

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Tuesday, April 30th, 1963.

Opening Prayer by Madam Speaker.

MADAM SPEAKER: Presenting Petitions

Reading and Receiving Petitions

Presenting Reports by Standing and Special Committees

HON. STEWART E. McLEAN, Q.C. (Minister of Education) (Dauphin): Madam Speaker, I beg to present the First Report of the Public Accounts Committee.

MR. CLERK: Your Standing Committee on Public Accounts beg leave to present the following as their first report.

Your committee met for organization and appointed Honourable Mr. McLean as Chairman. Your committee recommends that for the remainder of the Session the quorum of this Committee shall consist of ten members. Your Committee has examined the Public Accounts of the Province of Manitoba for the fiscal year ending 31st day of March 1962 as published, and finds that the receipts and expenditures of the monies have been carefully set forth and all monies properly accounted for. Your committee received all information desired by any member, from the Minister, heads of departments, and members of the Comptroller's office with respect to receipts, expenditures and other matters pertaining to the business of the Province and all necessary papers were produced for examination. The fullest opportunity was accorded to all members of the Committee to examine vouchers or any documents called for, and no restriction was placed upon the line of examination. Your Committee upon recommendation of and with the consent of the Comptroller-General recommends that for the Public Accounts for the year ending 31st of March 1963, that the following changes be made in the printing of the Public Accounts and the method of presenting the Public Accounts of the Province of Manitoba.

(1) That salaries in excess of \$7,500 only be shown instead of salaries in excess of \$5,000.00.

(2) That cash payments to corporations, etcetera, in excess of \$1,000 only be shown in place of cash payments in excess of \$500.00.

(3) That the list of payments to examiners be discontinued.

(4) That the fees or commissions retained in excess of \$1,000 be shown in place of \$100.00.

(5) That the financial statements of The Liquor Control Commission, the Manitoba Farm Loans Association, The Manitoba Telephone Commission, The Manitoba Text Book Bureau, be discontinued.

(6) That the statement of cash payments, capital division, be varied by discontinuing to show the various kinds of expenses under main captions and work orders, both of which are to be retained.

All of which is respectfully submitted.

MR. McLEAN: Madam Speaker, I move, seconded by the Honourable the Minister of Health, that the Report of the Committee be received.

HON. OBIE BAIZLEY (Minister of Labour) (Osborne): I wish to present the First Report of the Standing Committee on Industrial Relations.

MR. CLERK: Your Standing Committee on Industrial Relations beg leave to present the following as their first report.

Your Committee met for organization and appointed Honourable Mr. Baizley as Chairman. Your Committee recommends that for the remainder of the Session, the quorum of the Committee shall consist of seven members. Your Committee met at the Legislative Building on the following dates: Friday April 26, 1963; Tuesday April 30, 1963. Persons who appeared before the Committee were as follows: Mr. J. James, Manitoba Federation of Labour. Mr. Art Coulter, The Winnipeg and District Labour Council. Mr. Peter Thiessen, The Mayor and Council of Steinbach. Mr. Herman Loewen, Steinbach Chamber of Commerce. Mr. Peter Barkman, The Building Contractors of Steinbach. Mr. Duncan Welch, Contractor in Virden. Mr. John Wiens, Construction Contractors of Morden. Mr. E. Giesbrecht, Tradesmen of Morden. Mr. Otto Anderson, President of Winnipeg Building Trades Council. Mr. Peter Kroeker, Mayor of Winkler. Mr. Harold Dick, Carpenter from Winkler. Mr. J. R. Dick, Chamber of Commerce of Winkler. Mr. G. C. McLean, Chairman of the Fair Wage Board. Mr. J. E. Wilson,

(Mr. Clerk cont'd) Manitoba Association of Registered Nurses.

Your Committee has considered Bills No. 48, an Act to amend The Fair Wage Act; No. 95, an Act to amend The Operating Engineers and Firemen Act; No. 96, an Act to amend The Steam and Pressure Plants Act; and has agreed to report the same without amendment. Your Committee has also considered Bill No. 63, an Act to amend The Labour Relations Act (1) and has agreed to report the same with certain amendments, all of which is respectfully submitted.

MR. BAIZLEY: Madam Speaker, I beg to move, seconded by the Honourable Minister of Public Works, that the report of the Committee be received.

Madam Speaker presented the motion and after a voice vote declared the motion carried.

MR. H. P. SHEWMAN (Morris): Madam Speaker, I beg to present the Second Interim Report of the Special Committee on Livestock Marketing System in Manitoba to study and enquire into all phases of the livestock marketing system in Manitoba.

MR. CLERK: Your special committee appointed to

MR. SHEWMAN: Madam Speaker, this is somewhat of a lengthy report and in view of that I would suggest to the House that this be printed in Hansard and it will be available to all members, and the Leaders of the Parties have been supplied with a copy of this report.

MADAM SPEAKER: Agreed?

LEGISLATIVE COMMITTEE ON LIVESTOCK MARKETING

Second Interim Report - Covering the period February 14, 1962, to November 9, 1962.

The Committee has continued its investigation into all phases of livestock marketing in Manitoba. The scope of this investigation is indicated by the number of contacts which have been made covering all segments of the industry. The Committee has contacted almost 400 people and organizations including Meat Packers, Abattoirs, Producers, Labor, Slaughter-houses, Meat Processors, Cold Storage and Lockers, Truckers, Markets, Wholesalers, Retailers, Consumers, all Provincial Governments and several State Governments and Commercial Organizations.

Activities of the Committee since the First Interim Report

1. Verbatim transcriptions of all records of public hearings have been completed, edited and distributed to Committee members.
2. An exhaustive investigation of all legislation respecting livestock marketing in all provinces of Canada and the Federal Government was undertaken and completed. The results of this investigation have been compiled and distributed to Committee members.
3. Informal consultations were held with representatives of producer, packer, selling organizations, companies and a Canadian Department of Agriculture representative for the purpose of obtaining more detailed information and expert observations than could be obtained in the public hearings. The records of these consultations have been transcribed, edited and distributed to Committee members.
4. The Committee was fortunate in being able to obtain the professional assistance of Professor D. R. Campbell of the Ontario Agricultural College. A conference was held with Professor Campbell on February 10, 1962, during which he gave the Committee the benefit of his wide experience with similar inquiries in Ontario. Professor Campbell was a member of the Agricultural Inquiry Committee of Ontario which made a comprehensive report in 1961 of the very detailed study carried out in that province. This conference was transcribed in full and has been edited and distributed to members of the Committee.
5. A report has been compiled covering the information concerning the administrative procedures being used, the marketing systems and methods in other areas of Canada. This report is based on visits of the Committee to Ontario and Alberta and from correspondence with these and other centres. It is a comparison of marketing methods in other places with particular reference to hog marketing systems using concentration yards.
6. A reference handbook was prepared for Committee members of relevant material from Royal Commission reports on meat packing and price spreads. The problem of price spreads and producer returns was dealt with in some of the submissions and further discussed with representatives of farm organizations and others. Fortunately, the research done by the Royal Commission on price spreads of food products provides valuable material on this phase of this investigation.
7. Various livestock selling methods have been investigated quite fully with a view to

(Livestock Marketing Report cont'd)

possibilities for Manitoba application. Advantages and disadvantages of auction selling and private treaty selling were reviewed. The Dutch auction system used for selling calves in Toronto was studied. The Ontario Hog Marketing Board system for selling by teletype was observed and its various phases were discussed - that is, a concentration yard system, the "hidden buyer" factor, descending prices versus ascending prices by auction, the compulsory feature, and the problem that has arisen with co-operatives previously established.

8. In addition to the Ontario system other examples of the use of concentration yards or assembly points have been studied including the one operated in Alberta by the Alberta Livestock Co-operative and the operation of the Farm Bureau Service Company in Iowa, whose operations are based on a voluntary business relationship with individuals.
9. In October the Committee travelled to North Dakota, Minnesota and Iowa and studied various aspects of livestock marketing in the United States.
10. A series of informal consultations had been arranged for the week of November 12, 1962, with representatives of small producers and wholesalers, retailers and bulk consumer organizations (hotels, restaurants, etc.), the manager of the Public Markets Limited and with a representative of the Department of Public Health. This was to be a full week of meetings all of which were cancelled due to dissolution. Therefore this part of the Committee's investigation is incomplete.
11. In summary, no public hearings were held during the period under review. During this time, the Committee worked on co-ordination of material, on evaluation and discussion to develop useful lines of study, and to eliminate those thought to be unnecessary. This work was not completed but will be proceeded with as soon as possible.

Area of Further Study

1. While a considerable amount of information has been obtained with respect to all aspects of the question of grading and grading standards of livestock and livestock products, the wide divergence of opinion of the many factors involved with respect to this aspect of the inquiry will have to be more fully studied and considered before detailed findings can be reported. Such things as inconsistencies in grading, possible obsolescence of standards, the effect on competition at public markets, the effect on the bargaining power of the producer, are a few of the factors involved.
2. Many of the aspects of livestock marketing in Manitoba and their proposed solution have interprovincial and international implications. Further study is needed before these become clear.
3. Full co-ordination, analysis and evaluation of material on hand remains to be accomplished. The Committee's final report will be more complete and its value greatly enhanced by further investigation in certain areas.

Some Tentative Conclusions

1. The Committee has agreed that a major portion of the report must be devoted to marketing methods.
2. It is clear at this time that there is need for more producer information in the line of outlook reports and market information and for more and better educational programmes and practical measures aimed at quality improvement.
3. There is evidence that the various segments of the livestock industry make insufficient effort to inform or co-operate with one another; that some form of liaison is needed - perhaps a committee composed of members from the various groups such as farm organizations, livestock associations, the Meat Packers Council, the Retail Merchants Association, labour, consumers and government - for the purpose of gathering and disseminating information.

Acknowledgements

The Committee wishes to acknowledge, with thanks, the assistance so generously provided by Dr. J. C. Gilson and Dr. A. W. Wood. The Committee is also indebted to Miss Ruth Louttit for her excellent work as Secretary to the Committee.

(Livestock Marketing Report cont'd)

APPENDIX - Special Committee of the House
Committee on the Livestock Marketing System in Manitoba.

		<u>Electoral</u> <u>Division</u>
Messrs.:		
Harry P. Shewman,	Morris, Manitoba	Morris
E. Moeller	Teulon, Manitoba	Fisher
N. Shoemaker	Neepawa, Manitoba	Gladstone
E. R. Schreyer	2-1177 Henderson Hwy. Winnipeg 16	Brokenhead
Douglas Watt	Box 67, Reston, Manitoba	Arthur
ADVISORY CONSULTANTS:		
Dr. A. W. Wood	Agricultural Economics Department (University of Manitoba)	GR 4-9397
Dr. J. C. Gilson	Agricultural Economics Department (University of Manitoba)	GR 4-9384
Office:	212 Legislative Building Winnipeg, Manitoba.	WH 6-7880
Secretary:	Miss Ruth Louttit, Winnipeg, Manitoba.	

MR. SHEWMAN: I beg to move, Madam Speaker, seconded by the Honourable Member for Arthur, that the report of the Committee be received.

Madam Speaker presented the motion.

MR. GILDAS MOLGAT (Leader of the Opposition) (St. Rose): I beg to move, seconded by the Honourable Member for Lakeside, that the debate be adjourned.

Madam Speaker presented the motion and after a voice vote declared the motion carried.

MADAM SPEAKER: The adjourned debate on the motion of the Honourable the Minister of Education. The Honourable the Member for St. Boniface.

MR. LAURENT DESJARDINS (St. Boniface): Madam Speaker, I haven't too much to add on this debate and have no doubt that some of the members opposite me will say that my contribution is nil after I have finished speaking, but I will promise the House that it will not take me an hour and a half to say nothing, like one of the previous speakers.

I must say that I'm rather disappointed, Madam, to see that the members were allowed to stand up in this House not only to criticize, but to make unfair and very personal attacks on the character of one of their colleagues. It is a sad day, indeed, for democracy when we have to resort to the accusation, and very personal accusation, of members who at least consider that they are doing their duty. I am not a member of the Committee, Madam, and I must confess that I do not know too much about Hydro or this particular contract, but it is obvious, not only to me but to many members, people of Manitoba, that this Investigation Committee was a stacked committee and was indeed pure "whitewash." Please note, Madam Speaker, that I'm not saying that the Honourable Member from St. George has proved his point, but I'm saying that this committee was a joke, a farce, because this is all it was.

When this government is caught -- if this government feels that it is weak, usually its members talk and talk, talk around and say nothing, and of course in cases such as these, a certain member usually is chosen to speak from the government -- a government member who usually shines in this respect. Yes, the government has a master in this department. From a weakened defensive position, he'll come out very indignant, claiming foul play, claiming to want only justice and fair play, ending up by accusing and insinuating that all those who do not agree with him are wrong; accusing other people of not being sincere, of seeking only personal glory or personal publicity and satisfaction.

Yesterday, Madam Speaker, the government sent out their hatchet man, the government sent out the Attorney-General of this province. Oh, he's the right man for the job all right. He certainly thinks he knows it all, and he considers himself the Solomon in this House. This

(Mr. Desjardins cont'd) House remembers well how he managed to accuse the Liberals because they did not vote in favour of the little Colombo Plan. He accused them of having no hearts at all. He has never been satisfied to practice good-natured heckling, but has resorted to small and personal attacks. He loves to bring in personal things such as physical appearance of members, such as myself. You often hear him shout, "Get out of the gutter." Well, Madam, maybe it's time that he gets off his knees and quits trying to drag other people in the gutter with him. No, Madam, the performance of the Attorney-General yesterday was not worthy of the position that he holds of the Attorney-General of any province. He has no right to make personal attacks on the members, on any member of this House, and for that matter the remarks of the Premier of this Province were not much better, when he spoke when he was interviewed on television a few weeks ago. He also made unfair personal remarks while trying to smear the character of a member of this House. He accused the member from St. George of running away while he was himself hiding behind the security of a packed committee.

Today, Madam Speaker, I am more concerned with these unjust and unwarranted attacks, especially personal attack on a member of this House. I will say very candidly that so far the member from St. George has not proven his point to my satisfaction. And please notice that I say "so far", because it is obvious not only to the members of the Liberal Party, but to the people of Manitoba that this has been a "whitewash" and that the member from St. George was not given an opportunity to investigate properly what he felt was wrong -- a wrong contract; a contract that was no good for the people of Manitoba. If this House is fair, Madam Speaker, it will not let the Attorney-General of this province cloud up the issue. We will not take it for granted that he is all justice, that he alone is all sincerity, all fairness, and that he knows it all; that he has spoken and therefore that we must bow to his superior intelligence.

Now let us see what this is all about, Madam Speaker. Let us call things as they have been, as we see it. First of all, the member for St. George does not accuse anyone of being dishonest. Now mind you, the Attorney-General and certainly other members tried to force him to make these accusations, and when they failed they insinuated that it was what he meant, that he was "witch hunting." That was wrong, Madam Speaker. All he did was to say that the government had entered into a bad and costly contract and that the people of Manitoba would suffer because of this. The Attorney-General stated yesterday that it was the duty of the Opposition to criticize the government, to bring out the weaknesses of their actions. In fact, during the Session, most of the time is spent considering estimates, and there the Minister of the Crown is trying to prove his point and the members of the Opposition are trying to show the weaknesses of this particular department. This is actually the whole system of democracy. This is the only way that people will have a chance to know what is going on, and certainly the members of this House are interested -- are anxious to see the newspaper carry reports of what they are doing, of what they are saying. All the members, not only one member. How else would the people know of the legislation brought in by the government; legislation that the government might be very proud of. How else would the people of Manitoba know of the weaknesses that comes out from the same government?

Then there was much talk of the money spent because of this committee. Who called for this committee? Was it the Premier of the Province or was it the Honourable Member from St. George? And if it's the Premier of the Province why did he call this committee? Because he felt that an investigation was necessary? Is that the reason? Because he thought that there was something to the charges made by the Honourable Member from St. George? Apparently this wasn't the reason, because he publicly stated that everyone knew of the irresponsibility of the member for St. George; they knew that he was always trying to fling mud and bring people in the mud; that he was only interested in publicity and that everyone knew it; and all the members on that side are approving this now so why this committee? Did he have the right to call a committee then? The First Minister must have had one of those two purposes in mind if he knew all this. Either he wanted to embarrass and get even with my colleague or he was afraid that my colleague might have something, and he was settling himself up for the whitewash. In any case, he's the one that called for this, and if the Honourable Member from St. George is all that these people are saying he is, including the Minister of Industry and Commerce with his smart remark, well then why was this committee called? Did the Premier and the government have the right to call this committee? I, for one, do not believe that anything can be

(Mr. Desjardins cont'd) gained by these committees. We are asking a committee, where the government has the majority, to decide if the government was wrong. It is indeed a waste of time and money. I agree with that.

Another point brought up by the Attorney-General yesterday was the Honourable Member had refused to attack the Hydro; that he stated that he was attacking the government. The Attorney-General was at his best when, indignant, he rose and pointed his finger at Mr. Gut-tormson and stated that he had to prove that everybody was wrong before getting his hands on the government. Madam Speaker, this was the best example of apple polishing that I've ever seen. I have a term that would qualify this much better than "apple polishing" but I think it wouldn't be parliamentary. What are the rules, Madam Speaker? What rules are we playing by? We would like to know. A few weeks ago a Minister of the Crown was all insulted because I had attacked the Manitoba Hospital Plan. I had been so unfair -- such a coward; I had attacked a poor civil serant who could not defend himself! The Minister was responsible he said, and I should direct my remarks at the government because they were responsible for all those actions. Well what will it be then? What will it be? Are the Ministers responsible? Is the government responsible one day and not the next? I would like to know.

Then the Attorney-General had a bit of fun while confusing everyone, including himself, on the business of completion of the road to Grand Rapids. The first thing we knew he had the member from St. George complaining because the road was completed on time. This, Madam, was another one of his asinine remarks. The member from St. George complains that a road built for the very purpose of hauling material to Grand Rapids had not been used, although it was completed in time. Then the Attorney-General, as well as the Honourable Member from Brandon, discussed at great length the tender system. This wasn't necessary. We are in favour of the tender system. Hear, hear. But have we forgotten that in most tenders, including this one, there is a clause that states specifically that the lowest, or for that matter, any tender will not necessarily be accepted, and we've forgotten this.

Madam, before closing I wish to give my views on this whole mess, and I am sure the views of at least some of my colleagues and some of the people of Manitoba. A member of this House accused the government of having made a bad deal. This was a bad deal, he said, because there was excessive profits and because, in view of the fact that a road was being built, a shorter term contract should have been sought. We would like to know if these accusations are true. I would like to know if these accusations are true. As stated yesterday by the Attorney-General, the counsel for Drake-Pearson claimed that the profit was approximately \$320,000.00. I also doubt that this gentleman would purposely lie, and if this is true -- if the profit is only \$320,000 -- I, for one, say that this is not exorbitant -- if it is true; but I don't think that my colleague had much of a chance to prove what he was trying to say.

We are asking ourselves these questions. Why did the government -- and the people of Manitoba are asking themselves these questions -- why did the government have this investigation? Well, the members on the opposite side are -- not all, but many of them were "hear, hear" when I related that it was the responsibility of the First Minister and that he felt that anything coming from the Honourable Member for St. George was useless. They all agreed this was true -- that he was right in saying that, and that he knew that the people of Manitoba didn't care and that he was not responsible, but they called for this committee, and now the blame for this thousands of dollars being spent because of this committee is placed on the Liberal Party. Why was it so important to have this investigation, and then why wasn't it an impartial investigation, such as the Beer Probe as explained to us so easily a few days ago by the then Chairman, the Honourable Member from Selkirk -- the Chairman of that committee. No, Madam Speaker, I don't think that he would have been in order in explaining the report, but he did say -- and this will probably be explained before this is over if the Honourable Minister of Education would like to have that, and maybe we'll see that all these indignant questions that the Prime Minister--The Premier of this Province, I should say -- I'm a little ahead of myself -- Premier of this Province was asking himself, why go into all those details? Why is it so awful now -- now, that these members are on the government side and not then, Madam Speaker? Why was this turned into a kangaroo court? That's all it was, to attack a member of the committee and where the majority of members of the government were sitting as judges and jury. --(interjection) -- If this is a question I'll sit down and I'll let him ask his question, Madam Speaker,

(Mr. Desjardins cont'd) because I can't hear when I'm speaking. If he has a question -- I would allow any question from the Attorney-General at this time.

MADAM SPEAKER: ask the honourable member to continue please.

MR. DESJARDINS: All right, no question. Why was the member not allowed -- or better still, why wasn't the committee allowed to have all the information necessary while conducting this investigation? We were told yesterday that all the information will be asked on this gold mine that we were talking about. Everything will be asked. Well, what is so wrong in asking for information now? This is a company that is run by the Province; it's owned by the people of Manitoba; they are the shareholders; and the members here have their proxy and they're asking for information. Well, what is it? Politics, Madam Speaker; if it's not your affair, it's my affair -- the management of my affairs and the management of the affairs of all the members and the management of the affairs of the people of Manitoba. And why should a member be accused and be subjected to all that he has been because he is stating that, as far as he's concerned, this is not a good contract? That he, as a shareholder and speaking for other shareholders of this company -- this member has never accused the company and if they have made a lot of big profit on this so much for them Beg your pardon?

HON. STERLING R. LYON, Q. C. (Attorney-General) (Fort Garry): What company are you talking about?

MR. DESJARDINS: I'm talking about Drake-Pearson. Beg pardon?

HON. J. B. CARROLL (Minister of Welfare) (The Pas): Do we own them? Is he a shareholder?

MR. DESJARDINS: No, he's not a shareholder and what I'm saying, that this company of Drake-Pearson, if they made good money so much the better. They're well-managed and everything was fine; but this other company -- he's a shareholder. Hasn't he the right to ask anything -- ask the information? Hasn't he a right to say that in his own mind this is wrong? Well why call him what you called him yesterday? Who are you to call him what you called him yesterday, to say that he's dishonest?

MR. LYON: Why didn't he ask Hydro?

MR. DESJARDINS: He asked that and he was asked to stand on a committee that was stacked -- and that's all it is -- stacked

MR. CARROLL: No, no.

MR. DESJARDINS: Well what is it then? And it was the biggest whitewash of all time, and those committees will always be the same, with this government in power anyway. You're laughing -- well read, Madam Speaker, let them read. Maybe the Chairman of this Committee, the Honourable Minister of Education, could read the Beer Probe. He seemed to be very impressed and maybe some of them would be interested also; but I say that I don't know if he's right or wrong; I haven't had a chance to listen to him. He wasn't given a chance at all. The committee was a joke; and this is what I'm saying. Maybe the committee would have proved that he was wrong but the people of Manitoba were never given a chance and this man was insulted and called every name under the sun because he felt that as a shareholder, and as representing the people of Manitoba, he should talk when he feels that this contract was not good for the people of Manitoba, and this is what I'm bringing out today more than anything else, is the way that committee behaved -- the way some of the members behaved in this House. I don't think it is fair to say to a member that he is unfair, that he is foolish, that he is crooked or that he's -- (interjection) -- Did he say it, Madam Speaker? Did he say it? I challenge anybody there to prove that he did. I challenge them. I challenge the Minister of Labour to tell us, to prove that he made accusations -- that he accused anybody, be it Drake-Pearson, be it the members of this House, or be it the members of Hydro. I challenge that and I'll sit down on this and I hope that they can prove me wrong.

MR. KEITH ALEXANDER (Roblin): Madam Chairman, I first of all would like to say that I appreciated the manner very much in which the Honourable Member from St. Boniface debated the real issues involved in this report. I think his main point and the meat of his argument was that he thought the Honourable Member from St. George hadn't proven his point, and the committee which says the same thing is a whitewash committee. He further went on to say that the member from St. George had been refused information on the operation of Manitoba Hydro which would enable him to prove his point, and I would just like to know and have the

(Mr. Alexander cont'd) Honourable Member from St. George repeat here and ask for the information which he was refused on the operations, and the internal operations, that enabled Manitoba Hydro to come to the decisions that they did in this contract, and to also get any information, or what information he was refused on the considerations that Manitoba Hydro took into when they entered into this contract, and if he was refused any, what action did he take in the committee to try and get it? I think, Madam Speaker, that these charges by the Honourable Member for St. George are only one of a series that we have had from the Liberal Party over the last three years.

A MEMBER: What about Donaldson?

MR. ALEXANDER: I'm coming to that in just a minute. I'm very glad you opened it up. First of all, before that, a year before that, we had the member from Lakeside bring up charges on highway patronage in the House. We had a committee to investigate them. --(interjections) -- That's fine. But what came out of that committee? As far as I'm concerned it came out that there was a bit of difference of opinion between the Department of Public Works and the member for Lakeside as to how many flagmen could be employed on a project. We had newspaper headlines out of the story, had a big story, had a big write-up, had an investigation, and found out that we had a lot of smoke and no fire.

Then we had the case that the Honourable Member for Emerson mentioned -- a year ago -- when the Attorney-General was asked by the member for St. George to resign because he'd given preferential treatment to an ex-member of this Legislative Assembly. There was a charge made, and that charge made big headlines across the newspapers of Manitoba. And what was the charge?

MR. ELMAN GUTTORMSON (St. George): Madam Speaker, on a point of order the man's name was never mentioned.

MR. ALEXANDER: I didn't mention it.

MR. GUTTORMSON: Well, say all you like, but stick to the facts. It was never mentioned he was a member of the Legislature by me.

MR. ALEXANDER: I think your colleague just mentioned it from Emerson. If you don't know who he is, he does. You might have not -- you probably mentioned it by inference and innuendo, but he got the point, and so did the newspapers.

MR. GUTTORMSON:

MR. ALEXANDER: I'm coming to that too. --(interjection) --

MADAM SPEAKER: Order, please. Order.

MR. ALEXANDER: Listen to the member who was insulted a few minutes ago because he was interrupted. --(interjections) -- You can dish it out, but you can't stand it when you're getting it, can you? --(interjection) -- No, I'll stand up there and take it. Anything you can hand out.

MR. DESJARDINS: Hurry up and climb up your tree.

MR. ALEXANDER: And what was the basis of his charges at this case a year ago? That the Attorney-General followed the recommendations of his Deputy Minister who had enjoyed the confidence of the Liberal Party; who I think was actually appointed to office by the Liberal Party, and that he also followed the recommendations of the special Crown Prosecutor who was appointed to handle this case, who had been, I understand, the senior Crown Prosecutor under the Liberal Government; and because the Attorney-General followed these recommendations and followed these men's advice, the member from St. George last year got big headlines and a big story on an unwarranted case by saying that the Attorney-General should resign. Also, as is pointed out, the member from St. George very wisely refused to repeat his case and repeat his charges where legislative immunity did not apply. Discretion was the better part of valour in that case.

Now, what do we have, Madam Speaker? We have this year the Honourable Member from St. George coming out with what I consider unfounded and unwarranted charges into a contract let by Manitoba Hydro. And what are the issues? Madam Speaker, I hate to take the time of the House in repetition, but in view of the speech from the Honourable Member from St. Boniface this afternoon, it appears that repetition is the only thing that's ever going to get across to the opposite side. The first issue was the decision of Hydro, I think, to use water haulage as a means of transportation to get their vast tonnage up to Grand Rapids. The second decision was

(Mr. Alexander cont'd) to use the open tender system as against the cost-plus contract to get the contract awarded and get the contract let to do this job. The third decision of Hydro was the specifications of that contract. The fourth point was one, I think, that was raised by the Honourable Member for St. George in inference, and that was preferential treatment given by Hydro to the Company in the interpretation of this specification, because if that wasn't the case, Madam Speaker, how else could the Honourable Member justify using the term that this was a "juicy contract" to the Company?

These issues, I think, Madam Speaker, as the Honourable Member from St. Boniface said, were not proven by the member from St. George; they were not proven in committee. And I don't think the Honourable Member from St. George, when he had the opportunity following committee in this House to make a speech, mentioned these points and mentioned these issues and tried to prove them. --(interjection) -- He will? Well, with your assistance he'll make an awfully poor job of it, I can guarantee you that. --(interjections) -- I think, Madam Speaker, that the charges against Hydro have not been proved by the honourable member. A letting of the contract -- anything wrong with the contract -- has not been proven by the Honourable Member for St. George. I think he has not proven that the actions of Hydro were anything but prudent and proper in their handling and letting of this contract. His main point has been on the profits made by the Company, and the Attorney-General handled that point completely yesterday, and I'm not going to repeat it, except to say that the only time I think the honourable member could use this argument with any validity was if there had been a cost-plus contract awarded. Then I think if there'd been any charges implied then, we would be entitled to go into the costs of the operation of the Company in the handling of the contract.

When the member realized, Madam Speaker, in the committee, that he could not prove his charges against Hydro's handling of this contract, he stalked out of the committee like a petulant child, followed by the member from Ethelbert Plains and also followed by the Leader of the Opposition; and I think this action proves that these whole charges, the handling of them, is not the action of an independent member of the Liberal Party, or one member of the Liberal Party, but is condoned by the Leader of that Party and by implication by all the members of the Liberal Party. I think we should remember two years ago when we had our committee investigation into the highway patronage, that the member for Ste. Rose then was the only member of that committee who stuck to the bitter end with his then Leader. Every other Liberal member of the committee, if I remember, at the last two committee meetings, and certainly at the last one, had given up the ghost long before. The member for Ste. Rose, as he was then, was the only member that stuck to press fully these charges of patronage.

When he followed the member from St. George from the committee, I think he aligned himself with the, what I consider, despicable comments that the member made to the committee before he left and by this action that the member for St. George took. In this case, I'm wondering Madam Speaker, who is leading the Liberal Party, the member from St. George or the Leader of the Opposition? The Leader of the Opposition, Madam Speaker, has been strangely silent in this matter, and I wonder if he condones the fact that the Liberal Party in Manitoba is now getting a reputation for irresponsibility, making unwarranted charges and engaging in what appears, to me at least, to be organized mud-slinging. This is what is happening under his leadership, and what does he have to say? As Leader of the Party is he going to back up and condone the actions of the member from St. George, or is he going to refute this type of reprehensible conduct? Is the Liberal Party under his leadership mainly interested in every year making headlines on irresponsible, unwarranted and unproved charges? If so, Madam Speaker, I think I can assure him that the general public will never accept the Liberal Party under his leadership as an alternative to the present government. Does the Leader of the Opposition think that the Liberal Party under his leadership is serving the public interests by indulging in these petty and despicable tactics which bring discredit to the name of politics, and all of us who believe that politicians should be above this type of cheap and petty manoeuvres? The Leader of the Opposition, Madam Speaker, I feel has been strangely silent on this whole matter, but these are points which I feel he as Leader of the Liberal Party should let us know where the Liberal Party in Manitoba stands.

MR. D. L. CAMPBELL (Lakeside): Madam Speaker, I didn't wish to interrupt my honourable friend, but I now raise the question of privilege that arises from his remarks, because

(Mr. Campbell contd') he quoted me on two different occasions in his tirade, and I challenge him to produce one jot or tittle of evidence to support what he said. I did not make my so-called charges on the basis of the flagmen down on the south-east road. I made them on the basis of at least three different matters, and my honourable friend knows that that one was the least important of them all. If he's keeping the track that he should be of matters in this House, he wouldn't make such an unwarranted statement; if he knows anything about it, that there are two other matters and those two other matters were proven in that committee and I'm prepared to debate that matter any time with any member of this House; and the fact that a committee of this House with a majority of the government members got into this House a report that said that there was nothing to them, does not change the facts. If my honourable friend wants to quote that committee, then let him quote it correctly. If he wants to refer to charges that I made, they were not irresponsible. I'm not in the habit of making irresponsible statements. The ones that I made were proven. We brought the evidence. And I ask my honourable friend to withdraw what he said.

MR. ALEXANDER: I have nothing to

MR. CAMPBELL: He hasn't the grace to withdraw.

MR. ALEXANDER: That's right.

MR. MAITLAND B. STEINKOPF (River Heights): May I speak on the subject, Madam Speaker?

MADAM SPEAKER: The Honourable Member for River Heights.

MR. STEINKOPF: If I had nothing to say on this subject, I would not have the nerve to get up and take the time of the House to polish not one, but a whole barrelful of bad apples. It has just been suggested by the Honourable Member for St. Boniface that personal direct attack in this House should not be condoned, but that indirect personal attack on those not in a position to defend themselves is fair play and fair game. The Honourable Member for St. Boniface is having a little trouble in relating the beer contract to a marine contract. Any businessman knows that beer is different than water, and that the government's interest in beer and beer profits is entirely different to water and water profits. I do not want to take the time of this House to give a detailed explanation without the help of the Honourable Member for St. Vital, who does these things so well, to explain the difference. But let me say that breweries are perpetual partners to government and of government, and will remain so as long as our liquor laws are what they are. Whereas, Drake-Pearson are completely independent operators with no such restrictions or under such monopolistic conditions. The more I think about everything that I've heard in this House, or while sitting as a member of the committee, and all I've read on the pages of the Winnipeg Free Press relating to the subject, the more I'm convinced that all I should add is a straightforward statement that I deplore the manner in which the Honourable Member for St. George brought the matter to the attention of this House, the Hydro and the public, but my conscience won't let me. However, I promise not to make any general philosophical type of statement and shall contain myself to an assessment of the facts.

It seems that the statements by the Honourable Member for St. George appearing on page 43 of Hansard is the crux of the matter, and I read it; "Madam Speaker, through sheer incompetence; through complete failure to understand basic business concepts; through negligence in protecting the interests of Manitoba, and by total failure to plan its own affairs ahead, the government has thrown away nearly two million dollars of our own taxpayer's money."

In the next few sentences he proceeds in his own delicate style to prove his contention, and ends this part of his numberwork with this sentence, and now I read from page 44 of Hansard; "So the total earnings of this four-year contract will be between \$1.8 million and \$2 million." He concludes on page 45 by saying, "challenge this government to table all the correspondence between the government, any of its boards, commissions, and agencies and the Drake-Pearson Company; I challenge them to investigate and make public this whole sorry mess."

Well, I've learned in a hurry you don't recklessly challenge or taunt this government and expect the challenge will not be taken up. Here is a statement. Here is proof; a conclusion; and then it is topped off with a challenge. Here is the plaintiff's case. This government is then or to become a defendant, and when it accepts the challenge it is exactly that. Its machinery is to set up a committee, it hears evidence, and a verdict of "not guilty" is tendered and the

(Mr. Steinkopf cont'd) issue should be functus officio, but no, the plaintiff will not accept the verdict and moans that he was not given the opportunity to prove the very case he had already said he had proven in the House and as reported on page 43 of Hansard, and I quote from page 43: "The contract, as I pointed out, was for 145,000 firm tons at \$23.10 per ton, or a total contract value of \$3,350,000.00. Trade and Engineering publications indicate that the cost of marine equipment to fulfill this contract is \$900,000.00. Other costs including the construction of docks, buildings and other capital requirements are estimated at \$500,000.00. This makes a total capital investment of \$1.4 million. Operating costs over the four-year period are calculated at \$600,000.00. Taking all these figures, therefore, we get the following: Original capital outlay \$1,400,000; operating costs for four years \$600,000; a total cost of \$2 million. Deducting this from the original contract value of \$3,350,000 leaves net earnings of about \$1.35 million. This is net earnings after paying fully for the total capital outlay. I understand that now other parties are interested in purchasing the equipment for some \$500,000.00. In addition to this, according to information I have received from Ottawa, this company received a subsidy from the Federal Government in excess of \$50,000 for the building of the barges. This was an outright gift from the Federal Government under The Maritime Commission Boat Subsidy Act. So the total earnings on this four-year contract will be \$1.8 and \$2 million paid to this wholly-owned American company"and he goes on from there.

But there is the case that he admits that he has proven. I don't suppose that I would be too disturbed if he kept on nattering away in the House that he was prevented by this government's majority on proving the very figures and facts he claimed he already had proven in his initial attack, but when he, as the financial expert of the Winnipeg Free Press, moves his financial column from the financial page to the editorial page and then proceeds to confuse my wife and my seven-year old boy, then I become concerned. By using the editorial page, he uses the big stick of the Free Press to tell us, the members of the committee, on April 23rd, that now that we have heard the evidence this is the verdict we should bring, or the verdict we should not bring in. The editorial of the Free Press that I am referring to is dated April twenty

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MR. GUTTORMSON: The Member for River Heights can say all he likes about my charge or what-not, but he's telling an untruth when he says I wrote the editorials in the Free Press. Now he can say anything he likes, but if he I don't write on the editorial page of the Free Press on any issue, have not in this particular issue, and I think he should withdraw those remarks because they're totally untrue.

MR. STEINKOPF: Madam Speaker, I will withdraw any reference that I made to the effect that the Honourable Member for St. George wrote the editorial that I'm now going to read. This is headed "Grand Rapids" on the editorial page of the Winnipeg Free Press on April 23rd:

"The Legislature's Public Utilities Committee will be making a serious mistake if, when it meets again on Wednesday morning, it decides to make a final report clearing the Manitoba Hydro of accusations that a large sum of money may have been wasted on the Grand Rapids water haulage contract. That the work was unusually profitable to the company which won the contract has been apparent from the beginning of the committee's hearings; indeed has been denied by none of those who have appeared thus far. The contractor's counsel, Mr. G. R. Hunter, estimated the profit at between \$320,000 and \$350,000 on an investment of \$1,700,000 over the full term of the work, a figure which the Hydro's vice-chairman, Mr. D. A. Thompson, describes as 'not too out of line'. " And then I will skip a few paragraphs because they're not too relevant. "But the committee will not have completed its work if it simply makes a busy-body investigation of the company's profits. The contract was let after public tender had been called and the winning company as the lowest bidder is entitled to whatever profits it can make from its venture. What the public is entitled to know is how the Hydro in the first place came to set up and approve a contract of this nature. Why, for example, did it call for water haulage tenders based on a guaranteed revenue over a four-year period when it knew that a road to the site would be completed within the first or second year of the contract?"

I don't intend, Madam Speaker, to try and give you the business reasons why these things were done, because that all has been well talked out in the committee and in this House, but what I would like to have answered is, why didn't the Honourable Member for St. George

(Mr. Steinkopf cont'd) come to this House with the figures he had and ask this House for an expert opinion or confirmation, and then if he wasn't satisfied with the answer to proceed along the usual lines? I didn't understand at the start because I was relatively new in the House -- I think I'd only been in the House two or three days or four days -- but I think I have since learned; I think the usual procedure doesn't tend to make the headlines that one requires to flatter his ego and to keep going. The type of headlines that resulted from this enquiry in the Winnipeg Free Press were mild enough in themselves, but for a relatively quiet community such as ours they do stand out. I happened to see a Saturday Chicago Tribune and they have headlined "Sanitary Engineer Fired." I think the Free Press if they really want to go out for headlines they might learn something from the Chicago Tribune, because when one reads a couple of columns down here, the facts are very, very close to what we're talking about. "At the hearing, Williams and Norville E. Anderson, Acting Chief Engineer, disagreed with Bacon on his charges that poor judgment was used in planning the Brandon pool project in Joliette." Now here for just disagreeing and using poor judgment, the poor Sanitary Engineer gets fired and he gets headlines twice as big as the headlines that the Honourable Member for St. George got from the Winnipeg Free Press. And frankly I see no harm in it provided it were limited to just that, but in the process of doing this, and in this case, the bodies of the most knowledgeable power authorities in the province were strewn along the way, and the Honourable Member for St. George, using his own weight and that of this House and the Free Press, tended to walk over the bodies lying on the very road built to Grand Rapids, and instead of using that road to expedite the bringing of power to the homes and industry of Manitoba, he makes it a street, a one-way street for his own personal advancement. This road, the road from Gypsumville to Grand Rapids, will not be remembered as the road from Dan To Beersheba, but as the road from Governmentville to Grand Guttormson.

If this road and bridge had not been built in record time, would the Honourable Member for St. George have been able to stand up in this House and question the prudence of the Hydro officials or the amount of profit made by the contractors? The road and the building of the road is the only possible issue, if there must be one to justify the production of the Free Press. I do not think enough has been said about the possibility of building a road from Gypsumville to Grand Rapids in 100 building days. Let me read you a news story from the Winnipeg Free Press of January 13, 1953. Small headlines says, "Firm Sues Government for \$100,000.00. A statement of claim for \$101,732.06 has been lodged against the provincial government in connection with paving carried on on Provincial Trunk Highway No. 75 following the 1950 flood. The suit was filed in Court of Queen's Bench Tuesday by the Tomlinson Construction Company whose head office is in Toronto. The company claims the Manitoba Department of Public Works failed to get the grade on the road ready as promised and thereby put the Construction Company to great expense and loss in paving a 13.19 mile stretch on the highway. The company said it entered into a contract May 3, 1950, to construct the concrete pavement and gravel shoulder of the road. At that time the highway had been built, graded and gravelled by them, it said. Before the concrete was started the grade was washed away by the flood. By reason of this act of God, the company was excused from performance of the contract, the claim states. In July 1950, the Minister of Public Works said the grade had been, or would immediately be restored according to the plaintiffs. The Construction Company was then requested to proceed with the paving. The Company at great expense moved equipment, building materials and cement to the site to discover the grade and highway were not in condition to proceed. It was compelled to discontinue work in 1950, the claim continued."

In the spring, in this particular contract of 1950, there was a road well laid down, Highway 75, pretty well from Morris south to the border. Sub-grade was well put down and there was easy access to this road. Tenders were called for the paving of the thirteen miles and the Tomlinson Construction Company was awarded the contract. There was a railroad running practically parallel to the grade where sand and gravel and other components could easily be shipped and it was expected that at the date the contract was let that there would be no trouble in having the pavement completed by Labour Day of 1950. What happened? The sub-grade was completely washed away and less than one mile was completed in 1950. During 1951, a very rainy season, the contract was started early in the year and was not finished in 1951. This is a simple contract. In 1952 the balance of the contract of 13 miles was paved and it was turned

(Mr. Steinkopf, cont'd)... over to the provincial government. An understanding had been made between the parties involved then but after the contract was completed and the contractor requested the extra remuneration that he thought he was going to get, he was asked to make his application to the government and he did and he received this reply from Mr. George Collins, the Deputy Minister of Public Works, dated May 14th, 1952. "Dear Sirs: Your claim for extra compensation for loss due to adverse weather and working conditions and increases in prices while you were under contract with this Department to do paving as above, has been received and considered by Cabinet Council. I regret to have to advise you that the Council consider that the conditions under which your claim was based come within the normal hazards of this particular branch of the construction industry and consequently no payments can be made in respect of your claim."

"That the conditions are the normal hazards of this branch of the construction industry." Is it little wonder when the Hydro officials contemplated the construction of the road and consulted experienced men such as the Deputy Minister that none of them were prepared to say how long it would take to construct the road from Gypsumville to Grand Rapids. The fact that it was done in one year I think must be as much an amazing fact to them as it was to all of us in this House when we found out that it was done. This, to me -- and the construction of this road in the time that it was constructed must certainly be the key to this whole claim. Damage that has been done is not too severe. I don't think any of us are taking seriously the fact that the costs of the committee ran into the thousands because one never knows what good, if any, will come out of these enquiries and it's money I think very well spent. But it only takes one suggestive headline to do other damage and damage that cannot easily be repaired and I do not think it can be repaired even at this late date, but it can be minimized and if the Honourable Member for St. George would admit in this House now, this afternoon, that tenders were properly called, and the contract properly awarded and that it was in the best interests of the general contract to have the insurance of a secondary method of transportation, and that the amount of profit or loss -- or loss -- made by the low bidder is of no concern of this House and the people of the Province of Manitoba, I feel that much of the damage could be minimized. I would also feel a lot better, and everything would not be lost if the Honourable Leader of the Opposition would concur in such a statement and would include the unanimous concurrence of his party.

MR. CARROLL: Madam Speaker, if no one else wishes to speak on this debate, I move, seconded by the Honourable the Minister of Agriculture that the debate be adjourned.

Madam Speaker presented the motion and after a voice vote declared the motion carried.

MADAM SPEAKER: Before the Orders of the Day, I would like to attract your attention to the Speaker's gallery where I believe there are 30 some students from West Kildonan Collegiate with their teacher Miss Hintz. This school is situated in the constituency of the Honourable the Member for Seven Oaks. We welcome you to the Legislative Assembly this afternoon. We hope that your visit will prove to be entertaining and instructive. You see here representatives from all parts of Manitoba and as you watch and listen to the proceedings we trust that from your observations you will find them beneficial in your studies and that they will be inspirational to you as individuals. Come back and visit us again, Orders of the Day.

MR. ROBLIN: Madam Speaker, before the Orders are called may I lay on the table the copies of the correspondence from the San Antonio Gold Mines which I promised to table last night.

MR. MOLGAT: Madam Speaker, before the Orders of the Day, I believe the House is now getting close to its termination; there are still a number of Orders for Return and Address for Papers outstanding I believe. I presume it will be the intention of the government to supply these even after the House rises. Is this correct?

MR. ROBLIN: Madam Speaker, it will not be the intention of the House to supply them after the House rises because I think that would be a wrong practice to encourage. The rules are clear that if the Order is not answered by the time the House rises it lapses and should be asked again at the next session. However, the government has an obligation to do its very best to produce the Orders before the House does rise and I want to assure my honourable friend we shall do that. There are one, two, three, four, five, six, seven, eight -- six Returns and two Addresses for Papers not yet tabled. Some of them depend on the concurrence

(Mr. Roblin, cont'd)... of other governments and on those we can do little but on the others we shall certainly do our best to see that they are tabled before the House rises.

MR. MOLGAT: Madam Speaker, I wonder if the First Minister could advise the House at this time what the order of business will be for today.

MR. ROBLIN: Madam Speaker, I thank my honourable friend for bringing up this point. The order of business for today will be to proceed with the Order Paper in an effort to obtain second reading of the Bills that are marked "Printed". If we are successful in completing the second reading on Bill No. 140 it would be the intention to continue with the Order Paper until the usual 5:30 adjournment and then at 8:00 o'clock convene the law amendments committee to consider Bill 140 and other Bills before the law amendments committee. If Bill 140 should not receive its second reading today then we will have to revise our estimates but that would be my hope that we can proceed in that fashion. I also draw the attention of members to the fact that a number of other Bills have been distributed today which are not marked "Printed" and I ask members' co-operation in reviewing them; some of them are quite lengthy and detailed and I would suggest that members review them as conveniently as they can because I hope we may proceed with second reading of those before ere long.

MR. E. R. SCHREYER (Brokenhead): Madam Speaker, I would like to ask the First Minister, not as Premier but as Leader of the House, how many Bills are still to be distributed?

MR. ROBLIN: If I can go back to my honourable friend, the Leader of the Opposition, I'm very sorry that I didn't really get the import of what he was saying because I think he probably referred to the budget debate. I think that we ought, in fairness to him, to call the budget debate item next, have his address on that resolution and then proceed with the second readings, otherwise it would be unfair.

Regarding the number of Bills that have not been distributed, I believe there are some ten that the printer has promised for today but has not yet delivered to us; I think that is the number. I do not think there are any of the important Bills in that ten; I think the important ones are now in members' hands. Just a minute -- we'll get more advice here. Six more. After a little advice here I find there are six more Bills to come.

MR. MOLGAT: Madam Speaker, the purpose of my question was not to move the budget debate up. It was simply to find out what we would be doing this evening. I have no particular request to make to move it up; if the government prefers to go on with the regular order of business it suits me.

MR. ROBLIN: I thank my honourable friend but I think we really ought to call it because it's only right that he should have his opportunity. So Madam Speaker, if we have reached the Orders of the Day may I suggest we start with the committee on Ways and Means and the Leader of the Opposition and if that is adjourned then revert back to our second readings and follow the Order Paper from there on.

MR. MOLGAT: Madam Speaker, before we enter on the Orders of the Day I would have some further questions to ask of other Ministers -- A question to ask of the Minister of Agriculture. On the 24th of April, the afternoon, before the Orders of the Day, I asked him the following question; -- "Is it correct that the Department is reducing the grant that it gives the local agricultural societies for capital purposes on a yearly basis." The Minister replied, "No, not at this time." I then carried on with the next question: "There have been no letters been sent out from the department advising local societies that their grants will be reduced." The Minister replied, "The only letters that have been sent out that I know of is the letter in respect of the prize list of the horse shows in which a revision was made in the prize list available there." Subsequently I think a day or so later I asked him further questions on the matter and his replies were roughly in the same order. Madam Speaker, I now have a letter addressed by the Department of Agriculture and Conservation dated April 19th re: government grants, agriculture and horticultural societies. The letter reads "The budget for agricultural and horticultural societies has been reduced by a considerable figure. During the past two or three years building grants have consumed a much larger share than was anticipated. I have been requested by the Minister, the Hon. George Hutton, to reduce our expenditures and at the same time not curtail the activities of societies that are serving their community in a capable manner. Recently I advised you that your building project has been approved. I would appreciate your reducing this figure from the former quotation to the new proposed sum as listed below.

(Mr. Molgat, cont'd). . . You may have made some commitments, but the situation is difficult. There will be societies whose projects will have to be deferred. I'm inviting your co-operation. Signed Director of Extension Services. P. S. Originally we approved an expenditure of \$1,500; we suggest the new maximum be not more than \$1,000.00."

Could the Minister explain to me how this ties in with the answer that he gave me the other day?

MR. HUTTON: I didn't know that any letter had gone out.

Mr. MOLGAT: Madam Speaker, the letter says "I have been requested by the Minister". Now does the Minister not control his department?

MR. HUTTON: I was not aware that this letter had gone out. I was under the impression that the matter was still under consideration. However, this has been brought to my attention since then. That's all I can say at this time.

MR. MOLGAT: Well, Madam Speaker, why did the Minister not so advise me when I asked the question and subsequently asked again?

MR. HUTTON: Because I was not aware that a letter had been sent out and that this correspondence had taken place. I also said that if a letter such as this had gone out I would be mighty unhappy. I'm mighty unhappy.

MR. SCHREYER: Madam Speaker, I am also unhappy. I rise on a point of privilege as a member of the Assembly. Some members perhaps will recall that some time ago I moved that an Order for Return asking for a copy of a transcript of evidence of an arbitration hearing Mike versus R. M. of St. Andrews. It was subsequently accepted by the government; following that some time elapsed. The Minister of Agriculture very kindly brought to me the order and it had a two and a half page summary of evidence. Upon further checking I found that it was not really the material, the document that I was after, I found out that there was an 8 or 9 page document which was the particular document I was after; and it now seems that this document cannot be found. It's admitted to exist, had existed as late as December 1961. Now apparently it doesn't exist any longer and I simply can't accept that because government has central records, they have other means of keeping records and documents and as I say as a point of privilege and doing it now rather than at the end of the Session, I want to serve notice that I expect the Minister, as far as that goes, the government, to charge itself with the responsibility of obtaining that document, because I simply do not buy a statement to the effect that a document is lost in the possession of a department of government.

MR. HUTTON: Madam Speaker, if I may, I'd like to explain my situation. I endeavoured to determine exactly what it was that the Honourable Member for Brokenhead wanted, so that we could give it to him. The papers that I was able to find, or that the department was able to find that would seem to bear upon the matter he was interested in, so far appear to be unacceptable, or at least unsatisfactory, and we're at a loss to know where to look. People are just relying upon memory in the department and some have said that they thought the paper was a little longer than the one that I am able to make available to the honourable member, but nobody is certain, and frankly we don't really know what we're looking for. It's pretty hard to look for something in government files -- pardon me for laughing -- but it's like looking for a needle in the haystack really, believe me. I don't even know which needle I'm looking for, so you can imagine the problem that we have. And it isn't because we don't want to give it to him. We'd be happy to give him the information, but we just don't know exactly what it is we're looking for and it is really rather an odd situation. I just want to assure the Honourable Member from Brokenhead and I want to assure the other members in the House that we're not trying to be difficult, we're trying to be co-operative, but it is a problem. We can look further but I can't promise any satisfaction.

MR. NELSON SHOEMAKER (Gladstone): Madam Speaker, before the Orders of the Day are proceeded with, I would like to direct a question to the Honourable the Minister of Agriculture. He seems to be getting them all today. Here's another one. I wonder if this government has considered entering into an arrangement with the municipalities to pay a bounty on skunks for the forthcoming year. I'm not referring to the kind that is in this House, but no doubt my honourable friend is in receipt of several requests from various Chambers of Commerce in the province as well as others pointing out how serious the situation is. It is serious in the Neepawa area, and the one suggestion I have before me, and I believe that my honourable

(Mr. Shoemaker, cont'd)... friend has a copy of the letter is that the government pay a dollar to be matched by an equal amount from a municipality to enable any municipality that wanted to pay a bounty to proceed to do so.

MR. HUTTON: Madam Speaker, I have had correspondence from several municipalities respecting this problem. I respectfully suggest that controlling skunks by paying a bounty can be a kind of a messy business. Members will recall I'm sure we introduced an amendment to the Act and withdrew it at the committee stage a few years ago because the Honourable Member for St. George and myself could see that we were going to be chased out of the country by all the secretary-treasurers of the municipalities for being responsible for such a tremendous law. However, the Department of Mines and Natural Resources has been called in here on this problem. We feel that a control program can be worked out with the co-operation of the Game Branch and the municipality concerned, and we feel that this is maybe a little better way of handling this problem than trying to control it through the payment of bounties. But I have really referred the matter to the Minister of Mines and Natural Resources and asked him to take whatever steps he can with the municipalities to get a control program operating.

MR. SHOEMAKER: Madam Speaker, I would like to direct a question to the Honourable the Minister of Mines and Natural Resources. Then does he intend that any envisaged program that he may have may be implemented this year?

HON. CHARLES H. WITNEY (Minister of Mines and Natural Resources) (Flin Flon): Madam Speaker, the information that I have from the Game Branch on this matter is that the predator control officer who was established in the Game Branch about a year or so ago, is working with all of these people who have written to the Honourable the Minister. Just what areas he has started to work in I don't know at this time except I understand from the Branch that he is to work with them as the letters are received.

MR. SCHREYER: Madam Speaker, if I might be allowed to pursue the point which I raised earlier only to say this that the Minister said that he would be quite happy to accommodate me if he knew just what it was that I was after, and I would say to him, he can be so advised that what I'm after is a copy of those notes and summary of evidence that was shown by Mr. M. D. Brown in his Department to Mr. B. Hughes, Mr. M. Ferrina and Mr. D. L. McLean in December 1961. I can provide him with the exact date when Mr. Brown showed these three gentlemen those notes. It is precisely those notes that I want; nothing more, nothing less.

MR. J. M. FROESE (Rhineland): Madam Speaker, before the Orders of the Day, I think we were informed by the First Minister that we would be dealing with Bill No. 140 in Law Amendments Committee tonight. He also mentioned that some other Bills might be considered, and I would like to know just what bills will be considered in committee, other than Bill 140?

MR. ROBLIN:in reply to my honourable friend that all Bills before Law Amendments Committee may be considered tonight. There are some 17 of them. The odds are that we are going to spend the evening on one bill but there are a number of bills before law amendments.

MR. FROESE: Madam Speaker, my contention is that some parties would like to make representation in connection with some bills and that's why I'm asking the question.

..... Continued on next page.

MADAM SPEAKER: The adjourned debate on the proposed motion of the Honourable the First Minister. The Honourable the Leader of the Opposition.

MR. MOLGAT: Madam Speaker, when the First Minister introduced his budget he preceded his main statement with good news about the state of the economy of the province and some cheery information as to how well Manitoba was doing, and I'm sure that this was very well received by all the members. In a sense I have too some news that may be cheering to a few of the members. Owing to a throat condition, I will be unable to make my usual complete analysis of the budget figures and will have to content myself with somewhat shorter comments this year than I did last year when I, if I recall correctly, proceeded over the hour.

So starting on that cheery note, Madam Speaker, I'd like to go back briefly to the months of late 1962 when the administration across the way asked for a new mandate from the people of Manitoba to carry out what they called "a program of action in the development of the province's economic resources and in human betterments." The Premier told the people of Manitoba then that he had completed his 1958-59 program and that he needed a renewed vote of confidence to go ahead with his projects and policies. Well the people of Manitoba did give him his mandate that he asked for. It's true that more than half of the people expressed want of confidence by casting ballots for candidates other than his own, but nevertheless his Party secured a clear majority and under our system that is how the operation works and we have no regrets in that regard.

As I said in my first speech in the House on the Throne Speech debate, we of the Opposition have no intention to obstruct or to oppose the government in carrying out its mandate. We'll not oppose for the sake of opposition. We will oppose where we believe there is need for opposition and where scrutiny is required in the actions of the government. But we want the government, Madam Speaker, to fulfill its promises now, not four years from now on the eve of another election. We are as willing to sit as long as is necessary in the House, and when I hear comments about how long our debates are going on, I'm somewhat amused because really it hurts no one but ourselves. We are not paid a cent anymore whether we sit here three months or two months or six months, and a thorough analysis of government activities, I think, is a most desirable feature of our system. So I'm quite willing to spend all the time that is required and there is no excuse in this House for the government not to present its program in a clear and concrete and precise form.

Since the beginning of this session we have been waiting patiently for those measures of action that the Premier spoke about during the course of the campaign. We have now been sitting for some two months. We have reached the budget debate, but I haven't yet seen a good deal of the action that was promised by this government. We were told then that the government needed a mandate for new action. It appears from the course of the session so far that the government was really not ready for action at all. They promised action then, but now they promise study. There is no program of Hydro development on the Nelson River. It's only a study of Hydro development, and a rather vague one at that as was shown in the debate on the estimates of the department. There's no program of economic expansion, but really a reorganization of the functions of the Department of Industry and Commerce. We discussed this last night. This reorganization involves really the establishment of new boards and commissions and corporations, new bodies to undertake functions for which the Minister of Industry and Commerce was already responsible and which he should have been following through.

There is a rather interesting aside on this matter too, Madam Speaker, of the boards and commissions. I understood when these propositions were made to us, the Export Corporation and the Research Council, the Design Institute and the Development Corporation, that these were emanations from the COMEF Report. On the other hand, we find that last December the First Minister, campaigning in the December 14th provincial election, was stating as part of his program in the years to come, establish a Research Council, establish a Design Institute, propose a Manitoba Export Corporation and create a Product Development Fund. This is a newspaper clipping on the 7th of December, 1962, Madam Speaker. My question is this. If this was the Premier's program in December and we didn't get the COMEF Report until March of 1963, and it says the same things that the Premier was promising in December, then who told who? Did my honourable friend have an advanced copy of this report, which the Opposition obviously did not have, and did he then design his statements at that time, which I

(Mr. Molgat, cont'd) presume are precise terms from the report, on the basis of this advanced information? Or did he, and I hardly dare suggest this, did he put pressure on the COMEF Report to incorporate the proposals that he was making? The question remains, who told who?

I want to come back to the so-called program of action, Madam Speaker. There's no program of Metro reform. It's in the hands of a committee, and you'll remember that last year during this session there was a great rush then to move ahead the review of the Metro Corporation. It couldn't wait for five years; it had to be done immediately; and yet a full year later the committee is just starting to sit, first sessions being held right now. It doesn't seem to be quite as much of a rush once you get these things in the hands of another committee. There's no program of Municipal Tax Reform. It's in the hands of another committee. There's no program of Curriculum Reform. It's in the hands of one small committee.

During the election campaign, while the Premier was complaining about parish pump politics -- he used this one frequently -- mind you, he was busy out promising goodies himself at the same time, including a Technical School in Brandon -- well when we come along this year to the Capital Estimates and I asked my honourable friend when he was going to proceed with the Technical School, the reports were certainly pretty vague. He said we're going to have to wait and see what the architects and the contractors come up with. I asked him, well what are the proposed dates of construction and completion? The same answer: The Pas as soon as possible, and Brandon to follow. And then he came up with a statement which I believe is a correct statement, but which is not the one that was made prior to the election, and I quote, Page 1556 of Hansard: "But the fact is that we can't do all these things at once. We simply have to schedule them and to do them as our resources permit." I think that is the correct statement, Madam Speaker, but not the one that was being made when they were promising the Technical School in Brandon, or the Oak Lake project or the Technical School at The Pas, and so on.

Among the few programs of positive action is a bill to introduce uniform time in the province. Now the government was very brave when it spoke about this in the Throne Speech debate. The bill was produced; what did we find? The government didn't have the courage to take a decision and introduce a definite government bill. Instead, the question of uniform time was left to a free vote of the House. It's now in committee and there's no means of knowing whether the government will proceed with its proposal or not, one of the few action measures introduced in the session left without government leadership.

Among other measures introduced are patchwork bills to correct inadequacies in government legislation introduced in other years. The Teachers' Pension Bill, a very small portion of which was brought in last year and should have been acted upon completely then, finally the Minister is apparently going to enact something because we've received a bill on our desks today. The Time Sale Agreement Act was so poorly worded and thought out last year that the government could never proclaim it. It's been sitting for a year without proclamation. It was unworkable, and now it's back in this House so that we can patch up the faulty works of last year.

The government's labour legislation is obviously in need of revision and reform, but the government is proceeding on a patchwork basis to propose amendments to The Fair Wage Act, even though a study is going on now in the construction industry, a study that we asked for last year, which the government refused during the course of the session and which it introduced in between the sessions, but now it will act on a patchwork basis.

Madam Speaker, government legislation introduced so far in this session falls far short of the promised action for which the Premier asked a mandate in December. The people of Metropolitan Winnipeg still don't know when or if the Perimeter Road is to be completed around Winnipeg. The trucking industry, which lost hundreds of thousands of dollars because of the procrastination of this government on the license reciprocities, still doesn't know what are the long-range plans of this government in the matter of highway construction and how it will affect them. There's no long-range plan produced in this House. When we asked the Minister about traffic studies, he told us they were not available. When we asked him what the long-range plans were, he told us he didn't know. When we asked him when the Perimeter Route was going to be completed around Winnipeg, he told us he didn't know. This government, which talked so

(Mr. Molgat, cont'd) bravely of planning the economic future of Manitoba, still doesn't seem to be able to plan its own program. Instead of concrete plans presented for debate, the government offers studies and reorganizations of departmental functions and boards and commissions.

I'm afraid, Madam Speaker, that the government was wanting in frankness last November when the Premier told the people that he had a new program for which he wanted a new mandate. It appears that he didn't have a program, that the election was called on the spur of the moment before the Federal Government could call its own election; before possibly the provincial income tax would have to be filled in, the new forms, by the people; before he was forced to impose new taxes himself. If the Premier's program was still in the study stage, he should have frankly told the people so. It's easy to paint bright pictures of visions on the horizon, but responsible government requires frank disclosure to the people and to their representatives. This is the place constitutionally for examining and scrutinizing the government's programs.

We of the Opposition repeat the notice we served at the outset of this session, we intend to act as watch-dogs; we intend to subject the government and all its boards and corporations and commissions to careful examination to see that they do not become restrictive and bureaucratic, and to insist that government agencies leave full scope to free initiative where possible. We would be aided in our task, Madam Speaker, if we could rely on an Auditor-General, the kind of officer who could turn up examples of inefficiency and assist in the better functioning of government. For some reason, the Premier adamantly refuses to consider having an Auditor-General, but whether we have this kind of aid or not, we will continue to expose what appears to us to be any examples of waste or extravagance or mismanagement.

I want to make clear that we reject entirely the suggestions that have been made that government commissions and boards are in some way sacrosanct and that investigation into their conduct is somehow disloyal to them. Commissions like Hydro are set up so as to be free from the political control of the executive branch of government, but let no one think that any public agency is, or should be, beyond the reach of the Legislature. These bodies are responsible to the Legislature and we intend to keep them under observation. I remind the Premier about his statements when he occupied this position about the "sacred cows" in government. I urge the government to adopt a policy of frankness when the Legislature is concerting the work of departments and boards and commissions. If it wants to, Madam Speaker, the government can withhold information; the government can "sit on the lid" so to speak and prevent us on occasion from having access to the facts, but I urge the government and the Premier to consider the dangers of following such a course. He already has some reputation for lack of frankness as a result of the last election campaign when he promised programs of action while all he had was programs of study. Lack of frankness in helping us to get to the facts can result only in loss of confidence, not just in the government but in the whole legislative process.

Madam Speaker, I want to turn now to some of the specific matters contained in the Budget itself. I want to repeat what I said at the outset, that all Manitobans will share the obvious pleasure that the First Minister had in introducing this Budget, at the good economic results in our province last year. None of the members of this House and no Manitobans will have anything but pleasure at that information. We are hoping that it will continue and improve.

I was a little surprised, Madam Speaker, at the statement that the Minister made in regard to employment in the Province of Manitoba, particularly when we compare it to a statement that was already read onto the record from the Department of Labour, when one of the department officials says, "for the first time since the great depression of the 30's, Manitoba is facing a substantial unemployment problem" This does not quite seem to agree with the optimistic statements that the Premier himself made when referring to the employment position in Manitoba.

I would turn then, Madam Speaker, to page 26, where my honourable friend speaks about the Public Debt, and he makes a statement which I think is also correct. "There are, of course, some practical limits to the extent of such future commitments, but from the high regard in which the credit of this province is held in the money markets of this continent it is clear that this point is far from being reached." I agree with the first part of the statement, Madam Speaker, but I wonder what the Minister means by the latter part? Where is the point

(Mr. Molgat, cont'd) beyond which we can go? What analysis has he made of the probable course of this province; the probable course of our future capital needs; and how this will relate to our probable economic development. Where is, in fact, the limit? He states, as I say, in the first part that there are practical limits to the extent. I agree. He states that that limit has not been reached, but what is the limit? How far does he intend to go?

Madam Speaker, when we left office in 1958 the Net Debt as calculated on page 27 of the Budget, and I specify that as calculated so that the figures are comparable, was some \$29 million. In 1962, some four or let's say five years later, it has reached \$169 million, almost six times more, and I ask the First Minister, what is the limit that he has set? What are his projections for needs in the future?

I want to refer now, Madam Speaker, to some questions that were raised earlier this year on another debate, and that's the position of the Public Debt of the province in relationship to our Sinking Fund. I have gone through the Public Accounts for 1962, Madam Speaker, and I find that the Gross Debt at the 31st of March, 1962, was \$372 million. I find that the government guarantee for debt was \$198 million, giving us a total of \$570 million. I find in the same book, going through the sinking funds that exist, that there are some \$45 million in regular sinking funds plus some 6.3 in Utility Sinking Funds, and I believe that the Utilities have a further replacement and contingency account of some \$9.5 million, giving us a total of sinking funds of roughly \$61.5 million against the debt of \$570 million.

The question that had been asked of the First Minister was, was he keeping up to the requirements of sinking funds. His reply was "yes". I believe he is correct in his reply that he is keeping up to the legal requirements. There is however a vast difference, Madam Speaker, in the relationship of sinking funds today and the total debt of this government, because in 1958 the comparable figures were very different. In 1958 the gross and guaranteed debt was \$278 million compared to \$570 million now. The sinking funds, Madam Speaker, in 1958 were \$53 million compared to \$61 1/2 million now. There is obviously a very wide difference in the amounts and the relationships of our sinking funds and our gross and guaranteed debt. I do not bring up the matter to indicate that there is any legal change or any change in interpretation. I think the interpretation is correct. I bring it up to indicate that there is certainly a wide difference in the actual amounts and the calculations.

The Premier then spoke, Madam Speaker, about borrowing in the United States and indicated to us that the government apparently had made a good deal in its U. S. borrowings. I am sorry that he did not at the same time give us the information on his last borrowings in the United States, because if I recall correctly his Deputy Treasurer last summer was indicating that the previous borrowings had actually been a very costly proposition to the Province of Manitoba and that we were in effect, as a result of devaluation I believe, paying substantially more than we should have and certainly than had been indicated in the first place.

In the budget as well, Madam Speaker, the Minister indicates that we end up 1962 with a substantial budget surplus which he lists as \$7 1/2 million. He did include in that list of course, and it's here in the budget, that amount of \$4 million plus which came from the adjustment payment of the Canada-Manitoba Tax Sharing Agreement. This is a non-recurring payment, that is it will not recur at least for the next five years, until the next agreement is signed, and to bring it in into the one year certainly gives a very good picture. It is in fact, of course, applicable over a number of years. It's a very fortunate thing that we do have this built-in adjustment payment. I think it's a credit to the previous government who insisted that this be included in the agreement. I understand that this was done over the violent objections of the Federal Government but that it was accepted, and in that regard some of the staff still with my honourable friends, notably the Deputy Minister in the Department of Mines and Natural Resources who was then one of the negotiators, are to be thanked for having included this because it brought us an additional \$4 million into the province as well as enabling my friend to have a more attractive budget picture.

We'll turn then, Madam Speaker, to the new taxes that have been imposed. I want to say this at the very outset about them, that at least they are clearly stated and openly and frankly admitted. It seemed to me that when referring to the tobacco tax the First Minister was tending to indicate that it really wasn't a very important tax, that it's net effect would not be very heavy and he indicated what it would mean to each individual and so on. I'd like to point

(Mr. Molgat, cont'd) out that its total effect, Madam Speaker, is actually a very substantial tax, particularly when we compare it to the other sources of taxation, because we have to remember that in the Province of Manitoba one of the very largest items of revenue is of course our tax-sharing agreement with Ottawa, one over which we have only limited control. Our other sources of revenue over which we exercise control are much smaller -- a smaller portion. In fact last year, or in the budget here proposed, it indicates that our revenue from the taxes that we controlled, insurance tax, mines and resources, motor vehicles, other governmental revenues, Government Liquor Control Commission, gas and fuel, give us a total of some \$64 million of taxation that we impose. The new tobacco tax, which the Premier estimates at \$3 1/2 million, therefore represents actually a five percent increase in the taxation on Manitoba residents, the taxation over which we have control.

The Premier says that it's not a luxury. Well I'm a non-smoker relatively myself and am quite prepared to consider it that way -- (Interjection) -- Beg pardon? Oh yes, he said it was a luxury -- yes, that's right. Well I'm prepared in certain ways to agree with that personally, but I feel that to many smokers, and I would suggest that he speak to his colleague the Minister of Health, that he may find that far from being a luxury this in many cases has virtually become a necessity. It's true that a person need not smoke, but the fact remains that those who do are going to be taxed regardless of what their financial position is, and if my honourable friend the Minister of Health can easily afford to do so, there are others who less readily can do so, and that in fact then the tax will fall heaviest on those who have the smaller incomes and it will have the same effect in that regard as any other sales tax of not discriminating between ability to pay and actually falling heavier on the small wage earner.

The Premier did not indicate in his speech how the tax was going to be collected, but yesterday in the introduction of the Bill he said that it was going to be collected through the wholesale level, although it was of course a retail tax. That, Madam Speaker, to me, looks like the first step of the sales tax. This seems to me to be the foot in the door. It's a sales tax by slow progression -- one product this year, which one next year? Or is my honourable friend simply hoping that the Royal Commission that he has set up will come in and bail him out from his past statements regarding sales tax and recommend one so that he can go to the people of Manitoba and say, "Well, I did say that the sales tax was dead as a dodo, but what can I do? What can I do? The Michener Commission tells me now this is what I have to do." It seems to me, Madam Speaker, that this is where we're heading and this is the first step into it. I'm wondering how many collectors my honourable friend will have. How will he control this? However, that can wait until the Bill comes. I believe though, Madam Speaker, that we are going to have a new cry in Manitoba. Instead of "Players Please" or "Make mine a Camel", it's going to be "36 cents for cigarettes and 4 cents for Roblin".

I want to go on then, Madam Speaker, to the other matter that the Minister brought in insofar as taxation, the coloured gas. I was shocked at the statement that the Premier made that the province is losing a half a million dollars in this tax. I would like to know from the Premier how does he know this? What proof has he that we are in fact losing this amount of money? And if he does have that proof from his department and if they do have the records to prove this, then why is it that they cannot proceed through those records to get at the people who are apparently getting away with this money? Is it in fact true that we are losing that much? I hesitate to believe it, Madam Speaker. It seems to me that my honourable friend does not trust the farmers of Manitoba and I'm surprised at this, particularly when one looks at the voting record for the past while, that he of all people should be taking this position. It's a very surprising step in my opinion. I would say to him this, if he can prove that figure, then I submit that he should be able to get at the people, if they are there, who are getting away with this evasion of taxation. Other than that, I can only conclude that his figure is conjecture.

The Premier said that this was not a tax, but a change in administration. I wonder then why he didn't consult with the people who are going to be involved in this when he did so. Did he consult with the wholesalers and retailers of the gasoline and fuel industry? Did he consult with the other parties involved, the farmers of the Province of Manitoba? Did he get together with the two farm groups in the province to get their views on how this should best be administered and what should be done? I'd be interested to hear from him.

Last night we had a discussion about the matter of farm trucks, and here it seems to

(Mr. Molgat, cont'd) me, Madam Speaker, that we should make a very careful analysis before the government proceeds with this decision. It's no change, the First Minister says. Well in a sense it's not from the information he gave last night. Farm trucks are not exempt.

There is a major matter developing in the province though, Madam Speaker, although temporarily arrested, and that's the question of Branch Line abandonment. Right across the province of Manitoba we will be faced with more and more of the farmers having to transport more and more of their grain long distances to the elevators because the railways are cutting out their branch lines. This will mean that the farmers in effect are forced into taking a responsibility which was originally that of the railways. Responsibility which out of the Crows Nest arrangements is important to all the farmers of the Province of Manitoba. Now if the railways get out of this, we force the farmers to make their own transportation arrangements, and they are to be taxed on it as well. I think that the Minister should give consideration to this aspect.

I'm interested too, Madam Speaker, in the inspection of this new regulation. The Minister I believe last night said it was going to be through the regular law officers of the province. I presume that this means the RCMP, and yet, Madam Speaker, only on Friday of last week when I was trying to get the Attorney-General -- the Minister of Municipal Affairs to agree to have the RCMP take on some other duties in the province, they assured me that not only the RCMP were not prepared to take on further duties but they already felt that they had too much and they were not taking on any new agreements with municipalities. They weren't prepared to take on any new jobs because they're too busy, but my honourable friend the First Minister is going to give them more work at the moment by having to go presumably siphoning gas out of the vehicles across the province. Short of that then, I suppose that he is going to set up his own inspectors.

I want to turn now, Madam Speaker, to matters that are not in the Budget, and talk about taxes that this House has not been told about. First, the number of bills that are before us this year while the House is in session asking us to change the fees, not to leave them in statutes where the House has some control over them but to put them into regulation where only the Lieutenant-Governor-in-Council need to make the decision. I don't need to list them all. They're there before us, but there are a number of them. The sole purpose of the Bill is simply to shift the setting of fees, which in my opinion is the proper function of this House being a taxing function, and shifting it into the hands of the executives, which I don't believe is a proper method.

We have for example, Madam Speaker, the matter of fishing licenses. This very year while the House was in session, while presumably we were discussing the estimates of the Minister himself, the government proceeded to increase the fishing license fees in this province. Was anything said to this House, Madam Speaker? Not a word. Did the Minister indicate to us at any time during the discussion of his estimates that he was going to do this? Not a sign. We hear about it, Madam Speaker, by a news item that appears in the newspapers. We come back here and we ask the Minister is this true, and the Minister says "Yes, certainly." We ask, "Well why weren't we advised?" We are told, "Read it in the Manitoba Gazette." Madam Speaker, what is the purpose of having this House meet? Isn't it the minimum that we can expect that if the government is going to make changes in its fees while the House is sitting that the members should be so advised and so advised first?

Let's go onto another instance, the famous park fees, Madam Speaker. Now here was a new one, a brand new fee. Before the Minister tells me so, I realize that under the statute he has the legal right to do this. But this brand new fee, Madam Speaker, that had not been imposed in Manitoba before, when was it imposed? Well last year right after the federal election. Oh my honourable friends were careful to wait so as not to have any disruption, but immediately after the federal election last June the park fees were introduced and announced. When was this planned, Madam Speaker? Was it a sudden spur of the moment last-minute decision? Well when we discussed the estimates of the Minister he admitted to us then that they had checked other provinces, I think in particular the Province of Ontario and the Province of Saskatchewan. He didn't tell us when, but he admitted that they did. He admitted that they checked with the Federal Government to find out what was what.

Now he could say, "Well that was done after the House rose, between the time the House

(Mr. Molgat, cont'd) rose and the end of June when we put on the new tax." But, Madam Speaker, this very department, this Minister, this government were planning to impose this fee while the House sat here last year. The admission is in an Order for Return that the Minister gave to us this year, because the Member for La Verendrye constituency on the 19th of March asked for an Order of Return for a number of matters insofar as these provincial park fees, and one of the questions he asked was about the window stickers and transfers used in the provincial parks last year to identify the cars which had paid the new fees imposed by this government. Question number three was: "When were they ordered?" The reply from the government was: "Daily permits, first order April 9th, 1962; seasonal permits, April 17th, 1962."

Madam Speaker, this House sat until the first days of May in 1962. We were all assembled here together at that time. During the very time that this government was proceeding to lay its plans to put action afoot to impose this new tax, this new fee, the House was here, the members were together and the government said nary a word. Why was the House not told? Why were the elected members who are here and whose responsibility it is to impose taxation, why weren't they told? It isn't enough for the government to say, "We have the right, the legal right under statute." I say that you have a moral obligation to the members of this House to tell the members of this House of any such changes. I say it's an insult to the members of this House for the government to be planning new fees and new taxes, to impose them, without reference to the House when the House is in session.

How much more of this is going on, Madam Speaker? On how many other matters is this House not advised? On how many things does the Lieutenant-Governor-in-Council proceed to take action, puts it in the Manitoba Gazette in the hopes that it doesn't get too much publicity. I say that this is not a proper system of taxation. This is going around the back of the members of this House. I say to the government, come out openly in your taxation; don't have taxation by regulation; have taxation by the members of this House, taxation by statute.

So, Madam Speaker, I beg to move, seconded by the Member for Selkirk, that the motion be amended by deleting all the words after the word "that" in the first line thereof and substituting the following: "That this House regrets that the government has been consistently increasing the levels of taxation by increasing fees, licenses and hidden charges without reference to the elected members of this House."

Madam Speaker presented the motion.

MR. SCHREYER: Madam Speaker, I beg to move, seconded by the Honourable Member for Seven Oaks, that the debate be adjourned.

Madam Speaker presented the motion and after a voice vote declared the motion carried.

MR. ROBLIN: Madam Speaker, in order to provide maximum time for debate, perhaps it would be advisable for me to move the second reading of Bill 140, An Act for the relief of the community commonly known as Bissett, and that this be now read a second time, seconded by the Honourable Minister of Industry and Commerce.

Madam Speaker presented the motion.

MR. ROBLIN: Madam Speaker, there is really nothing I feel I can add to the discussions of last night. We gave this whole topic a pretty thorough discussion at the resolution stage and I really don't think that there is much more I can offer at this present time to the House, except to say that if the Bill gets its second reading this afternoon we will be able to have discussions with those intimately connected with the Mine in the Law Amendments Committee at 8:00 o'clock.

MR. MOLGAT: Madam Speaker, as I indicated last night, we would not oppose the second reading of the Bill although we are not in agreement with all the principles in the Bill. I will not go through a long discussion this afternoon. I think we had a fair amount last night. My position has not changed from that of last night. I have great compassion for the people concerned in the Bissett area. I am very interested in seeing the development of the province and yet I shudder at the idea of the government getting involved in mining ventures, at the government getting involved in bailing out corporations that have got themselves into trouble. I think there's a far cry here from this sort of action and the action that we take in assisting the establishment of new corporations.

However, we have our minds open on the subject. We will act in this matter in the

(Mr. Molgat, cont'd) manner which we think will be best for the people of Manitoba and we are quite prepared to have the Bill go through second reading. I would hope that the government will have at the Law Amendments meeting tonight its own experts to proceed with questioning of the people who will be there. I think the government must realize that in this case they are the ones who have had the information on this matter now for some weeks. They have analyzed this very carefully presumably; they have a good deal of the information. They cannot expect the members of the Opposition to have this information. We don't have the experts or the people fully qualified to analyze something like this; the government has.

Last night it seemed to me that when the First Minister was making his introduction at the resolution stage that he was hoping that the government's decision would be, in fact, completely the House's decision. I want to make it clear, Madam Speaker, that the government is the one that must take the responsibility in this matter and that it's not enough for the government to say to the members of the House, "Well, you can ask all the questions that you want. These people will appear before you and you can investigate all you want." It's obviously impossible for members in the course of a Law Amendments Committee meeting, which will last a few hours, with no advance -- or not a great deal of advance information, without the experts and without the background, to make a full decision. The government will have to take a stand on this matter most clearly and state clearly that it does or does not endorse the Bill.

It seemed to me that the First Minister, while it's true that he introduced it, was in a number of instances saying, "Well, we're not quite sure ourselves as to what the course should be." I think he must tell the House what it is exactly that he recommends and I think that tonight in committee his people should be there prepared to produce and give a great deal of the information.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party) (Radisson): Madam Speaker, as far as our group here is concerned, we too are going to support the second reading, which is usually in parliamentary procedures adoption of a bill on principle, but I want to make the reservation that in this particular case this doesn't necessarily follow that we approve entirely with the principle of the bill. But we are most anxious that the Committee on Law Amendments have an opportunity to examine the officials of the Company concerned and also others interested in this matter.

I also might say -- and possibly the Minister can reply at this particular time -- I've noticed two or three phrases within the Bill itself, and while I appreciate the fact that it's not for us to debate the Bill section by section, I think some of the terminology that is used in the Bill may have to be spelled out more clearly and more concretely. For instance, I note one sentence in the Bill, Madam Speaker, that the Company will make its best efforts to continue to operate and develop its mine at or near Bissett in an efficient businesslike manner, thereby providing continued employment. Now we could see the word "best effort" to mean practically no effort, and yet it could be contended that this is our best effort, and in effect, Madam Speaker, I could suggest it could be interpreted by others as practically no effort at all.

I also note too in the Bill that there is provision here for the call of the loan from the Company on -- "call on the loan maturing on the 1st day of May in the year 1968, or on such earlier date as the mining operation of the Company at Bissett may cease." Now I haven't studied it fully or in detail. I'm wondering whether there should not be some observation in the Bill whereby it might be possible to recall the loan at an earlier date than 1968 or in the event of the mine ceasing to operate, because it might be advisable for the government to be in a position where it could cease the agreement. It might be in here, Madam Speaker, but I haven't seen it. But with these remarks, Madam Speaker, we're not suggesting any delay and we'll be glad to hear the representations that will be made this evening in Law Amendments.

MR. ROBLIN: Madam Speaker, if I may close the debate, I thank members of the House for dealing with this matter so expeditiously. There are just one or two comments I'd like to make. It goes without saying, and I'm really rather surprised the Leader of the Opposition thought it necessary to mention it, that the experts that the government have will also be at this Committee tonight, the Deputy Minister of Mines and Natural Resources; the Director of Mines; the Deputy Provincial Treasurer; and any other servant of the government will be available on call for the information and guidance of the members of the Committee. We will try and put the Committee in possession of all the facts that we had when we came to our

(Mr. Roblin, cont'd.) . . . conclusion in respect of this matter, so that the Committee may form its judgment as well.

I'd just like to make it quite clear that the government is not expecting members of the Opposition to take responsibility for government actions. We have always taken the responsibility, as we constitutionally should, and we've no intention of departing from that. We are however very interested in the views of members of the Opposition, and I think so much so that, particularly from what the Leader of the Opposition says, that I'd better suggest that when the vote is taken that we have it recorded so we know where we stand at least this stage of the Bill, although I understand that members may reverse themselves later on. I think we certainly ought to secure that.

The "best effort" phrase is always a troublesome one. The Company will object to it for precisely opposite reasons to the one my honourable friend uses. They say it will be used to interpret it too strictly, and as you will see from the Bill, the government takes the power to put any additional conditions that may be considered necessary into the contract that we will make, that that matter can certainly call for some discussion.

I point out to members, as I did the other night, that the terms of the agreement must be complied with strictly or else the loan is due and payable. If the mine fails to do the things that it undertakes to do in the agreement, then we have the right to call the loan and thus bring the operation to some kind of a conclusion. I think that's all I need to say at the moment, Madam Speaker, and we'll look forward to further enquiry into it this evening.

Madam Speaker put the question and after a voice vote declared the motion carried.

MR. ROBLIN: May I have the Yeas and Nays please, Madam Speaker.

MADAM SPEAKER: Call in the members.

A standing vote was taken, the result being as follows:

YEAS: Messrs. Alexander, Barkman, Beard, Bilton, Bjornson, Campbell, Carroll, Cherniack, Cowan, Desjardins, Evans, Froese, Gray, Groves, Guttormson, Hamilton, Harris, Harrison, Hillhouse, Hutton, Jeannotte, Johnson, Johnston, Klym, Lissaman, Lyon, McDonald, McGregor, McKellar, McLean, Martin, Moeller, Molgat, Patrick, Paulley, Roblin, Schreyer, Seaborn, Shewman, Shoemaker, Smellie, Smerchanski, Stanes, Steinkopf, Strickland, Tanchak, Watt, Weir, Witney, Wright and Mrs. Morrison.

NAYS: Nil.

CLERK: Yeas, 51; Nays, Nil.

MADAM SPEAKER: I declare the motion carried.

MR. ROBLIN presented Bill 85, An Act to provide for the imposition of a Tax on Purchasers and Users of Motive Fuel, for second reading.

Madam Speaker presented the motion.

MR. ROBLIN: Madam Speaker, there's very little for me to add I think to what we've already said in explanation of the principle of this bill. It is not as members know a new taxing statute and does not impose a new tax, but it is a rewrite of the present Motive Fuel Tax Act and it contains within the new suggestion for the handling of fuel which is eligible for a tax rebate, namely that it be coloured, whereas the fuel that is subject to the tax should not be coloured. I think members are fairly well familiar with the way the present system works. I needn't make any mention of that since we are going to alter it, but I do say that the studies of the province is carried on, particularly in connection with the other western provinces, and their experience has been important to our decision to conclude that it would be wise to colour this motive fuel.

One of the troubles is of course that there is no distinction between fuel that is used for motive power and that that is used for fueling purposes, for heating purposes, and there is quite a problem we see arising, particularly in connection with that situation. This is important as this type of motive fuel, which includes everything not included in The Gasoline Tax Act, is becoming more and more important in the moving of vehicles over the highways, so we deem it advisable to make this change at the present time to secure a better control of the tax exemptions under this Act.

MR. MOLGAT: Madam Speaker, we intend to vote in favour of sending the bill to Committee, reserving our position on it. There are some aspects of it which I've already mentioned, on which we have reservations, but we think it should go to committee where we can

(Mr. Molgat, cont'd.) . . . obtain more information and get further details on the proposed legislation.

MR. FROESE: Madam Speaker, I just want to register my opposition to the colouring part. I'm not opposed to the tax, I think the taxes are needed and there's no change in the tax, so actually I'm just opposed to the colouring of it.

Madam Speaker put the question and after a voice vote declared the motion carried.

MR. ROBLIN: Madam Speaker, may I ask again for yeas and nays on this bill.

MADAM SPEAKER: Call in the members.

A standing vote was taken, the result being as follows:

YEAS: Messrs. Alexander, Baizley, Barkman, Beard, Bilton, Bjornson, Campbell, Carroll, Cherniack, Cowan, Desjardins, Evans, Froese, Gray, Groves, Guttormson, Hamilton, Harris, Harrison, Hillhouse, Hutton, Jeannotte, Klym, Lissaman, Lyon, McDonald, McGregor, McKellar, McLean, Martin, Mills, Molgat, Patrick, Paulley, Roblin, Schreyer, Seaborn, Shewman, Shoemaker, Smellie, Smerchanski, Stanes, Steinkopf, Strickland, Tanchak, Watt, Weir, Witney, Wright and Mrs. Morrison.

MR. CLERK: Yeas, 51; Nays, Nil.

MR. ROBLIN presented Bill No. 86, An Act to provide for the Imposition of a Tax on Purchasers and Users of Gasoline for second reading.

Madam Speaker presented the motion.

MR. ROBLIN: Madam Speaker, I again have to confess there is little that I can add to the discussions that have already taken place on this bill. It is not a new tax as members appreciate, but it does involve the introduction of a system of colouring for gasoline which is exempt from taxation. That is the main change that is in this Bill, although there are a number of other matters of administrative changes that are to be found therein.

It might be a matter of some interest if I point out that in 1962-63 there were some 233,825,600 gallons of gasoline consumed in the Province of Manitoba -- (Interjection) -- 223,825,600. Now the interesting fact is that some 52,500,000 gallons of that total was subject to refund, so one might say that I think it is 24 percent of all the gasoline used in Manitoba is subject to refund, and over practically 76,000 such individual refunds were made during the last period referred to. Now it can be seen that we are dealing here with a problem that has changed radically from previous days when the proportion of gasoline that was subject to a rebate was not as heavy as it is now, due to the increasing mechanization of the farm operation and also -- and this must be frankly admitted -- the amount of tax on each gallon is much higher than it was in days gone by when we were I think quite right to be relatively satisfied with the self-reporting system that we had in those days. We also have the fact that much of this money is subrogated by the farmer to the local oil dealer who fills in the return sometimes for him, but we're not too sure that is an altogether sound practice, so we do have these new developments as it were in respect of the handling of these tax rebates which are the root cause of our becoming concerned with this whole problem.

I want to say again that our studies in the province here did indicate that there might be violations of this act, but I would hesitate to say that anything more than a minority of the people concerned were wilfully in violation of the statute, although I'm sure there may be a good number who were inadvertently in violation of the statute. However, our examination of this problem with the three provinces to the west, where they've had this going for many years, indicated that we should make the change here as well, and I have given some idea of the amount of money that the Provincial Treasury experts feel is involved in this matter. I think it is true to say that the numbers who are misusing the privileges of tax-free gasoline are relatively small, but in absolute terms of the cost to the public revenue, one can see that it looks as if it's quite a substantial sum indeed. I repeat that I don't think 99 percent of the people, to coin a phrase, who are fair with the taxpayer will object too much to this, they're honest men; those who are not I think can have no objections, because this will I think make it more feasible to see that they do pay their share of the tax and do not avoid their legal responsibilities.

MR. M. GRAY (Inkster): Madam Speaker, statements have been made in this House that some of the farmers -- all of the farmers, I don't know -- are charging the government of mistrust. I think the word used is "cheating". I don't know what "cheating" means -- (Interjection) -- Pardon? No, the statements made in this House. Some members here said

(Mr. Gray, cont'd.) . . . we have a distrust of the farmers, otherwise they would not have suggested the colouring of gasoline. I didn't like to hear this statement that the government or members of the Legislature who are supporting the bill don't trust the farmers. The statement has been made here, that's definitely.

Now I would like to ask the First Minister whether he could make some statement that it is not the intention of charging dishonesty to any farmer. It's the same thing as any other law that you cannot open a bottle of whiskey in the middle of the street and you couldn't carry an open bottle in your front seat in the car; that you couldn't do this and that. In other words, in order to carry out the new idea, or the new law, the new regulation that each and everyone is entitled to exemption of the tax on gasoline who is entitled. And it's not a question of mistrusting anybody. I know that the City of Winnipeg is spending a million dollars a year for police protection -- not for me -- I don't need it -- I don't need it -- I don't break in anywhere, but it's protection for the others who do it and I have to pay for it. So I think there is some quite serious rumors on the street among the people that the First Minister of the province is trying directly or indirectly to charge the farmers of dishonesty. I wouldn't like to be a party to it because if I support the Bill, I'm a party to charging them of dishonesty. I think perhaps if the Premier would take a few minutes to declare the exact situation and there is no charge against any farmer of any dishonesty. If the statement would not have been made right in this House by someone to my right -- I don't know who it is -- I just don't remember things for convenience sake -- I think that the situation would have been accepted in a much nicer way. Although they're not charging me in this House but they're charging my Premier, and I'm concerned about my Premier.

MR. J. P. TANCHAK (Emerson): Mr. Chairman, I think I was one and I'm sure the honourable member knows who made that utterance. I said that "it implies", and at the same time if you read in Hansard I did say, "I'm not accusing the Minister of making" I told him that in his speech it implied as if the farmers had cheated the Province of Manitoba to the extent of half a million dollars just because it wasn't -- and what else can you say it is? Maybe inadvertently as the First Minister had said they did not know they were breaking the law. Well the Minister can explain that. And maybe there are a few, I do not know. But the thing is that a shadow is cast on the farmer. Quite a few of our friends in the city do not realize what this implication is, the coloured gas and so on. It doesn't mean too much to the ordinary driver on the street because he doesn't know the rules and regulations. I would hate to think that most of the residents in the city, in larger cities consider the farmers as cheats because they cheated the government of half a million dollars. That's what I was referring to and I resent that because I wouldn't like this implication to stand. I would say that the farmers of Manitoba as a rule are honest people and I wouldn't like a misunderstanding. But it certainly does imply that the farmers cheated to the extent of half a million dollars unless it's properly explained.

MR. FROESE: Madam Speaker, when discussing the Bill on second reading -- I take it that we're discussing it more in principle only and I feel that I will oppose this Bill on second reading. First of all under the old provisions anyone who collected a refund had already paid the taxes, so there is no doubt as to any farmers not paying the tax. Every farmer in Manitoba has paid the tax initially. There's no doubt in this matter. Secondly, any request for refund had to be signed by an affidavit and they had to vouch for it, so that I feel to bring in this legislation and pass it now, is more than just implying and I feel it's wrong. And also I did not oppose the other one on the motor fuel because it involves much fewer people. There's very few people that have diesel cars so that in the matter of diesel fuel it is not of such large importance. But when it comes to gasoline it's of much greater importance and it's of much greater inconvenience to the farmers generally, and therefore I will oppose this Bill on second reading.

MR. MOLGAT: Madam Speaker, I rise not to debate the Bill any further, than we did last night but only to again put my position clear on this. I am voting in favour of second reading of the Bill to send it to Committee. I reserve my position on it. There are matters that I want to bring up in Committee, some amendments, and on that basis I am voting to send it there -- definitely reserving my position on the matter.

MR. SCHREYER: Madam Speaker, I take the same position as the Honourable the Leader of the Opposition. I support it at this stage only to see what changes can be made in

(Mr. Schreyer, cont'd.) . . . Committee. I don't visualize any great change, or change in basic principle, but I would like to see some amendments made of a minor nature, administrative nature. Just to give one example, I sense that the Premier is making an argument out of the need for having some kind of comparison of uniformity with the other provinces to the west and if that is his wish, then he would I think look with sympathy on the idea of bringing in an amendment to not have farm trucks, or trucks bearing farm licence plates being considered as motor vehicles for purposes of taxation under this Act. I feel that Section 2 and Section 3 in the appropriate places should be amended to provide for farm trucks bearing farm licence plates to be able to use tax-exempt gasoline within a given radius. This would then provide some uniformity with the other provinces to the west, I believe, and I hope that the Minister will give this his consideration before it gets to Committee.

MR. CAMPBELL: Madam Speaker, I'm somewhat of the opinion expressed by the Honourable Member for Rhineland that I think that the present system is capable of proper enforcement and that the administration that has built up over the years has seen to it that the Act had worked out approximately as intended, but the details of the matter can be discussed when we get to Committee. However, I would like to ask the First Minister if in the comparison with the other provinces to the west they got some figures as to the proportions, or percentages of total tax that was rebated in those other provinces. I would expect that B. C. would not be closely comparable to Manitoba because I would think that their percentage of farmers would be much smaller than ours. I would expect that Saskatchewan might not be closely comparable because their proportion of farmers would be even larger than ours. I would guess that in Alberta the proportion would differ not too greatly from ours, and if the figure that the First Minister gave as approximately 24 percent, if I heard him correctly, being rebated, then I'd be very interested in knowing approximately what percentages are rebated in these other provinces. That we can follow up further in the Committee but at the present time if those figures are available I'd be glad to hear them.

MR. ROBLIN: Madam Speaker, I would try and get the figures for my honourable friend from Lakeside. I should point out, of course, that this measure is not without some advantages to the honest citizen, and I want to stress the fact, as I have said all the way through, that I am not the one who has been accusing or implying that the farming community as such are dishonest. Those implications were drawn by other members in this House. They could not have been drawn from anything I said because I was particularly careful to express my confidence, as I do again, in the honesty of the great majority of the people who are entitled to this tax refund. The fact is that laws have to be made for the minority, not for the majority. Anyone who's been here any length of time understands the truth of that statement. So I say that the Honourable Member for Emerson can go to bed with his own implications. He drew them, not me, and they belong to him.

I want to say something else, too. What we are about to have -- and again I want to serve notice that there will be requests given for a recorded vote -- what we are about to have is a vote on the principle of this Bill. If there is any member of this House that disagrees with the principle of colouring gasoline, he expresses that dissent by voting against the second reading of this Bill. If there's a member who does not object to the colouring of gasoline but has some reservations as to the detail of the Bill, the way in which it may be implemented and other matters of that sort, then I think he is quite within his rights to say, I intend to vote for the Bill at second reading but I will certainly have something to say about the details when it gets to Committee. But he must accept, in my view he must accept the principle of the Bill, which is coloured gas, if he is going to vote for it at second reading. If he doesn't accept the principle for colouring of gasoline then he should not vote for it for second reading. That is what second reading is all about.

I was distressed to hear the Member for Rhineland saying that we were in second reading discussing the principle only. I really don't think he meant to use that word 'only' in the sense in which it struck me as if this was a relatively unimportant part of the proceedings. This is the vital part of the proceedings when we discuss the question of principle and this is the time when one takes one's stand, particularly on a government measure. With respect to private Bills we have a custom here, which no one objects very much to, of sending Bills to Committee even though we may disagree with them in principle because it gives the private

(Mr. Roblin, cont'd.) . . . persons concerned who do not have a chance to make their statement on the floor of the Legislature, a chance to convince members about their bills. That's not the case with government measures. Far from it. The government is under the obligation in the House of clearly explaining and justifying the principles on which bills stand so that members can themselves decide whether they approve of it in principle or whether they do not. So I want to make it clear, as far as I'm concerned, anyone who votes in favour of this bill at second reading is in favour of coloured gasoline. He may have his reservations about other matters in connection with the principle of the bill, as to how it should be implemented, but the principle is clear and I don't think you can have it both ways. Members who agree with respect to the principle of the bill can vote for it at second reading and yet when it comes back if some particular measure is unsatisfactory to them, they can vote against it at third reading, so they get an opportunity to express their particular dissent. But I want to make it clear how I, at any rate, view a vote at second reading, and I must say I find it a little odd of the Honourable Member for Rhineland to find it possible to vote in favour of the first bill merely on the grounds that it doesn't affect many people. Well it's the principle that we're concerned about at the present time. I think there are probably a good many farmers who are using diesel fuel these days, to say nothing of others who may have a tax-exempt use for it and that they should be taken into account. But that vote is over and I can say no more about it. All I say now is that I think that the vote on second reading is a vote on the principle.

MR. PAULLEY: Madam Speaker, on a point of privilege, on the logic of the argument of my honourable friend, I trust that I might have the indulgence of the House just for a moment on this point of privilege -- (Interjection) -- Oh it is; it is because of the fact Madam Speaker when we were dealing with the bill concerning the loan to the company at Bissett -- the community at Bissett -- I stood in my place and said that I was voting in favour of the bill going to the committee in order that we may hear representations from the experts of the Department and of the mining corporation. Now then I was clear at that time, that while doing this it didn't of necessity follow that I was adopting the full principle of the bill. I think Madam Speaker that having made this type of a statement, then I am not, as suggested by my honourable friend in his statement, adopting the principle of the bill because I reserve my rights after having said so, and I think my honourable friend should give me the courtesy at least of a little qualifier because I made the qualification in respect of that and I cannot accept the statement of my honourable friend when he makes it so conclusively as he has in respect of this particular bill.

MR. CAMPBELL: Madam Speaker I am speaking on a point of order and I disagree also with the interpretation that the honourable the First Minister has given because I have many times in this House and have seen many other people take the position that even though there may be a principle or several principles involved in a bill, and frequently we have several, and with some or all of the principles they might disagree on the principles alone, they're willing to let the bill go to committee where people who are expert in these matters or have some knowledge beyond what they feel they have themselves can get an opportunity to express their opinion, reserving the right to change their minds later on. And that's the position that I am in here. -- (Interjection) -- Daylight time and oh there have been many others. If I were going strictly on the matter of principle I would vote against this bill. -- (Interjection) -- No, I do not think so, because -- even though my faith in the present government is not too buoyant -- I have faith enough in them to have the feeling that they have investigated this matter pretty carefully and I would like to hear the discussion at the committee stage. I'd like to hear the further evidence that can be brought before us. I'd like to hear the arguments that will perhaps come against it as well as those in favour of it and I think it's a proper bill to go to committee, but I am not necessarily in favour of the principle.

Madam Speaker presented the motion and after a voice vote declared the motion carried.

MR. ROBLIN: Yeas and nays please, Madam Speaker.

MADAM SPEAKER: Call in the members. The question before the House is the second reading of Bill No. 86, An Act to provide for the Imposition of a Tax on Purchasers and Users of Gasoline.

A standing vote was taken with the result being as follows:

YEAS: Messrs. Alexander, Baizley, Barkman, Beard, Bilton, Bjornson, Campbell,

(Yeas, cont'd.) Carroll, Cherniack, Cowan, Desjardins, Evans, Gray, Groves, Gut-tormson, Hamilton, Harris, Harrison, Hillhouse, Hutton, Jeannotte, Johnson, Johnston, Klym, Lissaman, Lyon, McDonald, McGregor, McKellar, McLean, Martin, Mills, Moeller, Molgat, Patrick, Paulley, Roblin, Schreyer, Seaborn, Shewman, Shoemaker, Smellie, Smerchanski, Stanes, Steinkopf, Strickland, Tanchak, Watt, Weir, Witney, Wright and Mrs. Morrison.

NAYS: Mr. Froese.

MR. CLERK: Yeas 52; Nays 1.

Madam Speaker declared the motion carried.

MR. HUTTON presented Bill No. 119, An Act to amend The Agricultural Credit Act for second reading.

Madam Speaker presented the motion.

MR. HUTTON: Madam Speaker, I had a beautiful speech mapped out here, you can see all the material. There isn't time to make it, but there's just a couple of matters that I think that I should make clear at this time in respect to the goals of these amendments and some of the conditions that will likely be attached to these loans. These loans, as I stated in committee, are being made for two purposes: to enable Manitoba as a province to share in an opportunity to expand our industry and to enable our citizens -- farmer citizens in Manitoba to take advantage to share in this opportunity. I think it is important Madam Speaker, that in the administration of this new program of credit for beef cattle herds that we do not interfere with the credit that the banks are now at this time extending to the beef industry in Manitoba, but that we supplement, that we use our program as an incentive to this existing program and so I believe I should make this statement at this time and to draw to the attention of the members the danger that there would be if we were to interfere with existing loan agencies. But there is an area that has been long neglected of intermediate term loans and it is for this purpose, to fill this gap in the existing credit machinery in Manitoba that these loans are being provided for in this legislation.

Now another thing that I wanted to mention at this time is this: that during my estimates and in discussions in this House we have been aware of the fact that we have compared with other provinces here in the west, relatively small herds of cattle and it is the intent of the government and the department to try and encourage our farmers to establish larger herds -- herds large enough to be of economic importance to the farmer so that he will be encouraged to take those steps and measures which will result in not only more cattle in Manitoba, but a higher quality of cattle in Manitoba and that eventually we will have a cattle industry where the operators have a sufficient investment to look after those cattle and make sure that adequate provision has been made for them in the way of feed and so forth. I recommend this to the House.

MR. ROBLIN: Madam Speaker it is 5:30 but if there's any disposition to dispose of this Bill so that it can go to Agricultural Committee tomorrow morning, perhaps members of the House would agree to sit for a minute or two to hear what other comments members might wish to make.

MR. MOLGAT: Madam Speaker I have no further comments to make on the bill. We have discussed it previously on a number of occasions. We're prepared to have it go to committee at once.

Madam Speaker presented the motion and after a voice vote declared the motion carried.

MR. ROBLIN: Madam Speaker I remind the House that just before I move adjournment that the Law Amendments Committee will convene in the usual room at 8:00 o'clock tonight to hear representations and to discuss the bills presently before us and Bill 140 will be called first, so that we may come to grips with that. My expectation is that that will take us the better part of the evening and that the House will not reconvene this evening. Tomorrow morning has two committee meetings called so that looks pretty busy; so I will move the adjournment until 2:30 tomorrow afternoon.

MR. GRAY: Madam Speaker, when could we expect that the Private Members resolutions and bills could be disposed before we prorogue and not leave them on the Order Paper?

MR. ROBLIN: Madam Chairman, I give my honourable friend the same assurance I give every year, that we will leave nothing on the Order Paper that members would like to discuss. We've always cleaned up and we'll try and do the same. My seconder is the Honourable

(Mr. Roblin, cont'd.) . . . Minister of Industry and Commerce.

Madam Speaker presented the motion and after a voice vote declared the motion carried and the House adjourned until 2:30 o'clock Wednesday afternoon.