggest that all members conduct themselves accordingly, that it shouldn't be necessary just for the House Leader or for myself but it should be necessary for all members to adhere to their rules of procedure and that we shouldn't have to call upon each other to mind the rules of procedure. I appeal to all the honourable members to participate co-operatively. Are we ready to proceed? The Honourable First Minister.

HON. EDWARD SCHREYER (Premier)(Rossmere): Mr. Speaker, I rise first on a point of order and then subsequently I intend to rise on a point of privilege. My point of order is that the Honourable the Leader of the Opposition during the course of his remarks made reference to a particular document containing minutes of a meeting. I would suggest under the rules he should table that document.

MR. SPEAKER: The point is well taken.

MR. SCHREYER: That being . . .

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, . . . the document, yes.

MR. SCHREYER: Mr. Speaker, the point of privilege that I wish to raise now has to do with a statement contained within the lengthier remarks just completed by the Leader of the Opposition. He put forward as principal defense for his side the argument that the Board, the representatives --(Interjection)-- Mr. Speaker, I am entering into a point of privilege and until I'm heard it's difficult for anyone to say whether or not it's a valid point of privilege. --(Interjections)--

MR. SPEAKER: Order please. The Honourable First Minister - I still haven't heard what the point of privilege is or the matter of privilege.

MR. SCHREYER: Yes, Mr. Speaker, I'll try to come quickly to the essence of the point of privilege. It'll take about 60 seconds. One of the statements made by the Honourable Leader of the Opposition in defense during his remarks was that three representatives of the Crown sitting on the Board of Directors of Great Northern Capital were alleged to have voted in favour of the transferring of the shares back to the Crown -- and this, Sir, constitutes a very misleading if not fraudulent interpretation of what really transpired, because I have a document which I intend to table, supported by additional documents which make it very clear that the representatives of the Crown sitting on the Board of Directors before they cast their vote after lengthy discussion -- made it clear that they were voting this way only if it was established that the Manitoba Development Corporation decided to accept the shares and only on that basis. In fact they challenged the propriety --(Interjection)-- so my point of privilege, Mr. Speaker, is that if a senior public servant, any public servant or any other representative of the Crown, is maligned or so grossly misinterpreted as to their intent and their actions, then it becomes necessary to defend their actions in this House through a point of privilege.

MR. SPEAKER: On the point of privilege, the Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, you have judged that as point of privilege. The use of the word "fraudulent" was brought in. Mr. Speaker, may I suggest that the First Minister better explain why the solicitor of the Manitoba Development Corporation was fired, and who fired him, and what the reasons were. --(Interjections)--

MR. SPEAKER: Order please. --(Interjections)-- Order please. --(Interjections)-- Order please. --(Interjections)-- To begin with --(Interjections)-- ORDER! To begin with, the honourable --(Interjection)-- I have a lot of time and a lot of patience, I can wait. To begin with, the point of privilege the Honourable Leader of the Opposition was speaking to was not valid. He was not referring to the same item that the Honourable First Minister raised. He may have another point but I don't know where it relates to. I would agree with the Honourable First Minister after I have a look at the document, if what he states is correct that the Honourable Leader of the Opposition should rephrase what he said originally -- or retract. Would the Page bring me a copy of that document, please. On that point of privilege -

MR. SPIVAK: Mr. Speaker, in view of the fact that the First Minister has seen fit to table a document that was not tabled originally, I wonder if it's not a question of privilege at

(MR. SPIVAK cont'd) this point that the government now table all the documents it has in its possession. --(Interjection)--

MR. SPEAKER: Order please. --(Interjection)-- That's a non sequitur that I can't follow. --(Interjection)-- Order please. --(Interjections)-- Order please. --(Interjections)-- I must concur with the First Minister --(Interjection)-- Order please. --(Interjection)-- I must concur with the First Minister's statement of fact according to the document that I have here before me. It's up to the Honourable Leader of the Opposition now.

MR. SPIVAK: Mr. Speaker, I do not believe that you have any qualities other than being Speaker of this House. I do not believe that you are a solicitor, I do not believe that you are in a position to make that kind of judgment based on the representations that the First Minister has made.

MR. SPEAKER: Order please. Order please. --(Interjection)-- Order please. --(Interjections)-- ORDER! The Honourable Member well knows that there is a normal procedure that is followed if the honourable member wishes to challenge the ruling of the Speaker. I have no desire to debate with him the ruling, or with any other member of this House at the moment. What I heard the Honourable Leader of the Opposition say and what is contained in this letter, are two opposing views. And for that reason I am asking the Honourable Leader of the Opposition to retract that particular statement in regards to whether the minutes of what the Board members said, whereas he had stipulated that's the only point of privilege there is. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, on a point of privilege. I have tabled a copy of the minutes of the Board of Directors. The First Minister has another document which he's produced and that document may very well explain the actions of the minutes, but they're not contained within the minutes. I suggest to you that if there is an interpretation to be given by the Premier that is subject to a court to decide and not this body to decide, and certainly not for you to decide, Sir. I suggest as well that insofar as the document that I tabled is concerned -- and so far it has been disputed by the government -- I don't know why they didn't table it in the first place when they tabled the documents. Mr. Speaker, I suggest that that speaks for itself. I have no knowledge of any other document. I have not even seen the document that you suggest and, Sir, even if there is another document that has been signed by the officials of the Manitoba Development Corporation to the government or to some other body, Mr. Speaker, it is not relevant to my interpretation of that document. I am perfectly entitled on the basis of that document to make the judgment that the representatives of the Manitoba Development Corporation with the lawyer who ultimately was fired who was present there -- agreed to the transfer of shares. And I have no intention, Mr. Speaker, of retracting that, and I do not believe that the First Minister's statement in any way prevents me from making that statement because he's produced a document which I have not seen which was not contained in the minutes of the Board of Directors' meeting.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, . . . --(Interjection)--

A MEMBER: There but for God go I, Syd Spivak.

MR. SPEAKER: Order please. There was one remark passed just now from the back bench to my left which reflects and imputes on a member of this House. I don't know which member, but I would ask the honourable gentleman to withdraw that remark -- about a document being printed last night. I think we're all honourable members in this House, we don't impute anything to anyone being done.

MR. FRANK JOHNSTON (Sturgeon Creek): Sir, I withdraw it.

MR. SPEAKER: Thank you. The Honourable First Minister.

MR. SCHREYER: Sir, if it will assist the Chair in dealing with the particular point that is before us now I would on the basis of what was said by the Honourable Leader of the Opposition withdraw the point of privilege which I raised -- for the reason that as the Honourable Leader of the Opposition explains it was perhaps not possible for him to be aware of certain of the circumstances which surrounded the particular way in which the three directors in question voted. And on that understanding I am quite prepared to withdraw the particular point of privilege. In any case, now honourable members in any case are aware of the circumstances which surrounded the way in which the particular vote or votes were taken.

MR. SPEAKER: I thank the Honourable First Minister. In that case we may proceed. The matter is closed. The Honourable Member for Rhineland has one. Just a minute, on

(MR. SPEAKER cont'd) what? What procedural ground does he wish to proceed on?

MR. JACOB M. FROESE (Rhineland): Well I would like to raise a point of order in connection with the statement and I would like to get a copy of the statement so that I could comment on it as well under Rule 19 (4) --(Interjections)--

MR. SPEAKER: Which statement -- is the Honourable Member for Rhineland referring to the Minister's statement -- the Industry and Commerce Ministry statement? --(Interjections)--

MR. FROESE: Yes.

MR. SPEAKER: As the Honourable Member well knows, the Chair has only the power to recognize official parties in this House and since the Honourable Member doesn't fall into that category, I am afraid that he doesn't have that privilege. --(Interjections)-- Order please. --(Interjection)-- Very well, the Honourable Member for Rhineland -- what's your point of order?

MR. FROESE: Rule 19, subsection (4) does not refer to recognized parties. It says "parties of the House" --(Interjections)-- and I claim to be a member of a part of the House --(Interjections)-- not necessarily a recognized party. --(Interjections)--

MR. SPEAKER: Order please. --(Interjections)-- I am sure if the honourable member will peruse our rules a little more closely he will realize that they are parties recognized by the Chair, and the honourable member isn't recognized in that category yet. Notices of Motion. --(Interjection)-- The Honourable Member for . . . Order please. . . . The Honourable Member for Rhineland have something further to say?

MR. FROESE: Yes on the same point of order, if that is your ruling then I challenge your ruling. --(Interjections)--

MR. SPEAKER: Does the Honourable Member have . . . The Honourable House Leader.

MR. PAULLEY: Mr. Speaker, may I in all due respect say to my honourable friend that it is not your ruling, Sir, it is the ruling of this House that has defined what a party is in opposition in this Assembly and I think that it is far beyond the capability of the Honourable Member for Rhineland to challenge your ruling when it's not your ruling, Sir, it is a rule that has been adopted by this House.

MR. SPEAKER: The point is well taken but let me refresh the Honourable Member for Rhineland's memory. Rule 1, subsection (3) sub item (h), and it says: "The recognized opposition party means a party other than the official opposition represented in the Legislative Assembly by four or more members" -- and that's the point that I must conduct myself on. The Honourable Member for Rhineland.

MR. FROESE: Rule 19, subsection (4) does not refer to any recognized party as is done in Rule 3 (h) that you just read out.

MR. SPEAKER: Very well, shall the ruling of the Chair be sustained?

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

MR. SPEAKER: Any other Ministerial Statements, or Tabling of Reports? Notices of Motion, Introduction of Bills.

INTRODUCTION OF BILLS

HON. A. H. MACKLING, Q.C. (Attorney-General)(St. James) introduced Bill No. 39. The Sand and Gravel Act. (Recommended by His Honour)

TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture)(Lac du Bonnet): I wish to table a Return to the House dated April 4th, Order No. 15.

ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I'd like to address a question to the Honourable the Minister of Agriculture. Could he inform the House as to what contributions are made by the Government to the Canada Grains Council, if any.

MR. SPEAKER: The Honourable Minister of Agriculture.

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

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

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I'd like to address a question to the First Minister. With respect to the CFI companies when they were placed in bankruptcy, the Premier made the statement that all legitimate wage claims would be paid. My question is, are all the workers of the associated companies, and the sub contractors, have they been paid their wages as the result of the action?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, the particular reference made by the Honourable the Member for Portage la Prairie should have contained the qualifications that all bona fide claims valid in loss -- and that is the position upon which the lien claims and other claims are being considered now. We can advise the honourable member further that solicitors have been retained for the purpose of ascertaining so far as they are possible of doing so, the validity of the claims and as to the proper amount. This is a rather lengthy process, as the honourable member can appreciate.

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

MR. G. JOHNSTON: A supplementary question, Mr. Speaker -- could the Premier inform the House if the majority of the claims of the workers of the four associated companies have been settled?

MR. SCHREYER: Mr. Speaker, I'm trying to distinguish in my mind whether the Honourable Member for Portage is really referring to the lien claims that were filed by the various contracting and sub contracting companies and suppliers, or whether he is referring to the direct wage claims of those who in turn worked for each of these companies. I should think it would be the kind of question which could be better dealt with by way of Order for Return.

MR. SPEAKER: Very well. The Honourable Member for Rupertsland.

MR. JEAN ALLARD (Rupertsland): Mr. Speaker, I have a question for the Minister without Portfolio, as Commissioner of Northern Affairs. I would like him to tell this House if it is true that the Information - Communication program out of The Pas, the one which follows Newstart will cost something close of \$1 million.

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. RON McBRYDE (Commissioner of Northern Affairs)(The Pas): Mr. Speaker, I think that's a subject more appropriately brought up during the Estimates.

MR. ALLARD: Well, could he then tell the House whether the northern peoples' organizations like the Manitoba Indian Brotherhood, or the Northern Association of Community Councils, or the Manitoba Metis Federation were involved in the setting up of the Board under which such a program or this program operates?

MR. McBRYDE: Yes, Mr. Speaker.

MR. ALLARD: Then on a second supplementary, could he tell the House how many communities are involved?

MR. McBRYDE: The communities involved, Mr. Speaker, are those communities that lie within The Pas special area.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. R. (BUD) SHERMAN (Fort Garry): Thank you, Mr. Speaker, my question is to the Honourable the First Minister. I would ask him whether there is any provincial involvement at this time in the multi-million dollar construction project of the Trisek Corporation that's mooted for the corner of Portage and Main.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Negative.

MR. SHERMAN: A supplementary question, Mr. Speaker -- is any provincial involvement contemplated?

MR. SCHREYER: Mr. Speaker, this government contemplates from time to time the entire spectrum of human endeavour.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, my question is for the Honourable the Minister of Industry and Commerce. It relates to a News Service Release of some three months ago by the Minister, dated January 21st. The heading is "Saunders Aircraft records big sale. Gimli first firm sells five aircraft to the U.S. airlines." Could the Minister tell the House at what state this sale is, has it been completed to the U.S. airline?

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

MR. EVANS: I'll take the question as notice, Mr. Speaker.

MR. MCGILL: A supplementary question, Mr. Speaker, to the Minister. Is it the intention of the Manitoba Development Corporation to transfer Mr. T. J. Ault from Flyer Industries Limited to Saunders Aircraft in an executive capacity?

MR. EVANS: Mr. Speaker, whether or not this is true is beside the point. It's an internal administrative matter. --(Interjection)--

MR. MCGILL: Mr. Speaker, another question to the Minister of Industry and Commerce. Is the Manitoba Development Corporation now recommending a further loan of \$5 million to Saunders Aircraft subject to Cabinet approval?

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

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I have a question for the Minister of Finance. In view of the announcement that the government of Quebec will be vacating the succession duty field within the next few years, does the Government still intend to proceed with Bill 5, the Succession Duty Act in its present form.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I am aware that there have been efforts from time to time by certain persons to try to create the impression that provinces already in the succession duty field are contemplating abandoning it or vacating it. I rather suspect that in the case of the Province of Quebec the reality is not much different from that of Ontario, which is that there is no definite intention expressed to vacate this field ever.

MR. PATRICK: A supplementary. I wonder if the First Minister is aware that the Minister of Finance in Quebec has announced that there will be a 20 percent reduction in succession duties and they will be vacating the field.

MR. SCHREYER: Mr. Speaker, there are a number of other qualifications and conditions that were expressed by the Minister of Finance in Quebec which obviously the Member for Assiniboia isn't aware of.

MR. SPEAKER: I should also like to say to the last question that one of the procedures is that we do not supply information by way of questions and that's what the honourable member did on his supplementary. It escaped my notice until it was done.

The Honourable Member for Churchill.

MR. GORDON W. BEARD (Churchill): I would like to address a question to the Minister of Cultural Affairs. Is it correct that the Art Gallery on Memorial Boulevard have a deficit of some \$200,000?

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

HON. LAURENT L. DESJARDINS (Minister of Tourism, Recreation and Cultural Affairs) (St. Boniface): Mr. Speaker, I don't recall the exact figure. I think that it is in the neighbourhood of -- it was in the neighbourhood of \$200,000, but this is being reviewed and it is considerably lower at this time.

MR. BEARD: Is it correct that they are considering using some of the building for a youth hostel this summer?

MR. DESJARDINS: No, Mr. Speaker.

MR. SPEAKER: Orders of the Day. The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education)(Burrows): Mr. Speaker, yesterday the Honourable Member for Emerson put a question to me which the Honourable First Minister took as notice. I believe that the question was, will public meetings and public education be held outside Winnipeg and Brandon? Well I wish to inform the honourable member that prior to those two meetings there have been other meetings of a similar kind at Thompson, Churchill and Norway House, of a public nature, as well as numerous meetings in school divisions, either on their home ground or in my office. And I believe that to date I have met with over three-fifths of the school divisions in my office and about a third in their own communities, as well as The Teachers Society, MAST, Union Manitoba Municipalities, parents and students, and participating on open line programs in Winnipeg and outside Winnipeg. So the practice of meeting with the people of the province certainly is continuing.

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

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. I would like to address a question to the Minister of Education. In holding all these meetings throughout the province, has he consulted with the NDP party in Alberta and British Columbia and Saskatchewan prior to holding those meetings?

MR. SPEAKER: Order please. The question is not relevant to procedures of this House, Orders of the Day. The Honourable the Attorney-General.

MR. MACKLING: Mr. Speaker, the other day the Honourable Member from Crescentwood asked me whether or not I had received a brief from the Winnipeg Tenants Association. I can now confirm that such a brief was received and it will be considered and response will be made in due course. I also wish to while I'm on my feet indicate that the Honourable Member from River Heights, the Leader of the Opposition expressed through a question, a concern in respect to alleged deaths due to exposure in the downtown area. The information that I have obtained from the office of the Chief Constable of the City of Winnipeg is according to their records there were only two persons who appeared to have died from exposure and alcoholism and one of these was approximately 20 blocks from the downtown Main Street area. The whole problem, you know, of geography is of course something that I haven't gone into carefully. There is a concern in this area and I trust it will be met in government program which will be announced in due course.

MR. SPEAKER: The Honourable Member for Emerson.

MR. GABRIEL GIRARD (Emerson): Mr. Speaker, I would like to direct a question to the Honourable Minister of Municipal Affairs with regard to Autopac. I wonder if he could explain to the House why it is deemed necessary to insure drivers under the age of 21 and give them coverage in case of injury to provide car rental, when the car rentals in Manitoba do not rent to people under the age of 21.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs)(Selkirk): Mr. Speaker, first the question is really relevant to the policy of the car rental companies in the Province of Manitoba. I am concerned however, if the statement that the honourable member has indicated is correct, because it would seem to me that in view of the reduction of age under the Majority of Age Act that the car rental companies ought to be renting to those between the ages of 18 and 21 as well as those over the age of 21.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Speaker, I have a question for the Honourable Minister of Highways. It's concerning the Vehicle Registration Branch. I wonder if he can inform the House how many months the Branch is behind in getting out rebates to people who have turned in licenses or license plates?

MR. SPEAKER: The Honourable Minister of Transportation.

HON. PETER BURTNIK (Minister of Highways)(Dauphin): Mr. Speaker, I am not able to give the honourable member the precise number of months at the moment but we do know that they are a few months behind in some cases because of certain problems, and I am sure that the honourable member as well as we are aware of, that have taken place. However, I shall endeavour to find the answer for the member.

MR. F. JOHNSTON: A supplementary question, Mr. Speaker, I wonder if the Minister while he is doing that, would check to see if there are 71 rebates that have not gone out.

MR. BURTNIK: Mr. Speaker, yes I will certainly do so. I am quite sure that there may not be too many, but there may be some. But I'll find out.

. continued on next page

ORDERS FOR RETURN

MR. SPEAKER: Order for Return of the Honourable Member for Rupertsland. The Honourable Member for Rupertsland.

MR. ALLARD: Mr. Speaker, I move, seconded by the Member for Churchill

THAT an Order of the House do issue for a Return showing the following information concerning each of the P, E, P. programs and/or grants initiated by the provincial government:

- (1) the criteria of eligibility under which the grant or program was established;
- (2) the category of economic activity into which the grant or program falls;
- (3) the number and area of such grants and/or programs;
- (4) the names of the recipients of the grant.

MR. SPEAKER: I should like to indicate to the Honourable Member for Rupertsland that I am hesitant about accepting this. Of course it's at the pleasure of the House. But it must be understood that one of our procedures is that when a matter has been dealt with and adjudicated by this House we do not do it again in the same session. According to my recollection, Votes and Proceedings No. 28 had exactly the same questions except more of them than the particular Order that the Honourable Member for Rupertsland now poses.

The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I should like to indicate that while there may be a problem for the Chair in deciding whether or not it would be in order to allow this Order for Return to be properly brought before us, that insofar as the government is concerned it would be possible to provide this information with respect to Items 1, 2, and 3 and with respect to No. 4 as well assuming that the Honourable Member for Rupertsland is referring to the organizations that successfully applied for grants and not the names of every individual that was employed. If that's the understanding we would certainly be prepared to accept the Order.

MR. SPEAKER: Well I am at the will and pleasure of the House but as I indicated if I allow it and if there's any rejection and put over for debate then the Chair is in the dilemma of having to bring up and allow a debate on a matter that was already once adjudicated.

MR. SCHREYER: The only thing, Mr. Speaker, if I may rise on a point of order, the only difficulty that I suggest we face here is that in the initial instance an honourable member moved an Order for Return that dealt with the same subject matter, but the questions of which were framed and worded considerably differently and it was indicated at the time that the government would be prepared to accept the Order with certain conditions. It was deemed by the mover at the time that the conditions and qualifications were unacceptable to him and he asked that it be transferred for debate. However that, I would argue, Sir, I would submit, ought not to preclude this particular motion from being accepted since it asks for information in a very specific way and I have indicated that the information can reasonably be made available.

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSON (Morris): Mr. Speaker, you were quite correct in your interpretation of the rule that suggests that once a matter has been dealt with in this House it cannot be revived again on a subsequent motion and regardless of the tendency of the government in this particular instance, what the Member for Rupertsland is in effect doing is reviving a matter that has been disposed of by this House and technically by the rules of this House it cannot be arised at this time. Of course as you suggest, Sir, you're in the hands of the House and by unanimous consent that sort of thing can be done. I suggest that the only way it can be done is by unanimous consent of the House and by no means and by no way must this be considered a precedent to be followed in the future, if in the event that unanimous consent is given. Your rule and your interpretation of the rule is quite correct, that technically it is not permitted at this stage to reintroduce a measure that has already been dealt with.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Chairman, I do not want to put myself in a position of arguing too strenuously in a way that might seem to be at variation with what your interpretation of the rule is but, Mr. Speaker, I would submit to you that it is too facile an argument that the Honourable Member for Morris makes. He argues that the rule is that if a particular subject matter is raised in this House by way of motion that no other motion dealing with the same subject matter can be entertained. I submit, Sir, that that is not a correct interpretation of the rule because if it were then it could result in the following ridiculous and mischievous

(MR. SCHREYER cont'd) situation; that an honourable member opposite could decide to file an Order for Return consisting say of ten parts, one part of which was known in advance by honourable members opposite to be unacceptable to the government. So automatically it would then be transferred for debate and it would preclude any other honourable gentleman from moving a subsequent motion asking for valid information in a valid and proper manner. So surely, Mr. Speaker, the intent of the rules cannot be such as to preclude an honourable member to file a subsequent motion dealing with similar subject matter.

So I suggest to you, Sir, that in light of the complication that arises perhaps the best course of action would be to take this under advisement and the particular rule in question under advisement to see whether the Honourable Member for Morris or I have the more correct interpretation of this matter.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSON: It's not a question of the interpretation or the difference of interpretation between the Premier and myself. It is a question of the interpretation that you place upon the rules and the First Minister.

MR. SPEAKER: The Honourable House Leader.

MR. PAULLEY: Mr. Speaker, I'm wondering whether or not we're really on beam. Because you are quite correct, Sir, when you state that a matter that has been resolved shall not be introduced at the same session. May I in all due respect, Sir, indicate that if you took a look, or members took a look along with you on page 4 of today's Orders of the Day there is a question for Address for Papers transferred for debate by the Honourable Member for West Brandon.

MR. SPEAKER: I'm not referring to that one I can assure the House Leader. I'm referring . . .

MR. PAULLEY: If that is the one, Sir, that that has not been resolved, and if that is the case then, Mr. Speaker, then it may be that the resolution standing in the name of the Member for Rupertsland may be in order and I join my honourable friend the First Minister in suggesting it take further consideration.

MR. SPEAKER: I was referring to Votes and Proceedings Number 28, page 3. All right I'll take the matter under advisement.

Orders of the Day. The Honourable House Leader.

MR. PAULLEY: Mr. Speaker, if you would be kind enough to call Bill No. 21 standing in the name of the Honourable the Member for Assiniboia.

ADJOURNED DEBATES ON SECOND READING - GOVERNMENT BILLS

MR. SPEAKER: On the proposed motion of the Honourable Minister of Finance. The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I rise to make a few comments on Bill 21 and whatever I have to contribute to this debate I'm sure that I will not change the mind of the Minister of Finance or the minds of the members of the front benches on the government side. However, I do wish to make a few remarks at this time and my first objection to one of the principles in the bill is the retroactivity section in it.

Mr. Speaker, I feel that if any legislation that will be retroactive it can only pass and should be allowed to pass in this House when it will benefit the individual or the people that it will affect. And in this instance this bill will not benefit anyone and in my opinion it will affect many people. --(Interjection)-- Yes. I'll point out later on in my remarks, Mr. Speaker, what I mean. I think through a normal process of legislation when any bill is passed or any legislation is made into law any individual or any person can adjust to that law and he can adjust to it in such a way that he will not be hurt in any way shape or form. But if the bill is retroactive there is no time for him to adjust and he is penalized. You can relate this to probably you're half way through a ball game and you change the rules completely in that ball game. You're also responsible or penalized for something you did two weeks ago which was legal and today is not legal. So I don't certainly subscribe to retroactive legislation. I think it's wrong; I think that we proceed in this direction too much, Mr. Speaker, you end democracy. I feel that it's a very serious clause or serious penalty in this bill of retroactive legislation.

I could point out, Mr. Speaker, you could order a piece of equipment before May 1st, if you take possession of it after May 1st you are penalized and already I've had quite a few people that came to my attention said that it will cost them a considerable amount of money

(MR. PATRICK cont'd) because they have ordered quite a bit of equipment and they will not get possession of it before May 1st but they'll get possession after May 1st. I understand that even when the sales tax was brought in by the Roblin government this was the procedure that was used at that time. If there was any equipment ordered and as long as it was ordered if possession was taken of that equipment after the sales tax came in there was no sales tax paid on that equipment.

Mr. Speaker, the other point, I feel that it's unjust to have legislation enacted into law when it will have a great impact on many people and on many previous commitments that were made by many people in business or personal commitments and for this reason I feel that there should be a public hearing held when we have that type of legislation. I know that the Minister will say that this has not been the practice before. It's never been done and there should not be a public hearing. I beg to differ. Perhaps it's time that we have a public hearing. I also feel that there is an invasion of a certain amount of civil liberties under this bill. The bill also contains seizure clauses and liens on personal property. The Minister may issue a warrant for the amount of debt due to Her Majesty in Manitoba under this Act at any time and I feel that in this respect that there is invasion of civil liberties.

Mr. Speaker, you will recall that a government and the party that really congratulated, complimented and agreed with almost everything what the Carter Commission had said and what the Carter Commission did. Now this is exactly what the Carter Commission has stated which is completely opposite to what the government is doing at the present time. The Carter Commission indicated that at no time there should be any tax legislation imposed on people without public hearing, that the people should have a right and opportunity to present their arguments, to tell the government and the legislators how it will affect them before any such legislation is passed. And the party that really supported almost every respect of what the Carter Commission had said is not doing what the Carter Commission recommended today. I'm sure that most MLA's or many people would agree in this House that very few MLA's can understand this very technical type of legislation. It's very complicated legislation unless you take a whole week or a few days off and get advice from a trained lawyer or an accountant, because it is very technical legislation. It is very difficult and it's difficult to understand. I think that the community has a right, the community has a right to know what this legislation will be and how it will affect the community, so I think that they should have a right to be able to express their opinion and the only way they can do it is if there were public hearings.

If the government did not feel that this can go to Law Amendments Committee then surely the Minister could have had this legislation drafted some time ago and could have had a public hearing which I'm sure would have not entailed the kind of hearings we had in respect to the Unicity which was I know quite involved, quite extensive and took a long time. But in this respect, in respect to the two bills I'm sure that he could have probably been able to dispense with the public hearing in a matter of two or three days and I think this is what the Minister should have done. I'm saying that in the Carter Commission this was one of the strong points in its recommendation to all governments that no tax legislation or no tax should be imposed on people without proper public hearing, without proper public scrutiny so that the people, the business community as a whole can tell the government, can tell the legislators how it would affect them in their area. So for this reason I feel that the Minister should have taken a completely different attitude and should have done what he preached for the last couple of years what his party had said, what Carter Commission had recommended.

I'm sure that I would be wrong not to say that there are many areas and many points in the bill that I agree with. And I know even some of the tax imposition will not affect me or affect my family, a few of the tax impositions, so I am ready to say that -- and prepared to state that some of the tax imposition that's entailed in this bill I could live with quite easily but it's the other points that I strongly differ with the government in the other areas.

I know that last year the government had a revenue of some \$30 million from liquor sales in this province and again we will have a tax increase on certain liquors within this bill and I would like to ask the Minister, is it not time - and I would like to hear some of the other members in this House respond in this area - is it not time that we built ten percent, ten or eight percent or some percentage of the liquor sales which would go to training the public about alcohol problems, about alcoholism, about rehabilitation in this area. I think that it's very important. I'm sure that some of the members on the other side will probably agree with this and I would like to hear from them, because \$30 million is a lot of money, and again will

(MR. PATRICK cont'd) increase the liquor sales, the tax on some of the liquor sales under this bill. And I said with some of these measures I can agree, I have no argument with, but I think it's time that we built a safety measure, a measure of some kind that a certain amount or a certain percentage from the revenue of the liquor sales in this province go towards rehabilitation, go towards education even into our public schools about the alcohol problems and alcoholism in this province.

Mr. Speaker, the other area that I wish to touch on and that is -- I know that the Minister has told us in introducing the bill that there will be a sales tax on production machinery and at first instance you may say well it's no problem, I can agree with it, because the other provinces have sales tax on production machinery.

But, Mr. Speaker, there's another point as well -- you got to relate your production machinery sales tax in relation to the high taxes that we have in this province already, on personal income tax, the corporation tax, the succession duty tax -- and these are perhaps or probably the highest taxes of any other province in Canada -- and I think that you have to relate the tax on production machinery to the high taxes on all other areas. And if you relate this to the other areas of taxation perhaps then we can say we are placing too much burden and too high of a tax even on production machinery, because what effect it will have on the growth, on the economic development of this province, as we know that at the present time our development and our growth in the province is probably the slowest of any other province in Canada.

I know that I wish to remind the Minister -- I see he's not been too attentive -- but I wish to remind him that I believe it was only the NDP government and only the NDP members provincially and federally that really complimented and agreed with the Carter Commission in total, agreed with it -- and which the Carter Commission strongly recommended and strongly suggested that no taxation be placed on people unless there were public hearings and I think that I disagree with the Minister in this area that he did not have many public hearings.

The other point that I raised was retroactivity and it seems the present government is proceeding almost too fast in bringing in retroactive legislation. Last year we had perhaps nine to ten bills that had retroactive clauses in them and I don't believe this is necessary. I think that government is getting into a habit which is uncalled for and using the retroactive clause much too often that is required.

So for these reasons, Mr. Speaker, I cannot support the bill. However, I stated there are some taxation areas that I would have no problem supporting it. But in view that there were no public hearings held, the retroactivity aspect in the bill, Mr. Speaker, and government measures in respect to -- which almost borders on civil liberties of seizure procedures and warrants against personal property, I cannot support the bill at this time.

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

MR. GRAHAM: Thank you, Mr. Speaker. Mr. Speaker, it was interesting to hear my colleague on this side of the House, although he's from a different political party he does sit on the opposition side, and he indicates his opposition to a revenue tax act and on that basis I have to agree with him. To me taxation by this government or any other government is something that the people of the province or the Dominion of Canada resent.

Basically, Sir, I think that the people in this country want the maximum freedom of endeavour on their own part with a minimum amount of government interference, that whenever government interferes in the lives of people it has to have money to do it. This particular government, Sir, says that we will tax people on their ability to pay. We will take from the rich and we'll give to the poor. And that has very noble sounding phrases and it's always a fairly popular belief. But, Sir, when you continue and continue to tax and tax suddenly you find that there are no rich left and everybody is poor. And this is a basic fact that this government refuses to accept. It's a philosophy of their's that they know better how to spend my dollars than I do myself, and they have every intention of taking every dollar that they can away from me and they will spend a portion of it providing for my needs and the rest they will use in administration and salaries for some of their preferred employees. --(Interjection)--

Mr. Speaker, this Revenue Tax Act hits at the very heart of those who are dedicated to the principle of freedom of enterprise, the minimum amount of government interference in their affairs and, Sir, I subscribe to that philosophy wholeheartedly --(Interjection)-- and I object very strongly, Sir, when government tries in their devious ways to thwart me in my endeavours as a private citizen in this province. I think it is regressive --(Interjection)-- it

(MR. GRAHAM cont'd) is unacceptable to the majority of the people in this province --(Interjection)-- and the unfortunate part of it, Sir, is that it eventually relegates all the people in the province to a state of utter dependence on their lord and master who are occupying the seats opposite here. --(Interjection)-- Sir, that political philosophy if it's allowed to carry on for much longer in this province will lead to ruination of this country and the killing of the desire of people to be responsible citizens in our fair country. --(Interjection)-- So for that reason, Sir, I reject this method of taxation or any other method of taxation that this government brings forward. --(Interjection)-- Even their ability-to-pay principle --(Interjection)-- is not going to achieve the end that they have hopes for.

We see signs here, Sir, of deliberate government attempts to wall us in as a province. Our Minister of Agriculture has brought forward legislation and set up boards such as the Feed Grain Marketing Board which attempts to isolate us so that they can protect us in all our endeavours to the point where we become utterly dependent on government for our survival. And, Sir, I do not accept that, I've said that and I will continue to say it as long as I have a breath left in my body, because government has not got that right over me, not yet in this country at least. --(Interjection)-- That's right, they say "we will", and, Sir, that indicates to every person in Manitoba the intention of this government -- that they will eventually have absolute control over the people of this province and they are the only ones that have the divine right to rule and, Sir, I object to that. --(Interjection)-- This political philosophy of government knowing better how to spend your dollars than you do yourself is for the birds, Sir. The individual has the right to make that choice he should be allowed the freedom to do it and this government is denying them that chance.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Thank you, Mr. Speaker. Mr. Speaker, during this debate we've heard many discussions about magicians -- and my colleague mentioned travelling circuses. I think that we've been through a couple of world wars in the last week on different subjects. But this bill No. 21 reminds me a bit, Sir, of the story about the farmer who bought a mule and the man that sold this to him said that this mule was very co-operative. He said you don't have to struggle with this fella to get things done, you just whisper in his ear and he moves. The next morning he got up and he asked the mule to move and the mule wouldn't move. He coaxed it a bit, he yelled at it, he even gave it a kick in the rump and it still wouldn't move. And he phoned the fella that sold it to him and he said: "Look, you told me that this mule was very co-operative. You've sold me something that doesn't happen, you've misrepresented this sale". The fella came over to see him and he picked up a two by four and he hit the mule on the head. The fella looked at him and he said: "I thought you didn't have to treat him that way." He says: "But first you got to get his attention".

Mr. Speaker, we have been trying to get the attention of this government for three sessions now. We have been telling them that more taxes to the people of Manitoba can only harm the Province of Manitoba. --(Interjection)-- The answers that we get from them is that they do it in Ontario, they have certain taxes in the Maritimes, but for some reason or other nobody on the government side will look at Manitoba as Manitoba is. Manitoba can only be compared to the prairie provinces; Manitoba does not have 33 million people; Manitoba does not have a great industrial tax base, or even for that matter of fact a large residential tax base. Manitoba has a million people and it can only be compared to the other prairie provinces, and the fact is, Mr. Speaker, the Province of Alberta is going up, up, up and the provinces of Saskatchewan and Manitoba are going down, down, down. --(Interjection)--

Mr. Speaker, I would like to say that the Province of Manitoba is even unique from some of the other two prairie provinces in that geographically we are in a position of having once been the great supplier or gateway to the Golden West for the prairies. We are in the geographical shute of transportation from the Great Lakes into the prairies, and we have always had a terrific agricultural base. We are growing in our industrial brace. And all of those things were moving ahead very nicely until this government came along and started to introduce more taxes. --(Interjection)-- Mr. Speaker, the Minister, or let's say the government completely tried to sell this -- they are finding out that they are not salesmen. The Minister of Finance is finding out that what he says is not gospel. People are starting to figure out that it just doesn't happen that way. Nobody can have increases of \$60 million and \$69 million in Estimates and use the word "tax shift" as easily as they do because there's only one taxpayer. The tax shift only comes back to the people. There's only about one percent of the people, as we've

(MR. F. JOHNSTON cont'd) said before, earning over \$20,000 in this province and if you're going to get the money you're going to get it from the middle income people, and you're going to be taxing them. And that's what's happened.

And in this bill, Mr. Speaker, we have taxes now being increased on liquor, the corporation that makes \$30 million a year, you know -- and if a corporation in this country made a profit of \$30 million a year and raised their prices, that government would be jumping on their desks yelling about it. But here you have a corporation owned by the government that makes a tremendous profit and they've got to add more tax on liquor. I'm not quite like other people, Mr. Speaker -- I don't believe liquor and tobacco, because it's entertainment, is the thing to tax. I think that these things are a way of life with many people. Certainly there is excessive drinking at times but a glass of whiskey or a bottle of beer to anybody or to many people is entertainment, relaxation to them, and why keep putting the taxes on them.

Mr. Speaker, the Minister of Finance keeps continually saying prove people aren't leaving this province. I refer to a letter, Sir, to the Honourable Mr. Cherniack. I must say that it is not dated, it was sent to me as a copy so I am not sure whether he received it or not, but it was addressed to him. And its sales tax imposition on the production equipment in the first three paragraphs of this letter explain to the Minister that their group in Winnipeg had worked very hard with the principals of their company to make an investment in Manitoba that would mean some machinery to be placed in Manitoba which would create jobs. They've explained that the project was marginal but they nearly had their principals convinced. And he says: "You may there" - the third paragraph, he starts out -- he says: "You may therefore imagine my surprise and dismay upon learning on April 6th that the Government of Manitoba intends to impose a new tax on production equipment. Your decision seems to defy all reason. Truly 5 percent doesn't sound like much but already you have an example where you have put in jeopardy and may have eliminated entirely a project which already was marginal insofar as this company is concerned. That kind of incentives to industry we can do without in Manitoba and all of us only can be poor for it. It is my sincere hope that this new tax on jobs, and that's what it is, will receive your earliest possible consideration and will be removed promptly. What this province and this country surely does not need is an altogether unnecessary increase in cost of providing much needed employment in productive work. There was to be a better way to balance the Budget, I trust that you will denote a portion of your time towards finding it."

Mr. Speaker, that is only one letter. People who were intending to invest in Manitoba or expand plant facilities where production machinery is required just won't happen now.

The Member from Inkster gets truly wound up. He says: "Taxes won't stop industry from coming here, only they go where the profit is." Well I'll tell you if you can't get a profit on your return, of your investment, because your investment has to be so high, there is going to be no profit. So these companies certainly will not come to Manitoba under this particular situation. Taxes on entertainment are to me not what everybody says "logical places to put taxes". Taxes on entertainment are taxes on recreation of people, and at the present time people have more time on their hands than they've ever had before in their lives, because of union negotiations, shorter work weeks, etc. and recreation is what people are going to have to have, and you are taxing recreation.

Mr. Speaker, amusement, this type of tax and I mentioned earlier, recreation, sitting down and enjoying your life and if you don't think that amusement taxes are not recreation for people you are obviously wrong. --(Interjection)-- I beg your pardon. --(Interjection)-- Right. You don't believe that an increased tax on recreation or on things people use for recreation is not taxing recreation? Well if you don't relax when you drink, obviously you better go and see your doctor; so let's put it that way.

Mr. Speaker, the other thing that seems to be continually argued in this House is that - find a better way they say. Well again I say we've tried to get their attention, we've tried to hit them over the head. I don't know what it takes. We have said that we would give certain things to people, we would reduce education tax or take education tax off old age pensioners, we would take tax off farm productive property or farm producing property; we would lower the tax by ten percent and we would not raise taxes. We're not talking about doing it a better way or show us a better way, and saying that we are going to keep the taxes the same; we're saying we are going to do it and we are going to lower taxes, because it can be done.

Now, the services that we would eliminate are the tremendous boards and commissions

(MR. F. JOHNSTON cont'd) that are almost shameful in this province and legislative assistants by the carload, which are increasing taxes. Of course maybe they are helping the liquor sales, I don't know, but I can assure you of this that this is the type of thing that could be very easily eliminated to benefit the people of this province. In fact, I don't know where the conscience is of this -- no I don't want to answer a question, Mr. Speaker. I don't know where the conscience is of this government - no, Mr. Speaker, I don't - later. I don't know where the conscience is of this government when they turn around and hire people at the salaries that they do and then turn around and put a liquor tax on people. You know that's conscience, that's real conscience when you turn around and you just keep insisting that you hire all these people and then you say, go down to the liquor store all you poor people of Manitoba pay the tax to pay their salaries. That's really what you're saying because your bureaucracy has built to that point. Mr. Speaker, I don't have any more to say on this.

As I said, we will continue to pick up the 2 x 4 and try and hit them over the head, they don't really realize that there is only one taxpayer. Raise it on corporations, raise it on businesses, raise it on the high income people, and you will only turn around and you will pass the taxes down to the people in the middle area who will pay it. It's proven your cost of living has to go up because of this government's taxing and we will continue to say it; the people will find out that that's what's happening to them. If you walk down the street to a little grocer in my honourable friend the Attorney-General's constituency the other day, and he said to me, he said "Gosh business has been bad during March". He said "I wonder why?" I said what do you think? He said "Well I'll tell you one thing," he said "I'll tell you one thing" and he repeated it, he said "You know everybody having to pay that damned Autopac all at once has taken half my sales in March". Now this government turns around and they say, "Oh no, we're not harming the people. We're not harming little people in business". Well you are and you're suffering for it. Every place you go.

The trouble is, Mr. Speaker, I think it was down in the States during some of the preliminaries one of the candidates was saying, "you know why don't you go out and talk to the people on the street or the shippers or the people in warehouses, the people in offices; he said government boys continually send out people to get their opinions from them - these high priced executive assistants - and they come back with completely the wrong opinion." This government is getting the wrong story and they've really got themselves going down the garden path, because the people of this province that you meet every day in the street say we are damn sick of control, we are damn sick of taxes and we are so sick of them we are going to turf them out the next election. Thank you.

MR. SPEAKER: The Honourable Attorney-General.

MR. MACKLING: Will the honourable member answer a question now? Would he mind indicating which is the first Board or Commission that he would recommend we abolish?

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Speaker, I would cut the Human Rights Commission budget by three-quarters without batting an eye.

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

MR. WALLY JOHANNSON (St. Matthews): Will the honourable member submit to another question? In view of the fact that elimination of Legislative Assistants would cut the provincial budget by exactly \$5,000 would he tell us how his party proposes to eliminate the rest of the \$54,995,000 that they are going to cut?

MR. F. JOHNSTON: Mr. Speaker, let me say this that he said Legislative Assistants and I am fully aware a legislative assistant is an elected member of the government. If you would like me to elaborate I will go even further, I'll say Executive Assistants by the carloads, plus that. I'm sure, Mr. Speaker, that if I were to get the Attorney-General in the same mood he used to be in in St. James Assiniboia when we did a budget, he and I could pare it like you've never seen before.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Speaker, I have a few brief remarks on Bill 21. I don't propose to attempt to rephrase or reiterate the positions taken by the previous speakers on this side, but it does seem to me that too much of our time has been taken with discussing the palatability of this tax measure and not enough time on discussing really, why a tax of this kind and in this amount was necessary at this time.

We are of course in the process of examining the spending estimates of the government

(MR. MCGILL cont'd) and we are attempting to show that in some instances there are places where reductions could have been made and it's our view in general terms that we should not be discussing the degree of acceptability of the kind of taxes that the Minister of Finance and the Cabinet are now proposing, but rather taking another look at the amount of money the province is spending and attempting to approach it from that angle. I think it's a time in the history of this province when we really should be examining the amount of money we are spending and not accepting as inevitable the need to constantly get more and more of the money.

I'm always interested in the comments of the Honourable Member for Inkster, because he puts them in a very acceptable way and there have been quite a few comments made about his sleight of hand and his ability as a magician. My colleague from Fort Garry spent two or three minutes explaining what he does with the rabbit and the hat. The honourable member has been described by some writer as a devastating swordsman in debate and I think maybe when we were discussing his magical qualities, we missed one of his best acts completely, at least it didn't seem to have been mentioned by anybody here. That I would suggest, Mr. Speaker, was the sword swallowing act which the honourable member did just before the start of this session. I thought that was an amazing and almost surprise act and it's only in recent weeks that the sword has reappeared and it is now beginning to shine with use again, so he is contributing much of the scintillation that goes with the debate in the House.

But he did, too, in his contributions as I remember them spend a great deal of time saying this was a clever way of presenting an additional tax to the people of Manitoba. It conformed with all of the kinds of tests that would be applied by the Government of Manitoba at this time; it was an ability to pay kind of tax, and it was not a regressive kind of tax, so it was considerably acceptable to the people of Manitoba - it would be in his view.

MR. SPEAKER: On a point of order. The Honourable Member for Inkster.

MR. SIDNEY GREEN, Q. C. (Inkster): Mr. Speaker, I wonder, on the point of order, Mr. Speaker, whether the honourable member will not agree that I said that it was a regressive form of tax, that I didn't agree that it was in accordance with ability to pay? I said that very plainly yesterday.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Speaker, I certainly accept that from the honourable member I don't have, or I have not read the transcript of his remarks. That may well be. But if I may return to my general position, it was a debate more designed to consider these taxes as acceptable rather than to question the whole need for an increase in taxes at this particular time.

Mr. Speaker, I'm interested in one particular area in this bill and that is the area in which some of the exemptions to the sales tax which existed prior to the presentation are being eliminated, and one that I think bears some further explanations and perhaps the Minister of Finance in his summation can provide them, is the area in which we are now proposing - the government is now proposing to tax aircraft and parts which formerly were exempt because of their interprovincial or international activities or operations. I would think, Mr. Speaker, that - I would like very much to know what the Minister of Finance has in mind here, what the thrust of the whole area is. Now I'm thinking of the Manitoba based air carriers particularly; I'm thinking of their financial positions and the extent to which they have relied upon an exemption for aircraft that were used interprovincially and perhaps internationally and now, I'm sure the Minister must have some idea of the additional load that they may be required to undertake here.

The Manitoba air carriers, Your Honour, I would think rely mostly for revenues which would accrue to them through their activities in Northern Manitoba and I would suggest to you, Sir, that it may well be that the increase in operating expense which will now be occasioned and applied to them by the bill before us, will make it necessary for them to tax their passengers and their tonnage in a way that will provide some measure of compensating for this additional expense.

I would feel rather surprised if the Minister would be prepared to accept at this time an increase of transportation costs in an area of Manitoba that are being developed and for developments which I am sure transportation is a major or primary need, and the cost of that transportation is a vital cost when it is applied to the total undertaking in our northern areas.

The bill describes how it will deal with leased aircraft and here again I think there is an area in which there may be some problems. What about the intercorporate leasing of aircraft in - and this is becoming an increasingly common operation among air carriers, because of

(MR. MCGILL cont'd) the unit costs of aircraft, the leasing of airplanes from month to month and from week to week is quite a common practice and I am wondering if there is not going to be a very complicated situation arising from this act.

In this respect, the Act talks about aircraft which are engaged in foreign or interprovincial trade. I wonder why the term "interprovincial" was used? Would this include flights into the Territories? Much of the activity of Manitoba based air carriers is going north. Would the Northwest Territories be included in this kind of a definition?

But here, Mr. Speaker, we certainly need to examine the thrust and the aim of the government in applying an additional cost of operation to air carriers in Manitoba. We have recently read of one of our major air carriers, a Winnipeg based air carrier that has succeeded after many years in doing a turnaround and showing a very modest profit on past year's operations. Now if they are going to be faced, and I don't know how much money they may be faced with in terms of additional taxes here, what are they going to do? They are certainly going to have to find that revenue and most of their revenue I am told comes from Northern Manitoba, so I think Northern Manitoba is going to have to pay a disproportionate share of the cost of a tax which is now being placed on aircraft used by air carriers in our province.

Mr. Speaker, I hope that when the Minister is closing debate that he will be able to tell us what his estimates are of the costs as they might apply to a carrier like Transair or Lambair or many of the others that are now operating, and I would suggest to you, Sir, operating with increasing difficulty, not only because of the tax burdens which they anticipate or foresee under this legislation, but also because of what you might consider to be an increasing sphere of operation by Manitoba Government Air Services. I think if the government plans to enlarge the scope and the operations of Manitoba Government Air Services we may be hitting our locally based air carriers from two directions at once and I suggest that this may be a very difficult load for them to carry.

So I would hope, Sir, that we might have explanations on this, particularly in this area of the bill which interests me at this time, and I'm sure interests everybody who has reason to use the services of Manitoba air carriers. Thank you.

MR. SPEAKER: Is the House ready to adopt the motion? The Honourable Minister of Finance shall be closing debate.

HON. SAUL CHERNIACK, Q. C. (Minister of Finance) (St. Johns): Thank you, Mr. Speaker, I don't suppose I'll be able to finish within the eight minutes left for me. I do want to give a more precise answer to the last question of the Member for Brandon West so that I will deal with various points made by various of the speakers who have contributed to the debate and I want to thank them for it. I think this was a useful debate; I think that there was a great deal of discussion on policy, principles, philosophy, the kind that is important for discussion purposes. Therefore I mean it in no passing way to thank members who have contributed to the discussion.

Of course the Honourable Member for Fort Garry who spoke about -- he said it was unnecessary, illogical, unsuitable, bad for the economy and then proceeded I think in many ways to support our bill in principle, pointing out as he did certain variations from the principle we have espoused. And of course he talked philosophically about historical precedent and decline and fall and it was interesting to listen to, amusing to listen to and yet one which I feel only indicates that we have the need, and we recognize the need to justify our actions to the electorate as will be the opportunity for members opposite to attempt to attack it. He talks about fooling the people that there's no tax increase. I don't believe that we are fooling the people, I think they know very well that there is no tax increase over-all and that they know, and I don't think it can be denied, that we are creating a shift and no matter how people on the opposite side don't like it - I don't blame them for not liking it because it doesn't help them one bit - nevertheless there is a shift of \$20 million in additional estimated revenue from this new taxation as compared to an estimated \$34 million in relief of taxation on educational and real property. No matter how many times we are going to say it members opposite will refuse to listen to it. I expect them to refuse to listen to it; I expect them to deny it; but I know full well that the people who are concerned with what we're doing are people who will understand it and will appreciate the fact that we are indeed attempting to recognize the importance of a shift.

This compares very favourably with what the predecessor Premier Roblin did in 1964 when he brought in a revenue tax bill dealing with specific taxation on energy, on fuel, on various items that he did at that time, tobacco, liquor and others and indeed what he did in 1966

(MR. CHERNIACK cont'd) when he was the one who introduced The Revenue Tax Act. And when he did that he talked about a shift but in fact it was proven time and again in debate that mathematically there was an excess of revenue over any kind of a shift -- and I'm talking now about that \$50.00 rebate that he instituted. There was a substantial differential. There is a substantial differential in this way but it is the exact converse. When Roblin brought in his taxation there was more revenue to be expected than there was by way of relief of taxation. In our case the opposite works. The people will know it. I know it's our obligation to inform the public and we will do so, the full extent of it, and we are looking forward to doing it. The opposition may try to tear it down, we will do our best to explain it and with the help of an aware media - and I believe they are aware - I think we're getting our message across very well to the unhappiness and dissatisfaction of members opposite, but that will be proven in time.

I must say that the Honourable Member for Fort Garry referred to certain increases in fees, mentioned various ones. Again his former Leader Premier Roblin did do that kind of a thing. There was a great deal of debate on it. I remember the Liberals had a lengthy list of the amounts involved and Roblin's answer then and our answer now is that the -- apparently the list is right here but I will not take the time to do it, although it is most interesting. The list is here fee by fee. --(Interjection)-- Well I do have time, not necessarily today but I will yet consider presenting it. But let me say, costs of operation have risen and in the area of fees they are not just revenue they are intended to offset the cost of operation.

The tobacco and liquor taxes which the Member for Fort Garry criticizes not being on the basis of ability to pay, I recall very well that when Mr. Roblin introduced it he called them "choice" taxes. You have a right not to pay them. Of course I know I have a right not to pay them but the fact is that I look forward to a continued ability to pay liquor tax and I look forward with chagrin to the fear that I have that I will not be able to stop smoking in spite of my wife's constant reminder that I should.

The selective tax cuts that were referred to I must point out -- then the member said that that's what they would be doing -- I must point out that the Federal Government made it absolutely clear that selective income tax cuts that we were allowed to make could only be related to reduction or rebate of taxes in that area in which we, the province, are taxing and therefore we were limited under the income tax rebate scheme which we are bringing in, the educational real property tax rebate must be related to provincial tax, and indeed is being related to a tax that is imposed provincially - and I say within the jurisdiction of the province - through the municipalities and therefore that is a very good, a very good selective tax cut that indeed we're going to do.

I'll conclude, having only a minute now, I'll conclude for the day by referring to again to the final point made by the Member for Fort Garry. "We would reduce expenditures." We've heard that now several times. So far it is the Member for Fort Garry who has made the only real contribution in terms of money by saying cut police costs, don't pay for the RCMP, let the municipalities tax for it and pay for their own provision for police. To me that is the only substantial amount that was proposed to be reduced. Not reduced, a tax shift. Shift the high cost of RCMP to lower cost municipal officers that municipalities would pay for, let it be paid on real property tax; but he didn't know until it was pointed out to him that half of the cost of provision of RCMP officers is being provided federally. To that extent it is still a better operation the way we're doing it.

MR. SPEAKER: Order, please. The honourable gentleman will have an opportunity to continue on next day. We are now at the private members' hour on Wednesday. The order of procedure for private members is first Orders for Return, those that have been transferred.

Therefore on the proposed Order for Return of the Honourable Member for Portage la Prairie.

ORDERS FOR RETURN

MR. G. JOHNSTON: Mr. Speaker, the Order for Return refers to the Annual Report of the Provincial Auditor. Now I would suggest that the function, the legislation under which the Auditor in Manitoba operates and the Auditor-General in Ottawa operates are entirely different, entirely different. The Auditor in Manitoba only presents a financial statement and that is all. Nothing is included in his annual report which is tabled in the House and which is made to the Legislature. The cover page says Report of the Provincial Auditor to the Legislative Assembly. Well I'm suggesting that the Auditor here does not have enough power and I take and quote

(MR. G. JOHNSTON cont'd) from you on page 8 in his report this phrase or this sentence. He's describing his powers under the Provincial Auditor's Act. He says, and I quote: "Any matters discovered during the course of audit which warranted the attention of the Ministers were reported to them and with other matters being directed to the appropriate officials."

So my Order for Return asks for the detailed information that the Auditor has directed or the suggestions or the matters that he has thought important enough to call to the attention of an official or a Minister. I'm suggesting that this should be included in his report and because it isn't included in the report I made the request by way of an Order for Return. Obviously the government hasn't indicated yet whether or not they are going to answer the Order in the affirmative or not but this is my reason at this time for making the official Order for Return so that the House and the taxpayers can know what matters to which the Auditor is referring.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNLACK: Mr. Speaker, since I report to the House on behalf of the Provincial Auditor I want to report that I've discussed this resolution with the Provincial Auditor and find that he has a great deal of concern in regard to the request. The request deals with reports reported to officials and reports to Ministers. I understand that reference to reports to officials does not refer to written reports.

The Provincial Auditor's staff in reviewing the accounts bring matters to the attention of officials in discussions, during which discussions the courses of action are decided upon. The auditors make notes in their working papers of these discussions and of the courses of actions agreed to. They subsequently follow-up to see that these matters have been properly attended to and make notes in their working papers of the follow-up. Any matters which are not properly attended to or of a kind which warrant the attention of the Minister are reported in reports referred to the Ministers. The working papers contain notes and references of a kind which would if made public be grossly unfair to individuals. Therefore the working papers ought not to be tabled as public information in the Legislative Assembly. They are the working papers of the auditors themselves.

Now the reports to Ministers are written formal reports made in accordance with Section 12 subsection (3) of the Provincial Auditor's Act. There is no requirement in the Act that these reports must be tabled in the Legislature. All matters reported have been attended to or are in the process of being attended to and are of a kind which in the opinion of the Auditor did not warrant being brought to the attention of the Legislative Assembly. All matters which the Provincial Auditor felt required the attention of the Assembly have been included in the report to the Assembly under Section 13 subsection (1) of the Provincial Auditor's Act. Now of course it's a matter for the Assembly and the government to make a decision as to the information contained in the reports. But I must tell you, Mr. Speaker, and certain members opposite who have been Ministers and have had reports of this kind will know, that references are often made to questions being asked by the Provincial Auditor with possibly the reference to the name of a civil servant who is in charge of some aspect of the accounting, or indeed to some outside party altogether, for example, the report may say would you look at the account submitted by Mr. "X" or the "X" Supply Company Limited, because it would appear as if the support or the backing of the invoice is not sufficiently documented and see to it that it should be. And the danger again is that if made public these being more inquiries than final judgments that it would be unduly unfair or damaging to individuals and therefore should not be made public.

So, Mr. Speaker, the government does not feel that it can support this kind of motion because the letters are written and the discussions, reports by the Auditor are from the standpoint of satisfying himself as to the correctness of the accounting procedure. It is not a final report which says we find that this or the other procedure is wrong and therefore is something that is damaging; rather it's more of a case of inquiries or suggestions or in some cases possibly a specific request to carry out a certain type of additional accounting procedure. These are all interim, I gather, unless there is a clear report given to the Minister saying your books are in order, or if there is something which the Provincial Auditor feels has not been satisfactorily dealt with then it appears in the report which the honourable member referred to as required under Section 13 (1). The Provincial Auditor apparently feels that what he believes should be brought to the attention of the Legislature is done in the report which he files annually.

(MR. CHERNICK cont'd)

I point out finally, Mr. Speaker, that every year there is a need to call Public Accounts. Public Accounts has already met on two occasions. Public Accounts has yet to meet again next Monday morning. At that occasion the Provincial Auditor is present with members of his staff and that I think gives ample opportunity to members of the committee or of the House who attend the committee to make inquiries from the Provincial Auditor as to the manner in which he has satisfied himself as to the accounting procedures. That I think is the proper forum for this kind of inquiry and that I submit is the place where this kind of question may be asked by any of the honourable members.

Under the circumstances, Mr. Speaker, and in order to satisfy the Provincial Auditor's concerns the government would not propose to support the motion of the honourable member.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, a few comments on the resolution. The difficult part of this resolution is that by and large we would support a review of the responsibilities of the Provincial Auditor more along the lines of the Auditor-General of Canada, granting him more autonomy and different powers than he now possesses which would also of course entail the staff requirements that would go with it. However, we do not feel inclined to support this resolution because we do feel that it is a reflection upon the present auditor.

Some of us were very much disturbed when the auditor was to some extent attacked by the Leader of the Liberal Party outside the House earlier in the season because many of us have known Mr. McFee for so long that anyone who did know him would be very disturbed by any suggestion that there was anything in any manner that would be construed as being different or wrong about what he was doing. We may disagree with the way in which the government presents its dead weight debt figures and we may ask for a standardized auditing procedure, and we may disagree with many other things about what they do in terms of shifting current expenditures into capital and we may ask for information to get to the bottom of this but we are against any reflection on the present auditor in fulfilling the role that he has fulfilled very well and which I understand will not be filled by him next year since he is in his year of retirement this year. So I think that in the final word we'd like to commend the Provincial Auditor for the fine service he's given Manitoba over the years, and at this time we don't wish to support this resolution. If any member, including the one presenting this resolution, would like to bring in redesigned terms of reference for a Provincial Auditor we'd be very happy to approach them and support a redesign of authority and responsibility for him.

MR. SPEAKER: Is the House prepared to adopt the motion? The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, I would also like to make a few comments in connection with the resolution before us and in regard to the report of the Provincial Auditor which was brought into discussion with the resolution.

I noticed on Page 7 of this report that mention is made of special audits, and reference in regard to this special audit is in connection with the Manitoba Development Corporation. Just what is the practice going to be? Are we as members going to be made aware of these audits and what special audits contain, because this reference in particular with the development corporation then proceeds on to the point where a commission was established which will be reporting on it most likely at a later date. But is there any further evidence in these special audits that prompted the government at that time to take a certain action? If so, I think the members of this House should be advised of the information that would lead up to certain actions.

Are there any special audits being made at this particular time of other Crown corporations? I know there was questions on the matter of the Centennial Corporation two years ago -- I think it was two years ago when the late Mr. Steinkopf was still with us -- and that members were not satisfied with the report that was made in committee. And I'm just wondering whether special audits of this type was also carried out in connection with that particular corporation and if so, what the results were. I think in regard to special audits, we as members of this House should get reports of these so that we know what is going on.

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

MR. G. JOHNSTON: Ayes and Nays, Mr. Speaker.

MR. SPEAKER: Call in the members. Order please.

A STANDING VOTE was taken the results being as follows:

YEAS: Messrs. Barkman, Froese, Girard, G. Johnston, Patrick and Watt.

NAYS: Messrs. Adam, Allard, Barrow, Beard, Bilton, Blake, Boyce, Burtniak, Cherniack, Craik, Desjardins -

MR. SPEAKER: Order, please. Would the Page look all around -- catch this side too?

NAYS (cont'd): Doern, Einarson, Enns, Evans, Ferguson, Gonick, Gottfried, Graham, Green, Hanuschak, Henderson, Jenkins, Johannson, F. Johnston, Jorgenson, McBryde, McGill, McGregor, McKellar, McKenzie, Mackling, Malinowski, Miller, Paulley, Pawley, Petursson, Schreyer, Shafransky, Sherman, Toupin, Turnbull, Uskiw and Walding.

MR. CLERK: Yeas 6: Nays 44.

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

..... continued on next page

MR. SPEAKER: On the proposed Order for Return the Honourable Member for Portage la Prairie, the second one on Page 3. The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, this order requests some of the internal business operations of the Manitoba Development Corporation. It wants names, positions and salaries of people who have been taken on since July of 69, it wants details of travelling and who made the trips and for the reasons the trips were made. And about how the employees were hired and this is very brief, there are other questions asked in the order as well. Now the position on this is simply this that MDC is a tax supported corporation. They have a heavy responsibility in lending taxpayers' money. This is a little bit different to the ordinary Crown corporation operation. It's different to the Hydro, it's different to Telephones. That is strictly a business corporation that carries out a business. In this case we have a corporation that is making judgments on whether or not people should have loans, and whether or not people and companies should have special interest rates or not. And because of this then surely the public is entitled to know how the officers work in the performance of their duties.

For example it would be interesting to know with respect to some of the positions, or the people who are filling the positions; it would be interesting to know if these people who maintain a residence outside of Manitoba, whether or not they pay their provincial income tax in that province in which they reside, or do they pay their provincial income tax in the province in which they earn their monies. Surely the public is entitled to know this.

Earlier in the week or about ten days ago when the Minister of Industry and Commerce was defending the fact that at least two of his employees in that corporation have residences outside the province. He said, and referring to one that the gentleman works 70 to 80 hours a week, for Manitoba I presume. Well I would like to ask him if he takes part in this debate how a person who spends an average of three days a week in the province can work 70 to 80 hours a week, week in and week out. Perhaps he could do it for one week but I doubt if he could continue much longer.

MR. EVANS: . . . on a point of privilege. The honourable member has made a statement with regard to the number of days per week worked here in Manitoba. I would like the honourable member to document that because otherwise he's making a false allegation. He has no evidence whatsoever. Now if he has evidence, I'd like him to document that.

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

MR. G. JOHNSTON: I thank the Minister for his interjection. I don't know if it's a question or not but if his members on that side will vote for this Order then we'll see that it'll be documented. There will be no question that it'll be documented if this Order for Return is answered in a method in which it is written. I think the whole question is best explained by a newspaper column and I quote Mr. Jerry Haslem and I believe he says, and he asks the questions that the general public are asking, so with your permission, Mr. Speaker, I am going to quote him in part. I began - "what bothers me is the fact that Dr. Briant the head of a corporation which is supposed to develop Manitoba and convince people to settle here, has not settled here himself. He's supposed to be promoting this province in competition with other provinces. MDC propaganda emphasizes what a nice place Manitoba is. Therefore it must come as something of a shock to potential investors when they discover that the man at the top of the propaganda machine doesn't even live in the place which he is promoting. How in the world can you be an effective salesman for a province you don't live in. A province you may have no commitment to except through work. I don't know. Dr. Briant may be an extraordinary individual; he may have compelling personal reasons to keep his family in Montreal. Unless those reasons are of a compassionate nature, Dr. Briant's employers, the government should insist that he move here so that he and his family can begin to appreciate the joys of being Manitobans. Gordon Johnston says the MDC pays the shot for those weekend trips home. Len Evans and Ed Schreyer says it doesn't. For the moment there's no proof either way but proof would be easy to come by simply by opening the records of the MDC to the public view long enough to get that particular piece of information. The matter of air fare to Montreal however is considerably less important than the matter of how, and how well the MDC is being run. The politicians on the government side at least have at times appeared to be tiptoeing through the tulips on the Briant issue. If there's nothing to hide why not a full-scale news conference with Mr. Evans and Dr. Briant taking on all comers. If the matter isn't fully aired, lingering doubts will remain in some minds and that for the MDC and the economic development of the province we don't need." So, Mr. Speaker, there's controversy;

MR. G. JOHNSTON cont'd) we've had conflicting statements from the government side as to how this gentleman's salary has been paid - one statement made by the First Minister, correcting a statement made earlier in the week by the Minister of Industry and Commerce. And I have asked questions that I feel are legitimate questions and answers are needed so that the public can decide, and I urge support for this Order.

MR. DEPUTY SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, perhaps I should begin by simply pointing out that the concluding few sentences of the Honourable the Member for Portage la Prairie are quite inaccurate and quite unfair. At no time was anything I said at variance with what the Minister of Industry and Commerce said with respect to the arrangements that apply with respect to Dr. Briant.

On this general question which I know preoccupies the Honourable Member for Portage la Prairie so much as to whether or not Dr. Briant and Dr. Weldon live within Manitoba or not, I simply take this opportunity to point out that we feel that it is a prudent arrangement for a position of this importance that if we are to bring a person in that we are satisfied meets the requirements and qualifications that we think are needed for this position, that it is altogether defensible and prudent that for the first year that the arrangement be flexible so as to not require a person to pull up roots to make all kinds of expensive and complicated arrangements for the sale of house and home, etc. If after the end of a twelve month period it is felt that it is mutually desirable, mutually beneficial that the person continue in that position, no second thoughts, no lingering doubts, then by all means it would be understood, and is understood, that the person would be expected to have residence in the province in which he is working. So I make that clear and I do so in a non defensive way.

In fact I feel very much like going on the offensive with respect to much of the nit-picking that has been attempted by certain persons, aided and abetted by certain reporters, to try to create the widespread impression that this is somehow a matter of widespread practice. Of the 10,000 public servants or so I believe it can be said that only two have any continuing arrangement with the Crown to provide service to act in an advisory and consultative role, to act in a senior capacity, while not living within the province. Two persons. And even in those cases I make it clear that this applies only with respect to the first year of the connection so as to avoid any needless expense being entered into which after the end of a period of a few months may have proven to be unnecessary and an arrangement that both sides would like to have terminated.

So I can say in connection with the Member for Portage's great concern about residence requirements - you know that I have encountered this kind of thinking before, with respect to whether or not employees of municipalities should be required to live within the boundaries of the municipalities, whether or not school teachers -- and I can remember years back, where if a person taught school in any town, school district or rural school district, I suppose it even applied to the city, then there was almost a caveat entered into on the contract that they had to live within the boundaries of the municipalities.

Above all else, Mr. Speaker, we are one country. We are from sea to sea, a country first, a province second and I make no apologies for the fact this government has hired persons who initially come from other parts of our Canada. If we feel that they have the competence, the experience, a diversity of background and experience which would add something when brought to bear on the experience and competence which exists already in the public service, then who can be the loser? The public service tends to gain from that.

About a year ago in fact when I addressed the Empire Club in Toronto, I said at that time that I felt it would be useful to the public service of our or any other province if arrangements could be worked out as between the civil service, between the life of the business community and the academic community so that there could be a greater ease of interchange as between the civil service and the various sectors of our economy. This is a concept which by the way has been - effort has been made, for example, in the United States at the Federal level to work out greater ease of interchange between the public service and the business and academic community.

Anyway if it warms the heart of the Honourable Member for Portage I advise him that the arrangement whereby a person is in a senior position here but not living here, can only be a temporary one. We feel it is prudent in addition to that, to work it that way.

Now, addressing myself to the point of the Order for Return itself, I would like the

(MR. SCHREYER cont'd) Honourable Member for Portage to understand that we are quite willing, in fact, anxious to provide the information being requested here, with two exceptions. He asks for the names and terms of reference of all advisors and consultants hired by the MDC. That we can provide. It would be proper to provide. He asks for the record to date of all fees and expenses committed to any of the above two groups, and in the case of expenses for each of the above mentioned persons, to show all details and if for trips out of province, give dates, destination, purposes of trips, all costs attributable to the trips. We will give that information insofar as this is paid for by the Crown.

In the case of employees hired by the Manitoba Development Corporation, state whether the position was filled by the Civil Service. Well I can advise the honourable member that right from the initial date of operation of the MDC and its predecessor, this was never provided for and this has not been the practice and we have not changed that aspect of the operation of the Crown lending agency.

Insofar as indicating all those who were appointed by the Lieutenant-Governor-in-Council, I have said in this House a number of times, Mr. Speaker, that we do not intend to go through the expense of duplicating information that is already on the public record, and actions of appointment taken by Lieutenant-Governor-in-Council can only be by the instrumentality of an Order-in-Council which is filed and on public record.

Insofar as doing so by any other method, as is asked here - any other method and if so, explain such method -- we will undertake to provide that information as well. Although I can advise my honourable friend that I don't recall, even though we will supply this information, I don't recall that this is the kind of information that was ever supplied before. So far as former persons, senior in this organization are concerned as to the number of times they went to Zurich and back, where they stayed and how much it cost, I don't know that that was ever asked for, or certainly it was never provided. But we will provide this kind of information. --(Interjection)-- Poor opposition? I want to tell my honourable friend that I have, unfortunately for them a very clear recollection of the attitude of the former government, particularly prior to 1967 - I can't speak so much about the last two or three years of it - when time and time again, the House Leader would invoke the rule that matters of an inter-departmental, inter-office nature, automatically out of the question, and that the affairs of the Development Corporation, certainly no information relative to its internal management and staffing patterns. And not only that, Mr. Speaker, not even any information as to whether the corporation had lent \$1 million, \$20 million or \$50 million and at what rate of interest. And that information is now being provided, but now my honourable friends opposite, just like someone who starts slowly and gets hooked more and more on drugs, having now experienced, having now experienced the fact that we are providing information on how much is borrowed and to whom, at what rate of interest - now they want to go beyond that and get information with respect to internal management and operating procedures and I tell them very frankly - forget it, Just forget it - because you were not prepared to go even one quarter of the way along this road of greater disclosure of information.

So in conclusion, Mr. Speaker, I say to the Honourable Member for Portage that with the exception of paragraphs 1 and 3 all other information we would undertake to provide. If the honourable member finds that acceptable, perhaps we could avoid having a vote on this. If, however, we are required to vote on it as it stands, we would not be able to accept it because of paragraph 1, paragraph 3 and the last remaining caveat about current negotiations. The honourable member I'm sure appreciates if something is under current negotiation, we certainly would not want to jeopardize the possibility of their successful conclusion by any premature revelation of the substance of.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I hesitated wondering if the Member for Portage wanted to amend his Order for Return. It is most interesting to hear the First Minister's reply to this return. Some of what he said we certainly agree, which is to provide portability for civil servants, which I don't think relates to the Order for Return directly but is a matter which has been under discussion when we went through civil service estimates of providing portability in pensions at least, so people could move back and forth from governments at provincial level, to universities, to federal government at least, if not business.

A very curious point has been brought up by the First Minister about the limited term which Mr. Briant enjoys at the Manitoba Development Corporation and with a twelve month . . .

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

MR. SCHREYER: Mr. Speaker, nothing that I said could possibly be construed or interpreted as saying that Mr. Briant had a limited term. What I did say -- and this by the way, I suppose by design or by inadvertence, could have the effect of having a negative effect on Mr. Briant's ability to carry out his responsibilities. However, I can't do anything about the fact that the Member for Riel wishes to make those kinds of statements.

My point of privilege is that what I did say was that for the initial period we felt it prudent and desirable to not require him to establish residence until the passing of a sufficient period of time where we could be mutually satisfied that the arrangement was a good one and that it would be mutually advantageous and desirable that we carry on on a more permanent basis, which if done, would then require residence.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I can't help but get the feeling that the First Minister is over sensitive on this point because the matter of Mr. Briant's present terms of reference is not mentioned in the Order for Return at all. The subject matter in fact was brought in -- well perhaps it wasn't introduced by the Member from Portage but it certainly was commented on at some length by the First Minister which certainly begs the question that if Mr. Briant was introduced into his responsibilities with a provisional period of twelve months attached to his appointment, why other provisions, which are similar such as the Chairman of the Manitoba Hydro Board, comes in with a no cut contract for a specified period of time, that guarantees his income whether he holds tenure on his job or not and was the question of some discussion in the House last night but certainly is a contrast to the terms of reference that Mr. Briant holds at the Manitoba Development Corporation. And certainly some of the things that are being requested for here that have been turned down, like No. 2 in the Order for Return, which is the names and terms of reference of consultants to the MDC, I can see justification for some reluctance on some other items but why the government would feel reluctant to turn down . . .

MR. SCHREYER: I merely rise on a point of privilege.

MR. SPEAKER: Order, please. The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, my point of privilege is that I clearly indicated that No. 2 was acceptable and therefore accepted and the Member for Riel is now saying that we turned it down.

MR. CRAIK: Mr. Speaker, I misunderstood the First Minister when he put the qualification on. If he has said that item 2 is perfectly in order, this would be very valuable material for us to obtain and it would certainly give us a good deal of assistance in analyzing the operations of the Manitoba Development Corporation.

I would ask simply then at this point, if they are prepared to accept the tabling of the references for the advisors and consultants hired by the Development Corporation, why they are reluctant to table the report of consultants and the terms of reference and the correspondence with consultants that exists between Manitoba Hydro and the consultants on that report -- on that request for papers.

MR. SPEAKER: Order, please. I should like to caution the honourable member that he is straying away from the Order that is before us. I have allowed a certain amount of latitude for the honourable member to build up his argument but when he strays away from the terms of reference of the motion before us, I must remind him that he is transgressing on the procedural rules. The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, that's about the extent of the comments. The First Minister seems to think that asking for reasons why they accepted in one case and not in another is like being trapped on drugs, once you've got some, you want some more. I assure him that what we've been asking for here is not out of line with what oppositions have asked for in the past and many of the things which have been turned down to us this session, Mr. Speaker, have been entirely out of line and unreasonable in their refusal to the liking of the members of the opposition. So let's treat these requests as they come before us and not spend our time delving into the history of both the Provincial Legislature and the House of Commons and the Daughters of the Empire meetings in Toronto; because what we are asking for here is information which we consider to be important and we want to treat it on an item by item basis.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I, too, wish to comment briefly on the Order for Return before us. Did someone else want to speak? I certainly would go along with what the First

(MR. FROESE cont'd) Minister says and deleting 1 and 3 because I think the more pertinent information that I would like to see is contained in the other sections. However, under our rules, we can no longer amend Orders for Return and probably, except by unanimous consent, this could be done. I think we have already erred on a number of occasions when exceptions were made by the government bench in not accepting certain portions of an Order for Return but then later on, agreed to on this side that they would accept those terms. I feel that constitutes an amendment to an Order for Return, Mr. Speaker, so that I just wanted to bring this to the attention. I feel very strongly that we have to have confidence developed in the people of Manitoba in the Development Corporation, because we are losing it, we are losing it very fast, confidence is in question by the public in connection with many of the loans that are being processed and --(Interjection)-- pardon? Yes.

MR. SPEAKER: The Honourable First Minister,

MR. SCHREYER: Mr. Speaker, when the honourable member makes the statement that he is losing confidence in the Manitoba Development Corporation, I would ask him if he is on record in Hansard in the period 1966/1969 at the time when the Manitoba Development Fund was discovered to have made contracts for the lending of \$100 million to a Zurich based outfit, did he express confidence in the MDF at that time?

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: I have never agreed to loans of that type. I think I am on record as that. I don't necessarily attach any blame to this government because many of the loans were made by the Development Corporation when we were still under a different administration, but people question me and I am sure they must be questioning other members when we are hiring people outside of the province, and asking us whether we haven't got competent people in Manitoba, especially when we have so many unemployed. And also not just the unskilled but today we have very many people that have high qualifications who are out of jobs. It's no longer the unskilled that are out of jobs; we have very high skilled and highly trained people who are out of a job.

Just last week I was informed from one school that will have 600 graduates and only about 100 of the 600 have prospects for a job; they are not even assured a job but just prospects. So this is the situation that we are facing and that's why people are very much concerned when we go out of the province to hire people. On the other hand I feel that the government is responsible and if they feel that they need a particular person who has particular qualifications, then they have the responsibility and they have to answer for it --(Interjection)-- Yes.

MR. SPEAKER: The Honourable First Minister,

MR. SCHREYER: What's your point of order?

MR. SPEAKER: The Honourable Member for Morris on a point of order.

MR. JORGENSON: My point of order is the continued interruptions of the Premier when other members of the House are speaking. And, Sir, I want to finish my point of order because it is a valid one. I refer you to Section 126 of Beauchesne which says: "If a member desires to ask a question during debate he should first obtain the consent of the member who is speaking. If the latter" --(Interjection)-- if my honourable friends will just contain themselves till I have read the section they will understand what I mean -- "If the latter ignores the request the former cannot insist even if he thinks he is being misrepresented. He cannot make a denial during a speech but he must wait until the member resumes his seat and then he may ask leave to make a statement or he must wait until his turn comes to address the House." Standing Order No. 12, etc., compulsory. No one has a right to interrupt a member who is addressing the House by putting a question to him or by making or demanding an explanation. A member may allow interruptions through a sense of courtesy but it is entirely at his option to give way or not to an immediate explanation. The Speaker in the United Kingdom House has warned a member that if he continued disorderly interruptions he would name him as disregarding the authority of the Chair. And then it goes on to say, Sir, that Speaker Brand -- and this is the point that I want to make so far as the First Minister is concerned. He continuously rises on phony points of order. And Speaker Brand says this: He has declared that the interruptions and points of order are very often themselves disorderly. The rule is well known. The rule is well known that interruptions shouldn't . . .

MR. SPEAKER: Order.

MR. JORGENSON: The rule is well known, Sir, that interruptions should not be tolerated. On the 25th of November, 1932, when a member interrupted with these words: "May I ask

(MR. JORGENSEN cont'd) the honourable member a question?" And the request was refused. Mr. Speaker took the opportunity of giving the following ruling: It is out of order to interrupt a speaker in this way. And, Sir, in addition to that, in addition to that the statement that was made in this House by the House Leader himself on the 14th of March, 1972, Mr. Paulley says this: "Mr. Speaker, on this personal point of privilege as a member of this House, not necessarily the House Leader, may I through you, Sir, appeal to all the members of the House to respect the decorum of this House. There is an honourable member speaking and I think it is historic that in this Assembly that every member be given ample opportunity to express his views. If any member of the House wants to raise or to introduce a point of order or a point of privilege then according to the rules of the House he should rise in his seat, state his point, be recognized by you, Sir, and then express his opinions and the procedure of the House to carry on." That is not the course of action that is being followed by the House Leader now, Sir. And I submit that the House Leader and the Premier both are constantly out of order.

MR. SPEAKER: Order, please. I am well aware of the point that the Honourable Member for Morris makes and it's true that these kind of interruptions should not be tolerated. But if a member yields the floor I have no choice but to recognize him. The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I sincerely believe that the Member for Rhineland did agree to the posing of a question. Had he not done so I would have desisted which, Mr. Speaker, does give me cause to speak to a point of order, the point of order raised by the Member for Morris. I happen to have, I believe, exactly the same number of years within a legislative body as he has and if he's impressed with his own sense of longevity in parliament, so am I, and I suggest to you, Sir, that the point of order he raised is spurious for the simple reason that everybody in the House knows that I asked the Honourable Member for Rhineland permission to ask a question and I believe he granted it. So what is the point of order, Sir?

Then, Mr. Speaker, my question was relating to the statement -- to the statement made by the Member for Rhineland again relating to a government hiring a person who initially is not a resident of the province to begin with and I would ask the honourable if he would therefore have been in disagreement with the Government of British Columbia when it went to the United Nations to hire the Chairman of the B. C. Hydro authority?

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Well, Mr. Speaker, as I stated before that I feel that the government has the right to engage whoever they like and whoever they feel is best qualified for a position. I certainly don't dispute that fact at all. My concern is that we don't want to undermine the civil service of this province, that we should give every opportunity to these people if they have like or similar qualifications.

I have one other great concern and that is that we are again faced with capital supply. We're going to ask another \$40,500,000 to be provided . . .

MR. SPEAKER: Order, please. Order, please. I don't know how that question is relevant to the motion before us. I'm indicating to the Honourable Member for Rhineland that the motion before us is one for an Order for Return. It's got nothing to do with capital supply. The Honourable Member for Rhineland.

MR. FROESE: I think the Order for Return mentions the terms and references of all advisors and consultants hired by the Manitoba Development Corporation and I'm questioning whether these consultants are of a type that are and will give proper advice because we have to take very great, and attach great importance to this because we as members on this side of the House are only at arm's length when the Development Corporation acquires equity in various companies. We have to rely so much on these people that are being hired by the government in these key positions, and we have to maintain confidence in the Corporation that when we provide millions and millions of dollars for this Corporation to be lent to these various organizations and we as the public are guaranteeing these monies that are being disbursed in this way and in various loans and the economy today is not such that people if they had to fork up this money could easily provide it. The economy is depressed in very many areas and that I think we have to exercise more and greater concern as we . . .

MR. SPEAKER: Order, please. The hour being 5:30 the hour of adjournment has arrived. The House is accordingly adjourned and stands adjourned until 2:30 Thursday afternoon.