

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Monday, March 27, 1972

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I should like to direct the attention of the Honourable Members to the gallery where I am informed we have 55 Indian Chiefs of the Province of Manitoba and members of their bands as well.

We also have a number of young ladies from the St. Norbert Celtic Girls Basketball team. They are under the direction of Mrs. Borowski. This team was involved in the basketball finals in Manitoba. On behalf of all the honourable members of the Legislative Assembly I welcome you here today.

STATEMENT

MR. SPEAKER: I wish to make a statement before we proceed. On Tuesday last on a matter of privilege made by the Attorney-General, the Honourable Member for Lakeside questioned the authenticity of Hansard as printed and by implication the integrity of the staff by stating: "I am afraid, Sir, that I would have to consider making a relatively serious charge in this Chamber that unless I heard the voice transcript of this particular passage of Hansard I suggest that Hansard has been doctored." The Chair and the Honourable Minister of Labour the House Leader, suggested the Honourable Member for Lakeside reconsider his words and take the opportunity to verify before placing these remarks for the record. The Honourable Member did not opt for the suggestion. Subsequently the Chair requested the Honourable Member in concert with other witnesses to hear the recordings the following day. The printed Hansard was found to be a true reproduction of the oral representation made by the Attorney-General.

The Chair has deliberated and consulted various authorities for precedent and tradition in this matter. Although the cut, thrust and ... of debate may generate heat, nevertheless it must have a wide latitude for a free flow of opinion to occur. Concurrent with that debate, just as great a degree of responsibility is incumbent upon all members for their actions and expressions if the august dignity of this Assembly shall prevail. The Parliamentary process should at all times, be imbued with thought, justice, tolerance, dignity, decorum and integrity. The privileges of Parliament are many and varied and their definitions are very general. It is perhaps on purpose that a clear and logical definition has never been given on parliamentary privilege. However, May's 17th edition on page 42 expresses the standard definition of privilege, and I quote: "The privileges of parliament are the rights which are absolutely necessary for the due execution of its powers."

This includes besides the freedom of speech, collective privileges of the House dealing with the control of its own proceedings and publications, reflections, and indignities affecting the House as a body or as an institution; the right to set up its own rules and tradition and privileges claimed by the Speaker on behalf of the House at the opening of Parliament. Breach of parliamentary privilege is considered most serious, impugning staff has not been condoned unless corroborative evidence prevails, since they are the most vulnerable and least able to speak in their own defence. On opening day by resolution this Assembly decreed: "That the Votes and Proceedings of the House be printed, having first been perused by Mr. Speaker and that he do appoint the printing thereof and that no person but such as he shall appoint to -- do presume to print the same."

In view of the foregoing, the Chair deems the procedure engaged in by the Honourable Member for Lakeside in this instance as most irregular. Whether or not an affront has occurred which would indicate an unqualified apology and retraction I therefore entrust to the Assembly. In conclusion the Chair wishes to indicate the matter of Privilege which precipitates the foregoing was only pre-empted, but does not preclude it from being proceeded with, should it so be desired. Thank you.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial statements; Tabling of Reports.

The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, I would like to draw

(MR. SCHREYER cont'd) the attention of the House to the fact that within the last few days, Manitoba has produced two champions - first of all I would like to offer congratulations and I am sure all members of this House would like to join in offering congratulations to the world champion curlers of Fort Rouge who won out in a very unusual spectacular final game on Saturday last to become World Champions. I think that all Manitobans are proud of the "Big O" as he's come to be called. I refer to skip, Orest Melaschuk and his rink consisting of Dave Romano, third, John Hanesiak as second and Pat Haley as lead.

Mr. Speaker, I should like to note too in passing that Mr. Haley is an employee of the Province of Manitoba working in the Department of Mines and Resources. This is the third year in a row that Manitoba or Manitobans have won the silver broom, emblematic of world championship in curling and with many good, young rinks coming up in the province, one hopes, perhaps even assumes that this trend will continue for some time.

I pause, Mr. Speaker, and go on to refer to the second very important championship event which was last Friday when Mr. George Laudrum and his rink was successful in winning the National Legion Curling Championship. The final in this event was also a very close game as members will know and as a result of this win by Manitoba, Manitoba is the only province to have won four Legion titles out of the sixteen national competitions that have been held, and so on behalf of impressed fellow Manitobans we offer congratulations to the skip George Laudrum, and to third Max Scales, Lloyd Goodman and lead Tom Stevenson.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Mr. Speaker, I am sure that the good wishes just given by the First Minister to these worthy representatives of Manitoba in far away fields would want to be echoed on this side of the Chamber to the World Champion curlers. It was the most exciting manner in the way which they brought the championship back to Manitoba again. I know that the Member for Fort Rouge delights in having that distinction, of having the World Championship Curlers in her constituency.

A personal note if I may, the lead already referred to by the Premier, Mr. Pat Haley, was a long time neighbour of mine and of course, I rejoice in a very personal way for his particular success, also his personal success having overcome a very serious illness in so doing.

My congratulations also of course, accorded to the winners of the Legion Tournament. I also understand, Mr. Speaker, that we have a third championship team involved, I believe it comes from the constituency of Rossmere; I am referring to the High School Girl Curlers who in the last week also proved or in the last few weeks also proved their merit at the noble game of curling. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

TABLING OF REPORTS

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs and Commissioner of Northern Affairs) (Selkirk): Mr. Speaker, I wish to table the 13th annual report of the Municipal Board for the year ending December 31, 1971.

MR. SPEAKER: The Honourable the Attorney-General.

HON. A. MACKLING, Q. C. (Attorney-General) (St. James): Mr. Speaker, on behalf of my colleague the Minister of Agriculture I would like to table several reports - the Annual Report of the Manitoba Crop Insurance Corporation, the Annual Report of the Department of Agriculture, and the Annual Report of the Cooperative Promotion Board.

STATEMENT

MR. MACKLING: While I'm on my feet, Mr. Speaker, I would like on a Point of Order to indicate to the House that an article which appeared in the Winnipeg Tribune of March 25, 1972 attributes to me a state of affairs which in fact is nonexistent and which I did not indicate to exist. In the article it says, referring to the remarks that I made in this House: "He said the hotel," and this is referring to the Tolstoi Hotel, "was more than sixty years old and couldn't meet basic sanitary requirements." I did not use those words, Mr. Speaker. I had indicated that the Manitoba Liquor Control Commission had removed from the hotel the requirement for upgrading and rehabilitation so long as they met basic sanitary requirements and fire and safety standards. I did not use those words. I trust they will be corrected by the media.

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

The Honourable Member for Souris Killarney.

INTRODUCTION OF BILLS

MR. McKELLAR introduced Bill No. 7, an Act to amend an Act to provide for the Making of Grants to The Brandon General Hospital.

MR. MACKLING introduced Bill No. 8, an Act to amend the Judgments Act.

MR. SPEAKER: The Honourable Member for Churchill.

MR. GORDON W. BEARD (Churchill): Mr. Speaker, I rise on a question of privilege; it's one that I feel at this time I would like to make a statement in respect to the support of the Indian people in my constituency which forms a great deal of that part of my area.

MR. SPEAKER: The Honourable the House Leader.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): I don't want to interrupt my honourable friend and I am sure all of us are deeply concerned with the point that he wishes to raise, but I question really whether it's a matter of privilege of the Honourable Member at this stage. Again, Mr. Speaker, I want it clearly understood that I can appreciate the point my honourable friend from Churchill wishes to raise. It possibly could be raised on going into Committee of Supply, or if my honourable friend has the consent of the House to raise his point that may be a methodology, Sir, of dealing with the matter but I question as to whether or not it is a question of privilege of a member of the House precisely.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, on the question of privilege, speaking on a point of order, I suppose I would be speaking, following the House Leader of the government. There is I would suggest to you respectfully, Sir, a question of privilege insofar as a member of the Legislature, as such has conducted himself in such a fashion that all members of the Legislature, particularly those with a fair constituent numbers of Indians or those who have Indian Reserves within their Constituency, certainly could feel compelled upon to rise on a point of personal privilege. I leave that as some further advice for your deliberation, Mr. Speaker, while you are making your judgment as to the point of privilege that the Member for Churchill may or may not have.

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSEN: Mr. Speaker, before a decision can be made your Honour must hear the question of privilege, and I was anxiously listening for the Member for Churchill to state his question of privilege so that you would have the opportunity of making that decision and I don't think that it's possible until the member has been given the opportunity of stating what his question of privilege really is.

MR. SPEAKER: The Honourable House Leader.

MR. PAULLEY: Mr. Speaker, in all due deference to my honourable friend the Member for Morris, I was listening to my friend the Member for Churchill and I heard what he said was his question of privilege. It dealt with the delegation that we have present with us. I want it clearly understood once again, in all deference to members of the House, I am not raising objections to the subject matter of concern, Mr. Speaker, of all of us regardless of whether or not we may have Indian Bands within our constituencies, we are all interested in the well being of all of the citizens of the province of Manitoba. The only question I raise and the only reason I rose, Mr. Chairman, as the House Leader I think that I have a responsibility to see if at all possible all of the rules of the House are adhered to and we proceed in an orderly fashion.

You will recall, Mr. Speaker, I said that I had no objections whatsoever as one charged with the responsibility secondary to you, Sir, of the conduct of this House. That if my honourable friend the Member for Churchill had the agreement of the House to raise this matter then I think that that would be the proper procedure rather than on a point of personal privilege. There is a difference in all due respect I suggest, Mr. Speaker.

MR. SPEAKER: I thank the Honourable Members for their contribution. I should suggest that procedurally I would have to really have permission of the House to proceed from our normal procedures at this time, by consent of all the members; and secondly, before I can accept the matter of privilege I would have to determine whether it is a prima facie case. I can't do that until I have heard what the Honourable Member for Churchill has to say. It is by leave, agreed that we hear the Honourable Member? (Agreed) The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I suppose, Sir, that it would really be helpful to you, Sir, if there was perhaps some opportunity given to the Member for Churchill to state what he believes to be is his point of privilege in order for you to make the determination as to whether or not it is in fact a point of personal privilege. I would suggest, Sir, if that is what is being asked for in the way of leave then one hopes there would be leave given. However, if

(MR. SCHREYER cont'd) it's for a more widely ranging discussion than that, I suggest that there is a motion to go into Supply that will be moved later this day and that would offer a vehicle or a means by which the discussion could take place.

MR. SPEAKER: It is therefore agreed that the Honourable Member will state his question of privilege? (Agreed) The Honourable Member for Churchill.

MR. BEARD: Well, Mr. Speaker, at this time I had chosen to rise in respect to the statements that have been made dealing with the Indian people and forcing us individually to take a stand and this position in itself . . .

MR. SPEAKER: Order, please.

MR. ENNS: Mr. Speaker, in all respects . . .

MR. SPEAKER: Order, please. I indicated to the honourable member I would listen and try to determine if there was a prima facie case of privilege. The honourable member is arguing an issue which to my recollection has not been before the House as yet and which is not necessarily a matter of privilege. I wish he would state as clearly and as concisely the matter of privilege which affects this House. The Honourable Member for Churchill.

MR. BEARD: Well, Mr. Speaker, I believe that I have a question of privilege which affects a great deal of the area which I represent and I do feel that I would like to state it at this time.

MR. SPEAKER: Order, please. I regret to inform the honourable member that whatever may affect his area may not necessarily be pertinent to the operations of this House. I may sympathize with him -- all the members may -- but a matter of privilege must be one which affects the operations and the rules and the procedures of this Assembly and which breaches upon the privileges of this Assembly. Oral questions.

Before we proceed to oral questions may I also inform the Honourable Member for Churchill my statement does not preclude him from bringing this matter up under our normal procedural opportunities at any other time in this Legislature. The Honourable Member for Lakeside. Oral questions.

ORAL QUESTION PERIOD

MR. ENNS: Mr. Speaker, I direct a question to the Honourable the First Minister. I wonder if the First Minister could inform the House whether or not it is his intention to immediately institute a full inquiry into the allegations and charges made by the Member for Thompson with respect to the Indian Brotherhood and its President?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, insofar as the allegations may have to do with the appropriation of provincial monies to the organization I've made it clear that we have received submitted budgets just as we have requested and it is not my impression that there is any necessity of having a further -- an inquiry into that matter. I can say that at the moment. Insofar as any allegations are concerned which relate to the allocation of federal funds to the Manitoba Indian Brotherhood that is a matter which is outside the purview of this government, I can say, Mr. Speaker, that I should think that the federal Minister of Indian Affairs would have arranged for an inquiry just as he did in the case of the Alberta Indian Brotherhood if he had reason to believe there was something wrong. I am not aware that there has been any suggestion by the federal authorities that they would be asking for any inquiry.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: A supplementary question, Mr. Speaker, again directed to the First Minister. Is the Minister's intention then to leave the investigation in the hands of the Member for Thompson?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, I can only tell the Honourable Member for Lakeside that the analogy in this case is not much different from statements made in the federal House of Commons relative to the Alberta Indian Brotherhood, statements made by the Member of Parliament for Battle River-Camrose and two or three other members of Parliament.

MR. ENNS. A final supplementary question, Mr. Speaker, directed to the First Minister. Can the Minister then tell us that it is not his intention to officially institute an inquiry into the serious allegations and charges made by the Member for Thompson?

MR. SCHREYER: Mr. Speaker, I have already indicated that insofar as provincial

(MR. SCHREYER cont'd) . . . monies are concerned I do not have the impression that there is any reason for an inquiry. Insofar as federal monies are concerned that is the responsibility of the Government of Canada to decide if an inquiry is warranted.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I have a question for the First Minister. The First Minister stated that the Member from Thompson will have an opportunity to prove his allegations or apologize and I am concerned about the Member of the House, I think he should have an opportunity through some mechanism within this House to either prove . . .

MR. SPEAKER: Order, please. The honourable member is making a speech not asking a question. Would he rephrase it? The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I'm asking the First Minister will he have some way or how does he expect to have the Member from Thompson prove his allegations or retract his statements?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, I have not been formally requested to cause an inquiry to be initiated so up to the moment the matter remains a matter of disagreement as between two fellow Manitobans.

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

MR. EVANS: Mr. Speaker, the other day the Honourable Member from Churchill inquired about the utilization of the Port of Churchill in the next year by the federal government and I agreed that I would wire the Honourable Donald Jamieson, the federal Minister of Transport. I can advise him that I've now -- and members of this House -- that I have now received a reply from the Honourable Don Jamieson stating that the rumour which was referred to is unsubstantiated and that no change is anticipated in the use of the Port of Churchill for the 1972 re supply operation. All bulk products for the Keewatin district and a few other northern sites will be shipped through the Port of Churchill in 1972 and as far as dry cargo is concerned Mr. Jamieson has advised that tenders have been invited for transportation of dry cargo from both the Port of Churchill and the Port of Montreal. There is further detail in the telegram which I'll make available to the Honourable Member from Churchill and members of the press if they so wish.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. R. (BUD) SHERMAN (Fort Garry): Mr. Speaker, my question is to the Honourable the First Minister. I would ask the honourable gentleman if he has received from the Manitoba Indian Brotherhood any requests for a government inquiry into the allegations by the Member for Thompson.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I do not have the communication before me, speaking from recollection the communication is in the nature of a protest rather than a request for an inquiry. However I'll have to check once more to be sure.

MR. SPEAKER: The Honourable Minister of Transportation.

HON. PETER BURTNIK (Minister of Highways) (Dauphin): Mr. Speaker, a few days ago the Honourable Member for La Verendrye asked a question in regards to some \$80,000 taxi fare bill which was run up by the provincial government and I took that question as notice if you recall. I have checked this out with the department and I am told that the honourable member had asked the wrong Minister for the information and furthermore I would like to point out that the matter could be brought up in Public Accounts Committee.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. JEAN ALLARD (Rupertsland): Mr. Speaker, I'd like to direct a question to either the Minister of Transportation or the First Minister, to know whether the Minister of Transportation was speaking for the government when he gave us an explanation on the Ilford situation on the program "Provincial Affairs" last night or the night before? -- (Interjection) -- I wanted to know whether the Minister was speaking for the government when he gave an explanation on the Ilford situation on the program "Provincial Affairs" last night or the night -- I think it was two nights ago.

MR. SPEAKER: The Honourable Minister of Transportation.

MR. BURTNIK: Mr. Speaker, I would -- in answer to that question I would hope that I was speaking on behalf of the government.

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

HON. RENE E. TOUPIN (Minister of Health and Social Development) (Springfield): Mr. Speaker, I would like to answer a question directed to me by the Honourable Member for Thompson a few weeks ago pertaining to grants made by the Department of Health and Social Development to Mount Carmel Clinic. The grant made in 1970-71 was \$40,000 plus a . . . of staff, 2 social workers for \$12,112; one play therapist \$4,753.99; one dental hygienist \$4,575.99; for a grand total of \$61,441.98 for 1970-71. The grants made for 1971-72: grant - \$58,004; of staff \$19,838.38, for a grand total of \$77,842.38 plus a departmental psychiatrist was provided approximately two and one half days per week for the first year and one-half days per week this year.

MR. SPEAKER: The Honourable Member for Churchill.

MR. BEARD: Would the Honourable Minister of Industry and Commerce check with the Hudson Bay Company to ascertain whether they have been advised as much as a month ago that there would be no supply services out of Churchill and that they should ship via Montreal?

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

MR. EVANS: I wonder if the honourable member could give me a little more information on this. I gathered the name of the company but I'd like to know more precisely and he needn't do it here he can give it to me later -- exactly, you know, the basis of the information and, you know, the actual source of the information within the company because I think it would make it much easier for me to inquire and follow this up. But I can just repeat that we have had this reassurance from Ottawa and I hope that reassurance is adequate.

MR. BEARD: A subsequent question. Could the Minister of Industry and Commerce advise us what the Northwest Territorial Government meant when they said that no services -- service ships -- would be stopping in Churchill?

MR. SPEAKER: Order, please. I believe the question is out of order. How should the Minister know what another government decides or wants? The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I'd like to raise a point of order in connection with the previous question put to the Minister of Industry and Commerce. I do hope when the reply comes forward that the reply will be made to the House even though he is getting additional information from

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, I direct a question to the Acting Minister of Mines and Natural Resources. Has he received direct complaints and requests to reduce the outflow of water from Lake Manitoba at the Fairford Dam from the trappers' associations around St. Ambrose and Marsh Point? The muskrat trapping is in jeopardy this year as a result of the low level of water.

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

MR. EVANS: Mr. Speaker, I am not aware of having received any official request, however that doesn't mean to say that there may be a letter in my "in" basket. To my knowledge no request has been received.

MR. ENNS: A supplementary question to the Honourable the Acting Minister of Mines and Natural Resources. Is the -- can the Minister tell me, is the dam structure at Fairford -- are the locks all out at this particular time? Is the water flowing free there?

MR. EVANS: Mr. Speaker, I must take that question as notice.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. ALLARD: Mr. Speaker, I have a question for the Minister of Transportation. Could he inform the House who he was referring to the other night on the program when he is imputing motives to some individuals on the program?

MR. SPEAKER: Order, please. We are not here to discuss a program that takes place outside of this House. If the honourable member has a direct question it will be allowed. The Honourable Member for Rupertsland.

MR. ALLARD: I'll ask the Minister whether speaking in this House who he would be referring to.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN, Q.C. (Inkster): Mr. Speaker, I wish to rise on a point of order and I would ask the Speaker to rule as to whether a member of the administration as attached -- as legislative counsel to the Premier is entitled to ask a question of another member of the administration.

MR. SPEAKER: I realize that the honourable member has a very valid question but I must treat all members equally in this Chamber. Consequently if they rise to ask a question I must give them the floor until I hear whether it's in order or out of order. The Honourable Member for Rupertsland.

MR. ALLARD: On the point of order, Mr. Speaker. Well I'm not sure exactly what the former Minister of Mines and Resources meant but it seems that as -- that I do not have the right to ask . . .

MR. SPEAKER: Order, please. Order, please. I ruled on that particular matter. I indicated all members had an opportunity to be equally recognized. The honourable member is debating, not indicating a point of order. Orders of the Day. The Honourable House Leader. The Honourable Member for Emerson, sorry.

MR. GABRIEL GIRARD (Emerson): Mr. Speaker, I wonder if -- I'd like to direct a question to the Honourable the First Minister. I wonder if he could advise the House approximately what portion of the twelve to fourteen million dollar rebate on the \$50.00 plan will go to municipalities other than Winnipeg?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, our main preoccupation is with the aggregate effect of the program. We do not have as large a preoccupation to try to determine what the distribution is as between one area of the province and another insofar as this particular program is concerned.

MR. GIRARD: A supplementary question, Mr. Speaker. I wonder if the Honourable the First Minister could advise me as to where I could get this kind of information then.

MR. SCHREYER: Well, Mr. Speaker, I would think that if the question were submitted in written form or by way of Order for Return that it could be dealt with more expeditiously.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. INEZ TRUEMAN: Mr. Speaker, I have a question for the Honourable Minister of Health and Social Development. Would the Minister deem it advisable even though there appears to be a surplus of acute hospital beds at the present time to destroy or scrap any such beds regardless of future possible requirements?

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

MR. PETER ADAM (Ste. Rose): Thank you, Mr. Speaker. Before the Orders of the Day I would like to direct a question to the Honourable Minister of Mines and Environmental Management. Is it the intention, Sir, of the Department of Environmental Control to allow the polluted waters of the Assiniboine to go down the Portage by-pass into Lake Manitoba this spring?

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

MR. EVANS: Well, Mr. Speaker, I can only say that we are concerned to minimize pollution in the province and all actions of the government will be direct towards that end.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, I direct a question to the Acting Minister of Mines and Environmental Management. Is it the intention of the Minister to allow the flooding of thousands of acres of prime farm land between Portage and Winnipeg by not using the Portage diversion this year?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, both last questions have been based on assumptions that are certainly far from being accepted as fact.

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

MR. GRAHAM: Thank you, Mr. Speaker. This is a supplementary question to the Minister of Mines and Resources and Environment. Can the Minister inform me . . .

MR. SPEAKER: Order, please. The Honourable Minister of Labour.

MR. PAULLEY: May I, on a point of order. My honourable friend from Birtle-Russell says that he is rising with a supplemental question and I question a supplemental question to what, because the Honourable the Minister of Mines and Natural Resources has been asked a number of questions, and I think that my honourable friend should be specific if he's dealing with the questions that were raised in respect of the Fairford Dam, fine, but I think my honourable friend in order that the House may conduct itself in a proper order should refer to what he is talking.

MR. SPEAKER: The point is well taken. The Member for Birtie-Russell.

MR. GRAHAM: Thank you, Mr. Speaker. I will direct a new question to the Minister of Mines, Resources and Environmental Control. Has the Minister any information in his possession that the waters of the Assiniboine River are in fact polluted?

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

MR. EVANS: Well, Mr. Speaker, this is a technical question because the definition of "pollution" varies, depending on what criteria you are using, whether you are talking about human health standards, whether you're talking about a hazard to fish life in rivers, whether you're talking about other types of damage to the environment. However, I'll take the question as notice and do my best to give you an answer, but I must say that you are posing a very general type of question.

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

MR. GRAHAM: A supplementary question, Mr. Speaker. Will the Minister inform the people who live along the Assiniboine River of the results of the question that has been posed?

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

MR. EVANS: Mr. Speaker, as the honourable member knows very well, when a question is answered in the House it's available to all the people of Manitoba. My friends up in the gallery see to that.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. TRUEMAN: Mr. Speaker, I have a question for the Honourable Minister of University Affairs. Can the Minister give us any information concerning the plans of the Manitoba Hospital Services Insurance Commission to convert a 32-bed ward worth about \$1,920,000 into a pedestrian corridor between the new Basic Sciences Building and the Winnipeg General Hospital?

MR. SPEAKER: The Honourable Minister of Youth and Universities.

HON. SAUL A. MILLER (Minister of Colleges and Universities) (Seven Oaks): I'll take that question as notice, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Thompson.

MR. JOSEPH P. BOROWSKI (Thompson): Mr. Speaker, I'd like to direct my question to the Minister of Health. Could he indicate when they will start an extension of the hospital at Thompson?

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

MR. TOUPIN: Mr. Speaker, I should really take this question as notice but the last report that I got from the Health Services Commission is that the schematics are well under way and that the addition to the Thompson Hospital shall start well in 1972.

MR. SPEAKER: The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Speaker, I rise on a question or order, I think. I was misquoted, I don't know deliberately or by accident, in last Friday's speech I made in this House. I had stated that I would recommend to the government that liquor prices be increased by 15 percent; I noticed the Free Press put the figure of 50 percent. I would like that corrected. And also they had quoted me as saying that I would consider running in the Churchill federal election after the House adjourns -- that is not true; I never said any such thing.

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

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, before the Orders of the Day, in the absence of the Minister of Agriculture, I wonder if the First Minister, or any acting Minister of Agriculture at the moment, could tell us, could tell the House if there has been any follow-up to my question of last week when I asked the question: Has there been any direct representation to the railways or to the harbor people, or the grain handling facilities . . . the people in Vancouver, in regard to the loss of sales in Vancouver?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, there has been representation directly to the Federal Minister of Transport for one. I believe additional representations were made. The Minister of Agriculture will be here tomorrow and will be able to deal with the question.

MR. SPEAKER: The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Speaker, I have a question for the House Leader. Could he indicate when it will be possible for any member in this House to speak on the question of the Indian protest. I was refused the opportunity by the Indian leaders to speak this afternoon on the steps. I'm wondering will I have the opportunity to make a statement in the House in reply to their demands?

MR. SPEAKER: The Honourable House Leader.

MR. PAULLEY: Mr. Speaker, it is one of the rules of this House -- it's not a new rule, it's been in force for a considerable number of years, that if any member of this House, be he or she on government or opposition side, wishes to raise a matter, that matter can be raised on the motion of going into Committee to consider Supply to be granted to Her Majesty. There is no barrier and I anticipate, subject to the process of the House today, I anticipate that we may possibly be getting into that motion if we cease oral questions, one or two other matters. I indicated to the House, Mr. Speaker, as you recall on Friday evening, what I anticipated the conduct of the procedure of the House would be for this week, and I can go no further in saying that was what my hope was on Friday. It is still my hope and in direct answer to my honourable friend and colleague from Thompson, he can raise his point on going into Committee of Supply, hopefully, either this afternoon or this evening.

MR. SPEAKER: The Honourable Member for Arthur.

MR. WATT: Mr. Speaker, I'm not sure if it's a point of privilege or a point of order, but I'd like to, for the record, to state a correction on Page 199 of Hansard. I'm quoted as saying, and I quote "I believe that I've fouled up the Honourable Member from Charleswood the other day" -- I did not say I fouled up the honourable member, I said I followed up the honourable member in the question period.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I'd like to address a question to the Honourable Minister of Universities Affairs. Could the Honourable Minister inform us as to how many students, foreign students, are presently enrolled in the University of Manitoba?

MR. SPEAKER: The Honourable Minister of Universities.

MR. MILLER: Mr. Speaker, I could take a fairly good stab at the figure but I'd rather be exact. I'll take the question as notice.

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

ORDERS OF THE DAY - GOVERNMENT BILLS

MR. PAULLEY: I wonder, Mr. Speaker, whether in order to proceed with the business of the House that you would now call second reading of Government Bills and number five, followed possibly by number six, standing in the name of the Honourable, the Minister of Finance.

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

HON. SAUL CHERNIACK, Q.C. (Minister of Finance) (St. Johns) presented Bill No. 5, The Succession Duty Act - Manitoba, for second reading.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, the second reading stage in debate on any bill is significant because it affords members of this Assembly an opportunity to exchange views on the basic precepts underlying legislation which is before them. In the case of the Succession Duty Act, however, the second reading stage is more than simply significant, it is the singularly most important stage in the consideration of this bill. The reason is simple. Second reading is the time for debate in principle and the Succession Duty Act is legislation which has principle at its foundation. The principle is equity, real equity for the citizens of this province.

Now what is a succession duty? It is not a tax on persons with low income. It is not tax on those who are classed as middle-income earners, and I can assure my friends in the benches opposite, and their colleagues, in some of the investment houses and newspaper editorial offices in this city and across the province that it is not even a tax on the rich or on the wealth of the rich per se. A succession duty is essentially a tax when there is a transfer of wealth at death. The distinction is basic for an understanding of the principle of this bill, as well as for an appreciation of why its passage is vital to the maintenance of an equitable tax structure - and the equality of condition such a tax system was created to promote.

Why is the distinction between wealth and wealth transfer so important? Again the answer is easily given. In the first instance, the assumption is generally made rightly or wrongly that a person with wealth has earned it throughout his life, has paid some taxes for it, though may I comment probably less than an equitable proportion relative to many at lower income levels, and in effect is entitled to enjoy the benefits of that wealth throughout his life.

(MR. CHERNICK cont'd) But when that person dies and through his will transfers his accumulated wealth to others, it becomes the responsibility of the government to ensure that this transfer, which really constitutes income for the recipients, does not place them in an unreasonably advantageous position relative to those members of society, and they are in the vast majority, who must work hard to earn a living and who must meet standard tax requirements to support the services which they receive from their government. This does not mean, and I want to make this very clear, that every dollar of an estate should necessarily be treated as ordinary income and taxed at standard rates in the hands of the recipients. As long as the income tax system in this country is designed to favour those with high incomes at the expense of those in low and middle income ranges, an equitable system of taxation on transfer of wealth at death must recognize this in an exemption and rate structure which provides satisfactory protection from further regressive tax pressure. The Succession Duty legislation now before this Assembly will guarantee this kind of protection.

The Succession Duty legislation now before this House will also ensure fair and ample protection for members of a deceased immediate family in acknowledgment of the direct and important contributions they may have made to the accumulation of the assets in the estate. But what this Succession Duty legislation now before this House will not permit is a perpetuation of great wealth over time in the hands of a privileged few to a system which would enable that wealth to be transferred again and again with little or no tax liability regardless of the fact that the recipients may have played no part whatsoever in earning it. That kind of inequity characterized a period of history which has long since disappeared and which must not be allowed to reappear through a failure by governments to safeguard the egalitarian values which took far too long to establish in our society. So while society may accept an individual's rights to benefit from a particular economic advantage, even when it manifests itself in a tangible form through the accumulation of wealth, at the same time it cannot accept that disadvantage should be transferred to others indiscriminately. It is here that an equitable system of wealth transfer taxation finds its purpose. Through such a system a portion of the wealth which was derived from society through economic advantage is rightfully returned to it to equalize opportunities' and thereby benefit all citizens.

This, then, is the basic principle on which wealth transfer taxation in general and the Manitoba Succession Duty Act in particular are based. It is a principle which has been recognized throughout history and which has been applied in various forms and with varying degrees of effectiveness in virtually every major nation. Apparently a form of inheritance tax, a 10 percent levy on the transfer of property at death was in effect as early as the 7th Century, B. C. in ancient Egypt. Later a somewhat more refined form was introduced by the Emperor, Augustus, at the height of the Roman Empire. It is said that the Roman tax consisted of a flat five percent levy on all legacies and successions over various minimal amounts. Though historians argue about these minimum levels, figures of 50 to 100 gold pieces have been suggested, it is nevertheless probable that the Romans can be credited with the beginning of a basic exemption system.

During the Middle Ages, inheritance taxation continued to play a large roll in the financing of the state. In most areas of Europe, various kings and princes had recognized authority over titles to property, and in the event of a death all property was supposed to escheat or revert to the Crown. However, tax payments that generally were called "relief", which obviously would be considered a misnomer today, could be made to the Crown by relatives of the deceased in order that he would permit the transfer of property to them. In certain cases, of course, property was allowed to pass between generations entirely free of a tax, from father to son for example, and this lead directly to the build-up of a small and immensely powerful nobility.

Great Britain's first general death tax was implemented around the end of the 18th Century and at almost the same time the United States introduced a national death duty in the form of a stamp tax on receipt for legacies and probates for wills. While the British system remained in effect from then on and was gradually strengthened the American estate tax was removed and reintroduced intermittently until 1916 when it was reapplied on a permanent basis.

In Canada the first death tax legislation was passed in Ontario in 1892 but within two years similar Succession Duty legislation was in effect in all provinces then within Confederation, including Manitoba. The Federal Government did not enter the field until 1941 when it applied its estate tax primarily as a war-time revenue measure. In 1947 after the war the first of a series of agreements between the Federal and Provincial Government was implemented under

(MR. CHERNIACK cont'd) which the provinces entering into the agreements withdrew their succession duties in return for a share of federal estate tax. These agreements were of course maintained until the end of last year.

I give this little historical review, Mr. Speaker, to indicate that the principle has been accepted throughout the years, and has continued to be accepted, and is still being accepted. It is one which has withstood the test of many times, many governments in many nations. I believe it is clear that our present proposals are based on concrete principles and on firmly established historical tradition with respect to equitable taxation.

This is substantiated fully in the pronouncements of a well-known Canadian authority on the subject of estate tax. These are his words, and I quote: "There is widespread recognition that estate taxation makes an important contribution to bringing more equitable opportunity to all Canadians. An estate tax with a progressive rate structure can improve the fairness of the whole tax system by imposing a tax on wealth. To be fair to lower income groups, governments must use the two progressive taxes, estate and income, when possible."

I quote further: "Surely it is contrary to the country's long-run interest to allow a substantial portion of the nation's wealth to accumulate in the hands of a few individuals or families. Wealth generally brings greater economic power and this power in turn brings greater wealth. Unless this concentration were checked between generations, the benefits of the economic activities of the Canadian people would not be equitably distributed or efficiently absorbed. Some argue that this problem of concentration is not as great in Canada as it is in some other countries but it is probable that the existence of death duties since the early stages of Canadian economic development has helped prevent the large concentrations which were characteristic of the United States at the turn of the century."

My final quote from the same speaker: "Historically, opposition to inheritance taxes has come mainly from privileged classes trying to protect their wealth without regard to fairness or the common good." That's the end of the quotation, Mr. Speaker, and some members may enquire as to who said that. Well who said that, Mr. Speaker? Not a well-known tax commentator for the Winnipeg Free Press, but someone who is held in at least as much esteem and is in the same political party. Well, Mr. Speaker, who said that? It was the former Federal Minister of Finance, the present Minister of Defence, the Honourable Edgar J. Benson. And when did he say that? The speech in which these statements appeared was delivered to the London West Liberal Association in London, Ontario in January of 1969 federal and provincial government was implemented, under which the provinces entering into the agreement withdrew their succession duties.

Mr. Speaker, the Government of Manitoba fully supports these principles enunciated by Mr. Benson, on behalf of his government just three short years ago, and I refer specifically to a speech made by that gentleman because he is the one who is being credited with other kinds of statements by people in opposition to succession duties. And I quote this so that members will be aware of a very particular statement dealing with this particular subject made a bare three years ago.

It was quite natural then, Mr. Speaker, that when the former Minister of Finance brought down what proved to be his last real budget in June of 1971, and announced that a decision had been reached to terminate the Federal estate and gift taxes at the end of December that our government was first shocked and then outraged. Along with several other provinces the Government of Manitoba expressed considerable concern about the implications of the Federal Government's decision, both from the standpoint of general equity and from the standpoint of revenue maintenance, an important factor in itself, because the provinces had for many years received a share of federal estate tax collections under arrangements designed to bring general uniformity to the wealth transfer tax system in Canada. These arrangements had been implemented originally to eliminate the tax jungle effects of a multiplicity of provincial laws and administrative practices. Their termination promised a return to the Balkanization which had marked the fiscal system of the 1930's in this country.

In mid July at a Federal-Provincial Conference of Ministers of Finance the provinces had their first formal opportunity to present their views on Ottawa's planned withdrawal from the Estate Tax field, and not surprisingly -- as I believe I reported to this House on my return from the conference last summer -- strong reservations concerning the federal decision were voiced with virtual unanimity by all the provinces. Ottawa was asked to reconsider its decision and to delay the repeal of its estate and gift tax at least until such time as a thorough study of

(MR. CHERNIACK cont'd) all implications of the repeal could be completed.

Subsequent to this meeting, provincial First Ministers met in Victoria in early August and every Premier present at the time of the discussion -- that is eight out of the ten -- endorsed a formal joint request to the Prime Minister to defer the repeal of the legislation. During the late summer and early fall, officials met frequently to discuss the options available to the federal and provincial governments but no concrete action was possible until mid October when the Federal Minister of Finance indicated that the Government of Canada was prepared to enter into relatively uniform succession duty and gift tax collection arrangements with certain provinces on a conditional basis for a maximum of three years to take effect January 1, 1972. And as is well known by now, Manitoba accepted the Federal Government's offer in respect to both succession duties and gift taxes, as did Saskatchewan, as did the four Maritime Provinces. British Columbia, Ontario, Quebec, which already had succession duty legislation in force indicated they would be interested in taking advantage of the gift tax collection offer. Thus by January 1 of this year, nine out of ten provinces had acted to fill the void left by the Federal Government's termination of its taxes on estates and gifts. Let us always speak of succession duties and gift taxation in the full knowledge that nine out of the ten provinces of Canada have clearly stated that they will continue succession duty taxation, and all ten, or rather all nine, have agreed to participate in the Gift Tax as well.

Why in fact did the Federal Government withdraw from this field of taxation? Some arguments have been put forward. One was the fact that Ottawa apparently felt that various rebate schemes had limited the degree of uniformity which its presence could promote. In our view, this argument is totally invalid. In fact it is possible to cite many statements made by the former Federal Minister of Finance during the constitutional reform debate which emphasized the importance of a strong Federal role in this area of taxation.

At several recent Federal Provincial Conferences I questioned Mr. Benson on this very subject -- the apparent contradiction in the Federal position -- and I am convinced by his responses that he, and I believe his government, still support the basic principles of wealth transfer taxation as he outlined them in the statement which I quoted earlier.

The argument for a Federal withdrawal which had the least validity and which has perhaps caused the greatest misunderstanding and confusion, was the implication by Ottawa that it felt for itself that there was a recognizable and acceptable trade-off in eliminating estate and gift taxes at the same time as it imposed a tax on capital gains.

There may be a trade-off in revenue terms for the Federal Government when the capital gains tax system has matured, and this will take time, but there will be no trade-off in revenue terms for the provinces in the foreseeable future. More important, there can be no trade-off for anyone, government or citizen in equity terms.

Under the revised income tax legislation one-half of gains on capital assets accrued only from December 1971 will become taxable at death at standard income tax rates, but any wealth not in a form defined as capital assets for capital gains tax purposes, will be transferrable without any such tax liability. At the same time, most Canadians not fortunate enough to be recipients of a major inheritance will have to continue to pay taxes on their wage and salary incomes at normal income tax rates. Clearly, there is no equity trade-off here.

Well as for the revenue side of the trade-off argument, the provinces previously received 75 percent of Federal Estate Tax collected in respect of their jurisdictions, while the Government of Canada retained 25 percent. Under the revised system, the Federal Government will receive almost 70 percent of basic capital gains tax revenue, while the provinces will receive around 30 percent, plus whatever supplementary amount might result from their having income tax rates above the standard minimum.

The arithmetic is very simple: If 70 percent of the new capital gains tax will yield as much for Ottawa as 25 percent of the old estate tax did -- and even this is doubtful in the early years -- then there is little possibility that the provinces greatly reduced share of the new tax will provide them with the same revenues that their 75 percent share of the old estate tax yielded. This is just as simple as the simplest arithmetic problem that anyone deals with. Again here, there is clearly no trade-off available for the provinces.

Even in Ontario where the bulk of capital gains tax revenue is expected to be centered, there is considerable concern that it will be a very long time before the yield of the provincial capital gains tax along with its effectiveness as a control over the transfer of wealth may approach the yield and the equitability of the former estate tax system. In this connection

(MR. CHERNIACK cont'd) there have been many references made in recent months to statements attributed to members of the Ontario Government to the effect that the Ontario Succession Duty will be phased out in five years' time. In fact, such statements were made at one time, but they are not made any longer.

Mr. Speaker, if members in the opposition wish to quote the Ontario government as to its intentions, I hope that they will at least make sure that they are quoting up-to-date statements in that regard.

When he presented his 1971-72 supplementary estimates to the Legislature in December, the Ontario Provincial Treasurer indicated that the Federal Government's decision to vacate the estate tax field effective January 1st, would mean a reduction of 56 million in wealth transfer taxation in 1972 in Ontario alone, as well as a net revenue loss of 28 million to his government.

Admittedly Ontario has indicated that it may -- and I stress the word "may" -- consider reducing its succession duty as the capital gains tax matures, but there has been no deadline set. In the December statement to which I referred earlier, the Ontario Treasurer used such phrases as, and I quote "in future years"; and again I quote "in the end". The end could be an extremely long way off. For the present, Ontario has taken action to insure that its wealth transfer taxes will yield virtually the same amount of revenue in the province as the province would have received had the Federal Government decision not been carried out.

As my counterpart in Ontario indicated, it is essential for revenue reasons alone therefore, to maintain some form of taxation of wealth upon death, be it at a gradually diminishing level. It is also essential for equity reasons because in the absence of such death taxation, all wealth could be passed between generations without any meaningful tax consequences. And who said that? The Provincial Treasurer of the Conservative Government of Ontario. When did he say that? He said that in his December 1971 budget speech.

Manitoba also expects to receive approximately equivalent revenue yields in 1972 under its proposed Succession Duty and Gift Tax as it would have received had it continued to share in Federal Estate Tax collections, but there is no certainty that this expectation will be realized. In fact, there is a possibility that revenues will be somewhat lower as a result in part of potential delays in receiving collections from the Federal Government. I should add, our revenues from this source will be afforded no protection through the somewhat tenuous guarantee system which the Federal Government will implement in an attempt to reduce the negative effects of its income tax changes on the provinces for a five year period.

I remind honourable members that the Federal Government in making the change in its tax legislation, what it calls "tax reform", has indicated that since it may well be, and we in Manitoba expect, as does the Federal Government, that our share of revenues out of the new formula of income tax will produce less than the former share under the old formula; that there would be a guarantee over five years that the amount received will not be less than in the former formula and therefore there will be payments made by the Federal Government to take care of such difference. But wealth transfer taxation is not included in the guarantee and there is no such protection in the formula. This, too, is a misunderstanding that has been widely spread by many people. So there will clearly be no capital gains trade-off for Manitoba. Only by implementing a Succession Duty and Gift Tax system can we be certain that at least some of our potential revenue loss can be offset. And again, more important, that the standard of equity which we have strived to attain in this province's taxation structure can be preserved.

As I indicated earlier, nine of the ten provinces, provinces whose governments represent every major political party in this country, reached a conclusion similar to ours. The three provinces which already had succession duties decided to retain them and to add gift taxes as well to protect their effectiveness. The other six, including Manitoba, agreed to accept the Federal Government's offer to collect these taxes on their behalf and in late December issued a detailed joint statement of their legislative intentions. The contents of that statement, which I expect are quite familiar to members of this Assembly, were intended to provide citizens with specific information for planning purposes with respect to the provincial wealth transfer tax systems which were to take effect on January 1, 1972. The statement indicated that Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Manitoba and Saskatchewan had agreed to present uniform, standardized succession duty and gift tax acts to their respective legislatures at their next sessions. These acts were to be based in

(MR. CHERNIACK cont'd) large part on comparable federal legislation which had to defect prior to certain amendments in 1968 and would be administered by the Federal Government through the Departments of National Revenue and Finance for a period of three years.

Since the announcement of last December however, certain modifications have been made in the legislative intentions of the agreeing provinces. So I'll summarize briefly exactly what the Act now before the House will mean for Manitobans. Well, first I think I should probably explain why we are proposing to implement a succession duty rather than an estate tax. Explanation lies simply in the constitutional division of taxing powers between the federal and provincial governments. Under the British North America Act the Federal Government can apply both direct and indirect taxes. The provinces can only apply direct taxes. An estate tax is considered an indirect tax so it is beyond our power to implement such a levy. The province can only apply a succession duty which is considered to be a direct tax.

Subject of the exemptions which I will outline shortly -- Manitoba succession duty will be levied first on the value of all property of the deceased at the date of his death which is situated in the province, whether the deceased dies domiciled in or outside the province and whether his beneficiaries are domiciled or resident in or outside the province, except where both deceased and beneficiary are domiciled outside the province in which case the succession duty will apply only to real estate including leaseholds.

Secondly, a succession duty will be levied on all beneficiaries who are resident in the province and who inherit property which is situated outside the province. Well in order to avoid double taxation where a beneficiary may reside in a province different from the one in which the property is situated a credit will be allowed by the province on the residence of the beneficiary against inheritance tax paid in respect to property situated in a province other than a province cooperating in the federal-provincial collection system. Reciprocal agreements will be worked out with other provinces as well.

Under the proposed Manitoba Succession Duty Act no duty is payable where the aggregate net value of the estate is \$50,000 or less. According to Department of National Revenue Statistics the number of Manitoba estates has averaged between 4,000 and 4,500 annually in recent years but of this number only five percent had a value in excess of the \$50,000 basic minimum exemption under the proposed Manitoba Succession Duty Act. On this basis it is reasonable to conclude that only some five percent of Manitoba estates are likely to be taxable under the provincial Succession Duty Act. The maximum allowable exemption will be \$200,000 which will be applicable if at least \$50,000 passes to a spouse and any balance to other preferred beneficiaries. Over the last few years only some 25 to 35 estates in Manitoba have exceeded this \$200,000 value each year, considerably less than one percent of the total number of estates.

While this \$200,000 maximum exemption for spouses is not as large as the complete exemption provided for under the federal estate taxation legislation as it was amended in 1968 it is considerably higher than the maximum available under the federal act before that time and we feel it has been established at an appropriate level to accomplish two basic objectives. First, to provide adequate protection for spouses as well as an acceptable recognition of their contributions to the accumulation of the estate; and second, to prevent the inequitable transfer of extremely large estates without any tax liability. An assumption which is implicit in this argument of course is that both spouses together in the nature of a true partnership will have shared the full benefits of the accumulated wealth while both were living and that the maximum advantage of gift tax and other exemptions would have been taken. I believe, Mr. Speaker, that any person who speaks up and says the wife had contributed to the accumulation of wealth of the husband and is entitled to be recognized as a partner that wife should be recognized as a partner at the time the wealth is accumulated, during the lifetime of the husband. That is a partnership and that is the way it ought to be dealt with and is dealt with in many many of the families with which I am familiar.

As I pointed out a moment ago probably only two or three dozen estates in Manitoba in a given year will exceed this \$200,000 level in aggregate net value and even for those that do the effective rate of tax on a full bequest to a spouse will be far from excessive. For example if a man were to leave his wife an estate with a net value of \$250,000, a quarter of a million, the amount of tax payable would be \$13,780, an effective rate of about five and a half percent; or on an estate with an aggregate net value of \$350,000 left by a man to his wife the amount of

(MR. CHERNIACK cont'd) tax would be \$49,885, an effective rate of just slightly more than fourteen percent.

The maximum exemption for preferred successors in general is \$150,000. Besides the spouse who is considered a preferred successor but who is also entitled to an additional \$50,000 exemption to bring the total to 200,000 as I've outlined earlier other preferred successors include children, grandchildren, parents, grandparents and sons and daughters-in-law of the deceased. Where bequests to preferred successors exceed the \$150,000 limit benefits of the \$150,000 exemption will be shared on a pro rata basis. In recent years only about one to one and a half percent of Manitoba estates have exceeded \$150,000 in value. A special additional exemption will be granted for infirm children of the deceased in the amount of \$1,000 per year for each year that such a child is under the age of 21. This exemption will be applicable over and above \$150,000 maximum exemption available to the child as a preferred beneficiary.

Now the maximum exemption for collateral successors such as a brother -- and may I interrupt for a moment to stress that when I speak of the value of an estate, the net value of an estate, the examples I have given of \$250,000, \$200,000, these are the total value of all of the assets of the deceased less all his debts at time of death and debts will include income tax payable be it on income earned or on capital gains tax imputed at the time of death that reduces the value of all of the assets of the estate for tax purposes; so that when we speak of net taxable value we speak of the value of the estate on the assumption that all debts, all liabilities have been paid, the mortgage on the house, the mortgage on the farm, the lien on the car, all debts payable by the estate are in reduction from the total value in order to arrive at the net value.

The Honourable Member for Rhineland would appear not to know how estate taxes work throughout all the years of his life and especially that of his mature adult life as a member of this Legislature and presumably as a businessman. He asks questions which would seem to imply that he's not really aware of how evaluation of estates are arrived at. And I would assume, Mr. Speaker, that he has the courtesy to ask the question but to wait for an answer and I assure him that if he continues to display the kind of ignorance that I'm assuming he seems to have he will display that when he speaks on this measure after which I will be glad to respond to him.

Well now, Mr. Speaker, I was dealing with exemptions. I had dealt with the exemptions to preferred beneficiaries, I deal now with the maximum exemption for collateral successors such as a brother, sister, niece, nephew, cousin which will be \$25,000. A pro rating system will be used to calculate exemption benefits where bequests exceed the \$25,000 limit. But of course it should be remembered that no tax will be payable on an estate of under \$50,000. It should also be added that collateral exemption will be available only to the extent that the preferred exemption has not been used up. Then the maximum exemption available to any other successor will be \$1,000 -- once again it must be remembered that no tax will be levied if the estate is under \$50,000.

Now the exemption for charitable bequests will be the greatest of (a) 20 percent of the value of the whole estate after deduction of all debts but before any exemptions are calculated or; (b) 50 percent of the value of such bequests or; (c) the unused portion of the \$150,000 preferred successor exemption. In cases where options (a) or (c) is applied each charity would be entitled to a proportional share of the exemption unless the deceased's will establishes a different priority. Substantial exemption allowances for bequests to charitable organizations are considered to be justifiable on the grounds that the wealth transferred under these provisions will be directed towards a furthering of beneficial services to society in general and are thus fully consistent with the intent and the principle underlying the Succession Duty Act.

Furthermore, these provisions are consistent with the proposed gift tax legislation which will permit full exemptions on gifts to charities in most cases. The rates in calculating succession duty are outlined in detail in the bill and will range from ten percent on the first \$10,000 of the aggregate net value of the succession to 50 percent on amounts in excess of \$300,000. But no tax will be payable on the exempt portion of the benefits. Though there are certain exceptions these rates generally parallel those formerly in effect under federal estate tax legislation. However because the exemption levels in respect of inter-family transfers under the Manitoba Succession Duty Act with the exception of the exemption in relation to spouses are larger than those previously in effect under federal legislation, the amount of tax on these transfers will be substantially lowered under the Manitoba tax act than under the old federal estate tax except in the case of some of the largest estates.

(MR. CHERNLACK cont'd)

Comparisons with the succession duty plans to be effected by the four Maritime provinces are similarly favourable. While the Maritimes will have a half a million dollar maximum exemption for spouses our latest information is that they'll permit considerably smaller benefits for children. For example an estate with an aggregate net value of \$100,000 left to an adult son that is over 26 would not be taken in Manitoba -- would not be taxed in Manitoba but it would be taxed in the amount of \$16,000 in the Maritimes. This is illustrated as a series of comparative examples which I should like to table and ask to be distributed. I would also like that the House consent to the printing of this table and these comparisons in Hansard and I trust that would be acceptable to members of the House. Thank you.

. . . . continued on next page

COMPARISON OF MANITOBA SUCCESSION DUTIES
AND
FEDERAL ESTATE TAXES IN VARIOUS CATEGORIES

	<u>ATLANTIC PROVINCES</u>	<u>MANITOBA</u>	<u>FEDERAL ESTATE TAX</u>
	----- NET AGGREGATE VALUE \$50,000. ----		
ALL TO WIFE	\$ NIL	\$ NIL	\$ NIL
2/3 TO WIFE, 1/3 TO SON (1)	NIL	NIL	NIL
ALL TO SON (1)	NIL	NIL	NIL
2/3 TO SON (1), 1/3 TO BROTHER	NIL	NIL	NIL
ALL TO STRANGER	NIL	NIL	NIL
	----- NET AGGREGATE VALUE \$100,000. ---		
ALL TO WIFE	NIL	NIL	NIL
2/3 TO WIFE, 1/3 TO SON (1)	4,153.	NIL	500.
ALL TO SON (1)	16,020.	NIL	13,200.
2/3 TO SON (1), 1/3 TO BROTHER	16,020.	1,483.	13,200.
ALL TO STRANGER	17,800.	17,800.	15,600.
	----- NET AGGREGATE VALUE \$150,000. --		
ALL TO WIFE	NIL	NIL	NIL
2/3 TO WIFE, 1/3 TO SON (1)	8,507.	NIL	3,000.
ALL TO SON (1)	29,774.	NIL	26,700.
2/3 TO SON (1), 1/3 TO BROTHER	29,774.	5,317.	26,700.
ALL TO STRANGER	31,900.	31,900.	29,700.
	----- NET AGGREGATE VALUE \$200,000. --		
ALL TO WIFE	NIL	NIL	NIL
2/3 TO WIFE, 1/3 TO SON (1)	13,855.	NIL	6,000.
ALL TO SON (1)	46,455.	12,225.	43,200.
2/3 TO SON (1), 1/3 TO BROTHER	46,455.	12,225.	43,200.
ALL TO STRANGER	48,900.	48,900.	46,700.
	----- NET AGGREGATE VALUE \$250,000. --		
ALL TO WIFE	NIL	13,780.	NIL
2/3 TO WIFE, 1/3 to son (1)	20,211.	13,780.	9,400.
ALL TO SON (1)	66,144.	27,560.	62,700.
2/3 TO SON (1), 1/3 TO BROTHER	66,144.	27,560.	62,700.
ALL TO STRANGER	68,900.	68,900.	66,700.
	----- NET AGGREGATE VALUE \$350,000. --		
ALL TO WIFE	NIL	49,885.	NIL
2/3 TO WIFE, 1/3 TO SON (1)	35,474.	49,885.	17,400.
ALL TO SON (1)	113,074.	66,514.	109,200.
2/3 TO SON (1), 1/3 TO BROTHER	113,074.	66,514.	109,200.
ALL TO STRANGER	116,400.	116,400.	114,200.
	----- NET AGGREGATE VALUE \$500,000. --		
ALL TO WIFE	NIL	114,840.	NIL
2/3 TO WIFE, 1/3 TO SON (1)	59,972.	114,840.	31,700.
ALL TO SON (1)	187,572.	133,980.	184,200.
2/3 TO SON (1), 1/3 TO BROTHER	187,572.	133,980.	184,200.
ALL TO STRANGER	191,400.	191,400.	189,200.

(1) ADULT SON.

(MR. CHERNIACK cont'd)

Succession duty will be payable six months following death but payments may be made in annual installments for a period of six years with interest, and it may interest members to know that I made inquiries of the experience of the federal tax collections in previous years as to the numbers or proportions of people who took advantage of the opportunity to pay estate taxes over a six-year period and I find that this has barely been taken advantage of. Apparently -- (Interjection) -- Interest rate? I believe is 5 percent. I am subject to correction, it could not be over six. But the point I make is that although we all fear the possibility that estate taxation might cripple an estate in that it is not liquid I find on investigation at the federal office -- and other members can make the same kind of investigation -- that they've had very little problems relating to payment of taxation and that very few executors have taken advantage of the opportunity to pay the tax over a six-year period obviously dealing with the question of liquidity.

There has been some concern expressed that the imposition of a tax on accrued capital gains of death under the income tax system coupled with the introduction of a succession duty could lead to burdensome double taxation. I submit this concern is groundless. Any income tax liability in respect of an estate including a capital gains tax liability will be deductible in calculating the aggregate net value of the estate for succession duty purposes as I earlier indicated and hence there is no double taxation and we must consider various kinds of cases: (1) a man dies in late December of a year; he has not filed his income tax return for that year; he may have earned \$30,000, \$40,000, \$50,000 in that year; he may have not prepaid sufficient on his income tax in that year. On his death his income tax return must be filed. Taxes are calculated and those taxes are payable. Now they happen to be payable after death just as do succession duties but the fact is that the amount of tax payable is used in reduction of the value of the estate so there is no tax on tax, no double tax in that respect. Take the case of a man who in November of a year sells a property and makes a capital gain of \$100,000 and is taxed for that in the following year. Should he die in December his estate will not have -- his estate will already be liable for capital gains tax although he did not die in possession of that asset but has already made the sale. We submit there should be no difference in calculating or charging him taxation based on a sale made prior to death or a presumed sale, a sale presumed to have been made on date of death if it hadn't been so. So that I would like members who want to attack the principle of double taxation or of capital gains being an attack on the succession duty itself to consider carefully just what it is that they are proposing is wrong or unfair in this respect because I submit that there is no double taxation in this area.

Now there are other concerns, particularly those related in preservation of family farms and small family-owned business a concern which this government has expressed time and time again. I want to point out once again that the exemption levels provided for bequests to family members with the exception of the spouse are significantly larger under the Manitoba Succession Duty Act than those provided under the former federal estate tax law. And this is revealed clearly in the comparison which I have just tabled and which honourable members I believe already have. Under the federal legislation for example the basic exemption in respect of a taxable estate for an adult son over 26 years of age who might inherit a farm from his father was \$10,000. Under the Manitoba legislation that same son could receive a \$150,000 farm tax free. And again I stress the value of the farm would be the total asset less the liabilities. Any debts including any capital gains tax liability will be deducted from the value of the farm or a business before the Manitoba tax is applied. Also any succession duty that may be payable can be remitted in installments for up to six years so this will minimize any liquidity problem. Besides the problem itself is more theoretical than real in any case. I ask members, especially rural members, to consider whether or not the information I'm about to give jibes with their information that they have about areas with which they're knowledgeable.

The latest available agricultural statistics indicate that only about two percent of Manitoba's farms would have a total capital value without any deductions for outstanding debt, but including land, buildings, machinery and livestock, in excess of the \$150,000 preferred successor exemption level. The level that would apply if a man would leave his farm to his son, for example, only about one percent of the farms would be valued above the \$200,000 exemption level provided for spouses. Of course some have argued that one cannot take only the value of the farm into consideration in calculating the potential value of a farmer's estate and this has some validity. Insurance, savings, other assets could well increase the size of the estate, but at the same time, any outstanding debt would be deductible from the total in calculating the aggregate net value for

(MR. CHERNIACK cont'd) succession duty purposes and it is well-known that there are very few farm operators in western Canada whose debt burden is not relatively heavy. Indeed this is precisely why my colleague, the Minister of Agriculture, has argued for the immediate adoption by the Federal Government of a net farm income stabilization plan. For this reason I'm satisfied with the accuracy of the figures I've cited as representing the approximate percentages of family farms in Manitoba which would be large enough to have any potential succession duty liability on the death of the owner. Of course the number of such farms which might be effective in any one year would be extremely small. However, my department will continue to study the situation carefully and if for any reason an undue burden of taxation becomes apparent I can assure this House that appropriate action will be taken to rectify it. The same is true in respect of small family businesses or in any other circumstance in which the Act may apply. I make this assurance now and I'll stand by it. It is not the intent of this legislation to do more than simply impose a duty in respect of the transfer of large amounts of wealth in this province. The very small percentage of estates which could be affected proves it. The figures I cited earlier show that of a population of about one million, perhaps two hundred to two hundred and twenty-five estates may be taxable each year. Even if each estate provided for bequests to four or five individuals only about one in a thousand Manitobans would likely feel any effect in any given year, and then only because those people could stand to inherit inordinately large sums tax free in the absence of a provincial succession duty. Remember again, Mr. Speaker, it is the beneficiary who pays the tax.

Of course, it appears very clear that it is in the interests of this one in a thousand which most directly concerns many of those who've expressed the strongest opposition to this government's taxation plans. And various methods including the crudest sort of scare tactics have been employed by those who wish to promote the advantageous conditions for the privileged whose primary concern in this respect is not really for the people of this province as much as it is for themselves and by those who share their concerns, including I must say certain prominent members of the parties represented on the other side of this Assembly and by certain of the news media.

Many of the arguments which have been offered by these groups against this government's proposals have been based on the assumption that taxation on the transfer of wealth in nine out of ten provinces and in all the major western countries, in some way drives entrepreneurs out of these provinces and countries. This is not supported by statistics and should not be argued in a jurisdiction with a healthy economy and which is not and does not want to be a banana republic. This government rejects any suggestion that it should forsake its responsibilities to the citizens of this province in order to take part in a futile tax giveaway contest with Alberta or with any other jurisdiction.

Some have predicted that there will be a mass shift of assets out of Manitoba to Alberta or perhaps to other provinces as individuals search for tax havens. Probably those who are suggesting this now are the same ones who predicted it several years ago, and when Alberta first began to rebate its share of federal estate taxes they said there will be a massive exodus to Alberta. To this date, I have seen no evidence of any such shift to Alberta, but apparently the Member for Souris-Lansdowne knows of it and no doubt he will speak and give us statements, proof of the statements he makes. No doubt he will do that because he must, I am sure, have the integrity to wish to back up broad statements which are being made. And other members no doubt will want to do the same. Nevertheless there is no evidence that we have been able to find to indicate such a mass shift. Nor did we find an indication of a mass shift having taken place when Saskatchewan, which also instituted a rebate system soon after Alberta's, but which ended when federal estate was repealed on December 31st of last year. If there's evidence of such asset shifts we ought to know about it.

The point is that relatively few sound long-term investment decisions are made on the basis of just one factor and particularly not on a potentially short-lived factor such as a tax advantage which can disappear at any time. Major decisions are based on market, on availability of skilled labour, on good transportation facilities, on low cost power and other basic considerations. All of which Manitoba can offer without comprising the equity principle in its taxation system, and all of which will continue to bring us our share of investment in the future. At the same time, we will continue to receive significant revenues from a progressive tax which will permit us to undertake necessary programs for the betterment of conditions for all the citizens of this province.

(MR. CHERNIACK cont'd)

Let me now for a moment deal with the retroactivity feature of the proposed legislation. I've already explained why for reasons of equity the Government of Manitoba has re-entered the wealth transfer tax field; and it is for precisely this same reason that the legislation must be made retroactive to January 1st, 1972. Any tax free gap between the termination of the federal estate tax on December 31, 1971 and the imposition of the provincial succession duty would enable certain wealth transfers to be made tax free and there is a good possibility that this could subvert and nullify the effectiveness of the legislation for many years to come. We readily acknowledge that we would have preferred to have legislation in effect prior to the start of the current year, but the sequence of events which I've outlined earlier, the general uncertainty and delays caused by the Federal Government's failure to respond to provincial requests for a deferral of this withdrawal decision, followed by hurried consultation among the provinces towards the end of the year after the federal collection offer had been made known, all precluded the presentation of legislation to this Assembly before now.

Inasmuch as the Federal Government agreed to collect succession duties for agreeing provinces the administrative mechanisms of the Department of National Revenue were prepared on January 1st to deal with any immediate problems and I'm informed there have been no major problems in the interim period. Meanwhile, it was possible for all provinces to release a detailed joint statement of intent outlining the specifics of their proposed succession duty acts and thus to provide considerable advance notice and thus assistance to estate planners. In any event, no tax will be payable under the Succession Duty Act now before this House until July 1st of this year and all our proposed variations from the December announcements are to the benefit of the potential taxpayers so that no one, no one is adversely affected by the retroactive features of this bill.

Mr. Speaker, before concluding I'd like very much to express my personal gratitude and of course the appreciation of my department for the invaluable assistance of our Legislative Counsel in the preparation of the legislation which is now before this House. I'm sure it will interest members of the Assembly to know that Mr. Tallin was requested by the Federal Government, and specifically by the Federal Departments of Finance, National Revenue and Justice to do most of the basic technical work in the drafting of model legislation, not only for Manitoba but also for all provinces which had agreed to enter into the succession duty and gift tax collection arrangements with Ottawa starting January 1st, 1972. I appreciate the fact that the honourable members have joined me in recognizing the quality of the service which is made by the Legislative Counsel and the recognition that he has received in this very area.

I appreciate the attention given to me by members present and I trust that we will continue this debate in a manner which will be productive of good thinking and good approach to this problem that is being presented to you.

. continued on next page

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID R. BLAKE (Minnedosa): Mr. Speaker, I move, seconded by the Honourable Member for Fort Rouge that the debate be adjourned on this bill.

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

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

MR. CHERNIACK: Mr. Speaker, I beg to move, seconded by the Honourable the Attorney-General that Bill No. 6, the Gift Tax (Manitoba) be now read a second time.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, the gift tax legislation which I now present to this Assembly for second reading will be minimal in its direct revenue impact and marginal at most in its impact on individuals. But at the same time it will be extremely significant in its main roll which is to safeguard the equity of the over-all wealth transfer tax system in this province and especially the effectiveness of the succession duty.

All nine of the ten provinces which are in the succession duty field have agreed on the importance of this kind of protective legislation. I mention the fact that Quebec, Ontario and British Columbia have been in the succession duty field for a number of years but they relied on the federal gift tax legislation for that kind of protection. With the withdrawal of the Federal Government from that field these three provinces that I mention are now joining with the other six provinces in enacting legislation in order to protect this area.

In my remarks on the introduction of the succession duty legislation for second reading, I outlined in considerable detail the basic principle behind wealth transfer taxation. The same principle is applicable in respect to this bill. Without a gift tax to accompany a succession duty, indeed without an integrated system involving both types of taxation, a major loophole would be available in the tax structure to which tax liability inequity could be effectively skirted.

The gift tax which this government proposes is very similar to the level formerly applied by the Government of Canada with the exception that the maximum rate of tax will be 50 percent under the provincial legislation instead of 75 percent which was the top rate under the old federal law. We anticipate that Gift Tax Acts will be presented in the eight other provinces during legislative sessions this spring. These Acts will be administered on behalf of these provinces, except in the case of Quebec, by the Department of National Revenue for a three-year period.

The Manitoba Gift Tax Act provides for a maximum yearly exemption of \$2,000 per gift to any one person, except a spouse who is entitled to \$5,000 per year. The aggregate annual exemption limit is \$15,000 with the exception of gifts to charity which will be exempt from taxes in almost all cases. Gift tax rates will range from a minimum of 15 percent on amounts of \$25,000 and under to a maximum of 50 percent on gifts in excess of \$200,000. Any taxes payable will be calculated by the Department of National Revenue at the same time as income tax liabilities are determined in the spring of the year following the year in which the gift was made.

As I indicated earlier, the number of Manitobans likely to be affected by the gift tax legislation will be very small in any given year. For example, during a recent 16 month period the Department of National Revenue reports that only 86 gifts in Manitoba were taxable, an average of half a dozen each month. Since the old federal tax and the new provincial tax are very similar in form, it is anticipated that almost no Manitobans will feel any direct effects as a result of the imposition of this tax effective January 1st, 1972.

MR. DEPUTY SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, I would move, seconded by the Honourable Member for Swan River, that debate be adjourned.

MR. DEPUTY SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, on a point of order. I wonder if the Minister could provide us with copies of his statements that he made. — (Interjections) — Yeah, but Hansard won't be out for several days.

MR. DEPUTY SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I would expect that it might take me as long to prepare copies as Hansard will and there's no doubt that I did leave my prepared text on occasion, so I would suggest to the honourable member that he will get it in Hansard fairly soon.

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

MR. DEPUTY SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I move, seconded by the Honourable the Member for Wellington, that Mr. Speaker do now leave the Chair and the House resolve itself into the Committee of the Whole to consider the report of the Special Committee of the Legislature appointed to examine and review the application, effect and enforcement of the amendments to the rules and standing orders of the Assembly adopted on Thursday, June 10th, 1971.

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

COMMITTEE OF THE WHOLE HOUSE

MR. CHAIRMAN: When the Committee rose the last time we had dealt with all the resolutions up to Section (t) on page 4. (t) passed . . . The Honourable Member for Rhineland.

MR. FROESE: I don't go along with the section that is before us -- this section says that where reports of Crown corporations are under consideration -- this does not mean that all the reports will be brought forward for discussion purposes. We know that Telephone and Hydro is brought before the Committee of the House where we can discuss it but not so with other Crown corporations and I feel that this provision is inadequate and that we will only be allowed to discuss those reports which will be brought forward by the government and I don't feel that this is sufficient.

Had we had proper reporting and proper discussions I don't think the present scandal in CFI would have come about. I think this would have been caught by the Committee by giving it proper scrutiny and by questioning them on the various aspects and I feel that the government in the past certainly hasn't been thorough enough in looking after things. This has been brought out because of the Commission of Inquiry that is presently sitting and the various matters that have come into public knowledge as a result; and certainly I for one feel very strongly that with the advent of so many more Crown corporations that we should have provision in the Act -- in the rules -- whereby these matters would come forward as a matter of course. And that we would be assured that we would have proper opportunity of discussing these reports. I certainly take issue with the present paragraph.

MR. CHAIRMAN: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I understand the honourable member's concern and I merely wish to say to him that I don't believe that there is anything in the rules which requires the calling of the Committee; and yet traditionally parliaments because they wish to stay in existence, call the Committee. I would like the honourable member to note that in the Speech from the Throne it was indicated that the Crown corporations that this government has set up, the additional two Crown corporations -- I believe one is the Mineral Exploration Company and the Moose Lake Loggers Limited -- that they would report to a legislative committee and would be reporting at this Session.

It is also the case that in the particular statute setting up of a Crown corporation it may be called for the corporation to report to committee. I believe that that is the case under Bill 17 where it says that a report will be submitted to the Legislature -- and I'm just trying to recall the exact wording, but I know that it does call for reports to the Legislature of the corporations concerned.

I merely must insist that the Item (t) doesn't deal with a rule change, Item (t) merely indicates what happens when we get before committee. I think that the honourable member should be aware that many of the things that governments do -- as a matter of fact I would say most of them -- they do because they are compelled by things that are stronger than parliamentary rules. They are compelled by a responsibility to account to the people to doing certain things and if a government set up Crown corporations and did not have those accounting to the people I would think that the political process would take its effect. So in view of the fact that the rules doesn't change anything I would ask that the House continue on the basis that reports from Crown corporations can well be demanded by members of the House.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: Further to what has already been said we have no definition in our rules as to what constitutes a Crown corporation. I feel that we should as members be able to

(MR. FROESE Cont'd) discuss under the appropriate item companies in which the province will get a majority share of the investment and which will be controlled by this government and for all purposes might not be defined as a Crown corporation, and I feel that this should also be provided for under the rules. The Minister says that discussions can take place and the government will do it -- on many occasions on its own -- bring matters forward but I don't think that we should have to rely on the government bringing matters forward when we feel that there are issues that should be discussed and should be discussed very thoroughly in my opinion, that we should just have to depend on the government to bring matters forward. I think it should be in the rules whereby this would be as a matter of course.

MR. CHAIRMAN: (t) passed . . .

MR. GREEN: No. Could you read paragraph -- the last two paragraphs.

MR. CHAIRMAN: The last two paragraphs? -- passed. The Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, the passing of the last few paragraphs merely passes the report. It will be necessary for the House to adopt the report so that will be arguable in debate. The House is merely being asked at this stage -- the Committee is being asked to pass the report and my previous experience is that once the report is passed we ask the Legislative Clerks to go through the rule changes to see which ones have to be put into the form of a formal rule. I refer specifically to the paragraph on page 2 that was passed. The Committee agreed that concurrence motions would be put on a departmental basis, that the staff would prepare these in rule forms and then that the rules as prepared by the staff in compliance with the report would be moved in the House as constituting the new rules. I take it that that procedure is satisfactory.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: Well I'm not quite sure at this point whether by accepting the report we are already approving in principle the various changes that are incorporated in the other rules -- because I take exception to some of them very strongly especially in connection with Rule 68 and the Rule 34 (b). I don't know how the -- well I guess he's the Deputy House Leader, is that right? -- how do you refer to the former Minister of Mines and Natural Resources who is acting as leader in this case? Because I would like to speak on certain rules -- changes that are being proposed in the balance of the report.

MR. CHAIRMAN: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I'm not certain that I understood the honourable member. The four pages of the report have been passed and have already been spoken to, all of those rules have been spoken to. The balance of the report as I understand it is the existing rules as changed and where clerical changes have been made necessary, those clerical changes. So the only part of the report which changes rules, and I'm looking at the Clerk to see whether I'm right, is the first four pages. The other changes that have been made are merely changes which result from the rules changes which have been made. If my honourable friend wants to now talk about the existing rules and changes that should be made to them, such as Rule No. 68 which was changed last year, I presume that he could do so under the general motion in which it will be proposed that the rule changes be passed. If he wishes to do that let him go ahead and do so but I am merely indicating that the only changes that are being made to the rules have already been passed on -- each of the items have been passed on and therefore the debate should be limited to matters which my honourable friend wants to raise.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, I'm not sure what the Minister says because certainly rule changes are being made to which reference is not being made in the report that we've just passed.

MR. GREEN: Well then he should deal with those, I'm not aware of those -- unless those are the changes which I referred to where changes have been made merely to bring the other changes that we have made in compliance with our new rules. But if he wishes to go ahead and deal with those questions and bring to our attention rules that are being changed that we haven't already discussed where the change is in substance I imagine that he could do so. There is no -- there would be no limit in that regard.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: If it's preferable I'll speak on it on the motion that will come forward later.

MR. GREEN: Move then, Mr. Chairman, that the Committee rise and report.

MR. CHAIRMAN: Committee rise and report. Call in the Speaker.

IN SESSION

MR. SPEAKER: The Honourable Member for Logan.

MR. JENKINS: Mr. Speaker, I beg to move, seconded by the Honourable Member for Osborne, that the report of the Committee be received.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, we're trying to sort out the new rules -- I don't know what they're working on, but I would like to speak briefly before we move concurrence of the rules.

MR. SPEAKER: . . . concurrence of the rules, we are moving a motion that the report of the Committee be received.

MR. GREEN: Mr. Speaker, on the point of order, perhaps it would be helpful if I explained again what I had in mind, if I may. What I had in mind was now to get the new rules as drafted by the Clerk distributed to the House. There are some matters in the four pages which have to be formalized into a working rule; to have those distributed and then move that the report of the Committee be concurred with and at that point the members will have before them the rules which we have adopted in principle and will be able to raise the points that the Member for Rhineland wants to make and the points that anybody else wants to make.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSON: . . . intention of the honourable member to move concurrence later this day?

MR. GREEN: I intended to move concurrence when the actual changes in principles have been drafted into rule form so that would be I would think tomorrow or the next day. They would take the report to legislative counsel and have him put those in the rules and they'd be on our desks before the motion is concurred with, before the . . .

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

MR. SPEAKER: The Honourable Attorney-General.

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

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Member for Churchill.

MATTER OF GRIEVANCE

MR. BEARD: Thank you, Mr. Speaker. I rise at this time on a personal grievance with respect to the position that the MLA for Thompson has taken in respect to -- again the Grand Chief, Manitoba Indians and the reflection on the Manitoba Indian Brotherhood. I voice my disapproval of this unfair criticism and I feel that I must take these steps to make it abundantly clear of what my position is. Unfortunately I find it's no longer possible to place the solidarity of MLA's of the north above the personal differences -- of our personal differences. Certainly in my mind the criticism of the MLA for Thompson has threatened the years of hard work and the uphill battle of the MIB to win the confidence and recognition of the governments of both Manitoba and of Canada. And this attack on the administration of the MIB could well jeopardize the northern Manitoba communities' struggle to win self-government and control over their own financing.

The work of the Manitoba Indian Brotherhood is one of uniting the 54 reservations of Manitoba for the first time in our Canadian history. This organization recognized the need for strong leadership and the unity of purpose. It is my understanding that together the Chief and Councillors representing all Manitoba Indians have managed to maintain this unity and iron out their own differences. The Manitoba Indian Brotherhood became their voice when dealing with both the Province of Manitoba and the Government of Canada. Grand Chief Dave Courchene has received the unanimous vote of confidence of all the chiefs in Thompson and through them the Indian people of Manitoba. The Manitoba Indian Brotherhood administration is recognized by both senior governments and what further confirmation or show of confidence is required of

(MR. BEARD cont'd) . . . that administration for Manitoba Indians.

All monies received by the Manitoba Indian Brotherhood are accounted for through the usual business practices. I am assured that a private firm of auditors are hired to audit the books. Financial statements are submitted to the MIB directors four times a year and then mailed to all chiefs and councils. Most important though, Mr. Speaker, the various departments of government, both provincial and federal all demand audits of the money they transfer to the MIB for financing of their program. This means that all money handled by the MIB is audited and accounted for to the taxpayer, the government and the Indian people.

Mr. Speaker, selected representatives to this Legislature, is it our right to harrass, offend and torment others in public life? Is it our right and is it proper to use our office in such a manner that we become a one man gang bringing fear into the lives of other Manitobans?

Mr. Speaker, it seems to me that the MLA for Thompson has used the same tactics that he employed to attack the United Way campaign and the work of the Mount Carmel Clinic. He has condemned a man and the administration of an organization without any show of concern over what may be the effect. At no time has the MLA for Thompson given any concrete evidence to back up his statement. He does not give evidence of having a petition from chiefs and councils and Indian people of the reservation. Surely the Indian people would have made known their complaint if there was general dissatisfaction with the Manitoba Indian Brotherhood administration. I believe criticism is unfounded, as what has been presented will be bound to increase the prejudice and discrimination shown towards the Indian people; their struggle to achieve equality will once again be set back. And what is this type of attack supposed to achieve for the Indian people? There is no doubt that since Indians are human there will be some that will be unhappy with their administration. To this extent, they will be no different than the rest of us. There will be those who will feel that things are not happening fast enough and then there will be those who will not agree with the policies and programs of the administration; but we hear of that every day in our life and particularly in this House. Then also, there will be the mistakes, since Indians are the same as the rest of us. I cannot really see how a public apology can undo all the harm this has caused through this type of outburst. Some of the mud that has been thrown is bound to stick and some facts will become distorted, no matter how clearly they are stated, and this, Mr. Speaker, is the unfair part of it all.

Mr. Speaker, I do not feel we need to become over-concerned about the leadership of the Manitoba Indian Brotherhood, particularly under the administration as it now stands. I am convinced in my own mind that when the Indian people feel that it is time for a change they will make their feelings known and take the same action as anyone else does at election time. They don't need a kangaroo court tactic any more than anyone else in this province. I believe I am as acquainted as anyone else in this House in the overall feelings of the Indian people of Northern Manitoba. I find no evidence of any uprising against the Indian Brotherhood. I personally believe in their programming, and in fact, look forward to the day when their achievements will be appreciated by all Manitobans.

I close, Mr. Speaker, by appealing to all fair-minded Manitobans to close the gap and get behind the Manitoba Indian Brotherhood and give them the support that they need at this time. I think the time has passed when we can call people names, suggest allegations and then sit back and say, "now you prove it, you open the books and prove it". Because, Mr. Speaker, as far as I am concerned, the books are open and have been open and I am assured they have remained open through the years that the MIB has been in operation.

Going back in history, both of us, and all of us here will recall that the real problem of the Indians has been in the past that they have suffered through lack of a unified group, that they have lacked one solid strong leadership. And in lacking unity, they have been split into reservations throughout the whole of Canada. They have been split into reservations in each province and they have been divided against themselves and they have at last chosen the Indian Brotherhood organization to try and overcome this problem that they have been faced with ever since the white people joined them on this Continent. They are accomplishing this and they are having their problems by people who are prejudiced in their own mind against such organizations, but they have risen, and they have these organizations in each province and they have one organization over the whole. I say to you, Mr. Speaker, that they are on their way and they are not going to be stopped by either the MLA for Thompson or anyone else, and I would hope that he would take another look and join with us in wishing them well and hoping that they can continue to carry on their deliberations with government and that the reservations

(MR. BEARD cont'd) will be able to become communities the same as other small towns in the rest of Canada. They will be able to be financed, they will be able to control the policies and programming for the people that live in those communities, and they will be able to branch out and enter into the education programming which is so important to them, so that they, too, may introduce an educational program which will help those children of theirs bridge the gap between the reservation and the Indian culture and the Canadian way of life as we know it in white communities.

So it is I would call on this House for unity and to overlook the prejudice of people outside of this House and assist the Manitoba Indian Brotherhood to get along with the job of representing those people which they know best how to deal with. Thank you.

MR. SPEAKER: The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Speaker, I, too, would like to speak on a grievance dealing with the same matter. I am not going to rebut anything the Member for Churchill said because I think his record since he has quit the Conservative party has been that he has indeed concerned himself with the problems with Indians, so I am not going to question his motives. The statements he has made, I am sure most of us, or all of us can accept here. I think it's incumbent upon me to say a few words in view of the fact that I am one of the figures in the controversy.

I had hoped that I could speak on the steps today. I was invited and for the first time in my life I am ashamed to say that a handful of leaders of the Brotherhood -- and I am sure that it's not the Indians but a handful of the leaders -- took the mike away and refused to allow me to speak, to address the chiefs that were here. And may I make it clear off the start, 54 chiefs were not here and the Brotherhood that spoke there was not speaking for the 54 chiefs. Some have come to my house and have expressed their views and they are certainly not in accord with the expressions made today on those steps. It was my intention to welcome the Indians from the various reserves on the steps and I had hoped that they would remain in the House, they could hear the debate and welcome them here. For some of them it's the first time to come into the Legislature and see how democracy really works and it's unfortunate but they have departed. My only hope is that the press will report sufficiently what we have said here that they may know the background to the argument. It's fine for the people living in Winnipeg or the chiefs living close by -- they are quite well informed due to the press, but people living in remote communities simply have no idea of what is going on.

Mr. Courchene went on television last Friday and stated that he would produce the books -- after some prodding from John Harvard the host -- he would produce the books in ten days so everyone could see where the money was spent. And this was satisfactory, I am sure, to all of us, but lo and behold the next thing we know, a request -- a telegram is sent to the Premier, with copies I think to all the members of this Legislature, demanding that I (a) apologize and; (b) that I resign from the NDP caucus. Now, Mr. Speaker, I don't have to tell you what a clever and white man's ploy this is. It's like the Member for Inkster said, "verdict now, trial later." What is the point of showing the book ten days from now if I am forced to say that everything is hunky dory today? You know, that's a very clever ploy and one that I'm not going to fall into and I don't think anybody is going to fall for it. Mr. Courchene promised to show the books and I think he should show those books. I am going to call his friends and his relatives bluffs by stating here and now that I will resign -- I make that commitment to this House -- I will resign, on condition that Mr. Courchene and those that control the books, the very few that control the books, will open the books to a public inquiry so people that are dealing at arm's length can examine it from both sides of the House and if necessary, to set up an official inquiry; and also that he will make a commitment that if any of my allegations are proven correct, that he will resign as Grand Chief of the Brotherhood. I think that that is a fair enough bargain. I am prepared to put my mouth where my money is and I hope that Mr. Courchene can do the same thing.

I have preached, Mr. Speaker, equality among Indians and whites for a lot longer than some of these pale-faced, two faced politicians that have been making statements in the last few days and I ask any reasonable minded person to look at the record. I know that Mr. Courchene has made certain allegations against myself and the Minister of Highways and I intend to deal with them. I think it should be also on our record, when it comes to fighting for the rights of Indians, that in 1962 it was Mr. Courchene's father and himself who quit the council because Mr. Diefenbaker, I believe, was going to give the Indians the right to vote. He didn't want the Indians to have the right to vote because they would lose their rights under the Treaty. The Chief from his reserve tells me this. If this is incorrect, then I am sure it is very easy

(MR. BOROWSKI: cont'd) to ascertain whether this is true. But Mr. Courchene had fought against the right of Indians to have the right to vote because he was afraid that the Indians would lose their Treaty rights. So I think when it comes to our record of fighting for the rights of Indians, that I can place mine along with most of the members of this party and the Steelworkers Union in the North alongside anybody, whether it's Indian, white or Metis.

I have also, and I really shouldn't even mention it, when I was paid an extra \$1500 two years ago - the first place I gave that money is to the Indian and Metis. There are a lot of good causes in this province but because I felt strongly about their plight, I donated that money. I don't expect any bouquets but I simply bring it to the attention so those that may have forgotten that they will be reminded again that it's not mere words that I give, but that I've proved my concern for the Indians by my actions.

At the same time while preaching equality, I have also stated to the Indians on many occasions that if you want to have true equality in this country, that you are going to have to give up the notion that you can hunt out of season, kill 2, 3, 5, 10 moose or deer and sell them to someone else. You are going to have to give up your privilege of hunting or fishing out of season and getting limits that we white people cannot get, and you are going to have to pay taxes like any other man. Now maybe there are some members in this House that disagree with that philosophy. I don't know. But I believe and I have said it to Mr. Courchene, and I have said it to Mr. McLeod and other Indians and Metis, that they must take the position publicly if they want equality, that they are going to become taxpayers like anybody else in this country which they are not now. The road projects we had in the north, I think that most of us agree were good but the fact of the matter is that no taxes were paid because of the Treaty that they have with the Queen, with Her Majesty. I think this is one of the things that we are going to have to resolve when we talk about equality; you cannot have that kind of equality when some people have more privileges than others.

I would like to briefly go back, Mr. Speaker, now to the bush clearing when we stated - this government and myself as Minister - that we are going to initiate a program in this province that is going to truly put the Indians and Metis on an equal footing. We negotiated the first agreement with the Indian band, chief and council, at Nelson House -- may I point out that the chief could not speak English, could not write, he signed an agreement with an "X". That's no fault of his. I simply bring this up because it has a bearing on some of the statements that were made by the Brotherhood today. We told them that you can hire and fire and supervise and do as you like on this job and I believe that that was true equality. It worked well. We ventured into several such agreements and they have worked out very well. The chief and council of the Brotherhood, the MIB, were constantly consulted and were kept informed of what we were doing and had their full approval and one of the things that I think I should point out here is the chiefs in the northern areas said at that time that Mr. Courchene has never been here. We have never met him. I don't think he cares for us. We don't want to deal through the Brotherhood, we want to deal with this government, the elected government and in this case with the Department of Highways. Now that is a matter of record and I'm sure if anybody wants to take the trouble as Mr. Asper did with the newsmen, they can fly up to some of these reserves and talk to the chiefs and they will indicate their feelings. That doesn't mean that there's something wrong with Dave Courchene just because the chiefs don't like him, that's their business. I'm merely pointing it out again to show that when they make the statement 54 chiefs support him that it's simply not true.

One of the jobs we gave Mr. Courchene had to do with a clearing job at Grand Rapids and at that time Mr. Courchene hired trailers as some members of the Liberal Party suggested, he mobilized a bush cutting operation that was similar to a Hydro operation, but because this mobilization and this comfortable living, which we all like to have, cost a great deal of money almost half of the money from cutting bush went into this cost of food and bull cook and the trailers, that the Indians left the job. They refused to work for Mr. Courchene because they say there is peanuts left for us. Mr. Courchene ended up by hiring cats and clearing, I believe, half of the job with caterpillars because there was a deadline to be met, and these people that left this job, the amazing part is that they come into Thompson to work on a bush clearing operation that had tents, same type of tents that are being condemned by the Liberal Party in Manitoba today. And I give credit to the Conservative party they have not said anything because they know that the Indians have the right to live under conditions they choose. But the Liberal Party, particularly Mr. Asper who has never lifted a finger to help an Indian or a poor white man in his life, is getting all excited about how the Indians live. Well these people left trailers

(MR. BOROWSKI: cont'd) at Grand Rapids, journeyed to Thompson to live in tents because there they could get 100 percent less their own food, 100 percent of the money that we're paying, and I believe we're paying something like \$180.00 per acre. They chose to live under those conditions and they were supervised -- the operation was run by their own chosen leaders. I'd like that to be on record.

Mr. Courchene signed another agreement with us on Ruttan Lake and this had to do with clearing some bush for a power line to the new townsite. He set up identical living conditions, and I'm not condemning him for it because that is the only way you could operate, you can't move trailers in swamps and 50 below weather, it's just impossible to have any kind of a setup. He run that operation, and again there was too much money spent on some of his high priced boys flying back and forth; I think they were skimming off the top something like 20 percent, and the boys from South Indian Lake walked off the job. The result was they could not meet the deadline. Hydro was good enough to extend it for seven months and even then they could not meet it. Again we ended up getting cats to finish the job at great expense to Hydro and to the Department of Highways.

I point this thing out, Mr. Speaker, to show that we have done everything, we have leaned over backwards in every instance to help them to try and handle a job on their own. We realize that with their lack of experience and education, because many of them could not write, that it was very difficult to take a big job and run an operation. We know that, I'm sure that the Conservative members on that side run into the same grief in a couple of instances where they tried to get the Indian people involved. It's a problem that will not be overcome by goodwill; it will take education, it will take tolerance and it will take training, and that will take a great deal of time.

Now, Mr. Speaker, the debate started on this whole question after Mr. Brian Koshul, Editor of the Thompson Citizen went up to Ilford because of complaints of one businessman, not Indians but one businessman, I suppose because him and his friends were not getting the business because Highways Department was buying everything at wholesale and selling it to the Indian and Metis people on that contract at cost. We didn't want to make any money. That's an agreement that I had set up and negotiated with the leaders of that community with their approval and they instructed us the type of tents they wanted, the type of stoves they wanted, etc. That story broke in the Thompson paper, nobody said a word, not down here. Mr. Courchene didn't say a word, and of course why should he. He approved the operation in the first place. But it wasn't until Mr. Asper with a plane load of newsmen that he flew up there with television cameras and radio and press reporters, came back here and tried to make out like suddenly he discovered there are injustices to Indians for the first time in his life. And the press -- well I don't know who paid for it, I imagine the Liberal Party paid for it and I think they got a bad deal for their money -- however, they went out there and they come back in here and they tried to make out like this is so terrible that they wanted to take it to the United Nations. Now could you imagine, Mr. Speaker. These people were eating three meals a day, something that many of them could not do on a reserve and they were making money. They were working, something some of them have never done in their lives except the odd time when they go fishing or hunting, and here he is going to bring the case to the United Nations because there's a terrible injustice somehow because people are living in tents. And may I say as an aside, that every winter, International Nickel, Hudson Bay, Sherritt-Gordon, all the exploration companies have crews, engineers, geologists, surveyors living in tents and nobody thinks it's terrible. I lived in tents in Thompson too. I didn't think that was terrible. I suggest to you that that's going to go on for many years as long, as we have a frontier it is going to go on for many years.

But the debate started, Mr. Speaker, not so much with what Mr. Asper said but with what Mr. Courchene said, I think this is important so somebody will not say that Borowwki started a mud slinging match. I'd like to read a paragraph from the Free Press, Saturday, March 18th. "Mr. Courchene said statements by Mr. Borowski and Highways Minister Peter Burtniak about the bush clearing project were a damned lie and irresponsible." Those are Mr. Courchene's words. Well to those who are concerned about mud slinging and character assassination I would like you to consider for a moment a statement coming from the Grand Chief of the Indians in Manitoba saying that about the Minister of Highways and myself a former Minister of Highways and a member of the Legislature who was responsible for setting up the job. Was I supposed to lay down and die just because he is the Grand Chief? Was I to say

(MR. BOROWSKI: cont'd) publicly well yes he's right or I have no right to challenge him or I am not going to get into a debate because he's the Grand Chief? You know I have a wife and family and neighbours and friends and you know I have some pride and some dignity and when it's attacked I think that nobody should be shocked if I defend myself. That is, Mr. Speaker, how the whole debate got started and after this one thing led into another until we ended up on a debate on television at which time I made statements to the effect that the money that was being brought in or paid in from Ottawa, which is the largest sum in the history of Canada, and Mr. Chretien's record is clear -- no credit to the Liberal Party in Manitoba but Mr. Chretien and his government have been most generous and have poured in money into the Indian Brotherhoods across Canada like no other government has ever put in, and I am proud to say that our government for the first time put in I think \$59,000 last year, direct grant, I'm not talking about the hundreds of thousands of dollars we've put in there in many other ways including the highways project. I stated at that time that Mr. Chretien, like Hal Banks in the Seafarers International Union, democratic also, he was the big boy that controlled everything. He hired the staff, he put chiefs on payroll, made loans to various members and if they didn't toe the line he kicked them out. That money instead of going to the reserves to pay for certain projects was going in to pay for relatives -- and that'll come out when the books are opened -- and friends and supporters, and the books I think will show -- I can't prove it at the moment, that's why I ask for the books -- they will show that maybe two cents on a dollar, maybe five cents, maybe less, went into projects on reserves. You know we were at Nelson House, Mr. Speaker, and the chief there -- he was the one that couldn't speak English and couldn't sign, he signed the contract with an "X", but through an interpreter he told us, we want one thing from the government, we want a tractor. We want a tractor. What's a tractor worth? \$8,000? \$10,000? to haul the garbage away from the reserve so it doesn't stink for us here, to haul it away some place a mile or two away and to bring in firewood because right now he says the welfare is paying for firewood. Could you imagine living on a reserve and having welfare pay for firewood. He says we don't want welfare to pay for firewood, we would like to cut our own firewood. He says I've got people on welfare I'd like to put them to work. He says give us a tractor. They asked Courchene through the MIB; he said sorry we haven't got the money.

Now these are the things, Mr. Speaker, that the money was given by Ottawa to let the Indians help themselves. But this was not happening. The money was being used up in salaries and offices and overhead of various types. In bringing in chiefs last fall to a Christmas party in Winnipeg for which the MIB used funds of \$6,000 to pay. It was used for Dave Courchene to jet to Ottawa. I ride second class in the airplane when I was a Minister. Mr. Courchene with all his high-priced boys are riding in the front, first class. They say why should my Chief ride second class? Well you know I could say the same thing, the same people are paying for my travelling expenses and my fares as Mr. Courchene. You know he's supposed to be fighting for the Indians on the reserve but the Indians on the reserve are not getting anything. But he is jetting first class. And you know the explanation that was given? He's got bad kidneys. That's why he's got to ride first class. How do you like that?

The other item that has been happening and I say here that it's a misuse of public funds. Nineteen chiefs attended a meeting last Saturday in Winnipeg and they were told by the Brotherhood, bring in busloads of people from all over, the Brotherhood will pay for it. Expenses, travelling expenses, meals and any other expenses incurred. Mr. Speaker, I ask you if that is not an abuse or a misuse of public funds. Did Mr. Chretien give money for Mr. Courchene and his boys to bring busloads of people here to demonstrate against an individual, or even against the government, but in this case against one individual because he happens to disagree with him? I ask members on the opposite side to consider is that what Ottawa pays money for, to spend thousands of dollars to take a plane load of chiefs from northern Manitoba to bring them in here expressly for the purpose of getting Joe Borowski to resign from the Legislature. That's a pretty incredible abuse of funds.

I have sent a telegram to Mr. Chretien today and I would like to read the telegram: "Dear Mr. Chretien: I hereby request that your Department conduct a public inquiry into expenditures of all public tax dollars granted to MIB, Manitoba Indian Brotherhood, during the past three years. Yours truly," signed by myself.

I think, Mr. Speaker, that we will never get to the bottom of this, no one will know if I'm a liar and some people want to prove it. I suggest this is a beautiful opportunity to prove it, is to get the public inquiry similar to CFI or taxi board or some other one, some type of inquiry

(MR. BOROWSKI: cont'd) where people can come in there and speak. Right now they are terrorized -- and if you think that's strong language I suggest that when the inquiry opens up we will find out. I recall very vividly when they said that Hal Banks ran the Seafarers International Union democratically, that he used the funds properly, the government said that we don't care what you say, we have complaints and we're going to investigate and the investigation proved that if anybody spoke out against Hal Banks he had his face pushed in. I'm not suggesting that that has happened here. I've had such reports, I don't have any such proof so I'm not going to make that statement. But people that have come to me, some of them chiefs are saying that we do not dare speak because we won't get a cent. He says right now at least we've got one guy that they've put on the payroll and he's getting \$6,000 a year plus expenses. He says if we speak out against Mr. Courchene he says we're dead; he says, we haven't got a chance. That is the type of -- I suppose the word "terror" may be too strong, but that is the type of atmosphere that is there now, that they are scared to speak out. I had two Indians come to my house Saturday night directly from the meeting who have informed me of what went on at the meeting and some of the things that they were planning on. The Indians left there in disagreement but not a single one on the steps here dared to speak up, and I don't blame them. I tried to speak myself, I wasn't given that opportunity,

Mr. Speaker, so my answer to this whole debate is that let Mr. Courchene and the Brotherhood and his bookkeeper, who I understand threatened to quit yesterday because he was told to do certain things, I ask that Mr. Courchene put the books on there, request himself from Mr. Chretien an inquiry and put his job on the line and I will likewise; I think that is the only way we can settle this issue and I hope that the members of this House will support the proposition that there be full and an open inquiry.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, would the honourable member permit a question? Were any provincial government grants involved in connection with the bookkeeping or accounting that you're referring to?

MR. SPEAKER: The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Speaker, the Premier indicated in his speech I believe outside the House that there was \$59,000 given. Now when the money goes in I understand it's like the Minister of Finance, it doesn't matter if it comes in from sales tax or gasoline tax, they throw it all into the same pot so you can't distinguish whether it's our funds or Ottawa funds. There's no way of distinguishing the two and the only way you can find this thing out in any event is if the books are opened.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Thank you, Mr. Speaker. Mr. Speaker, I too would like to use this occasion recognizing in doing so that it is the one and only occasion that a member has in this House to use a grievance. I regard the situation at hand of importance, sufficient importance to give up that one opportunity that I have as a member to use this mechanism that we have in our Chamber to debate a matter that we consider is a personal grievance.

I suppose that I could also use the remaining moments that I have to attempt to debate or refute with positions stated on this matter here already in the Chamber I suggest to you that it is not my intention to do so. We within the Conservative Party, particularly myself along with several other former Ministers of Highways, are aware of the indiscriminate way in which the Member for Thompson can in fact make charges or allegations. Other indications have already been indicated by the Member for Churchill that perhaps indiscretion that has been used from time to time by the member without foundation of fact has indeed been most harmful to those affected.

My particular point of grievance at this time in connection with this matter rests with the responsibility of the government, and I suppose to that extent the Honourable Member for Thompson would support me in the following, at least to the extent that in his concluding remarks he suggested to those of us within this Chamber that we support his request for a full scale inquiry or investigation to determine the facts. As you recall, Mr. Speaker, I asked that question several times to our First Minister this afternoon at the beginning of our proceedings because I recognize that it was hardly satisfactory to leave an investigation or inquiry of this nature in the hands of one person or to leave it in the hands of the person who is part of it, namely the Member for Thompson. It seemed to me that the suggestion that the Premier, the First Minister has left us with in speaking to the assembled group, Chiefs, on the steps of the legislature was that the Member of Thompson has made a charge or a statement, let him prove

(MR. ENNS cont'd) it or otherwise, and that to me, Sir, is a serious neglect of the responsibility in my judgment of this government. A very serious neglect, a responsibility on the part of the First Minister of this province, by suggesting a course of action which could hardly be satisfactory to anybody. I don't believe for one moment that when the Member for Thompson suggests that Dave Courchene or the President of the Indian Brotherhood open up his books that he means that he should open up those books in the kitchen of the Honourable Member for Thompson and allow only the Honourable Member for Thompson to make his perusal of it. Surely what is being suggested here, and quite correctly in my judgment, is an inquiry that has the respect of the population at large, whose report, whose findings would be accepted by all as being the true and accurate findings.

Mr. Speaker, the position of the Progressive Conservative Party in this matter is one that is consistent with the concern expressed from the hospital bed by my leader; it's a concern that you would expect any responsible leader of a party to express. We have after all had - and this may come as news to some of the members opposite - some pride in watching the development of the Indian Brotherhood. It was under the aegis of myself and the Member for Reston who at the time was the Minister responsible for ARDA -- Arthur, pardon me, I was trying to give Reston a plug, Arthur -- who as a responsible Minister for ARDA at that time were in a position to make the initial grant available to the then fledgling organization that was beginning to organize itself into what is now known as the Indian Brotherhood. We have absolutely no reason to believe that any misuse of funds has occurred. We have every reason to believe, to recognize the contribution that the Indian Brotherhood and its leadership is making to the Indian community here in Manitoba. I make these statements because we, Sir, are not in a position, nor are we responsible as to how those funds are being in fact used or administered. We do not have access, we are not the ones that provide and deal and make contracts with the Indian Brotherhood on a day to day basis or on a month to month basis, as does the government of the day. The government of this day happen to sit opposite from us and the government of this day has to recognize its responsibility in this role.

Mr. Speaker, I believe that if the name, the honour, the contribution of the Indian Brotherhood is in fact to be honourably vindicated, then that kind of an investigation is called for and is necessary and should be proceeded without delay. It should be entirely possible, that not in any long drawn out procedure, that within the next day, within the next few days, certainly to the extent that this government is responsible for, the matter of the amount of funding, the manner and way in which the funds were used, projects entered into, certainly can be ascertained without any unnecessary and undue delay. I would be surprised, Mr. Speaker, if a similar response to the telegram that the Honourable Member for Thompson sent to the federal authorities would not indeed solicit a similar kind of response that I just outlined.

Mr. Speaker, we believe in the Conservative Party that the approach and the abuse that the Member for Thompson has heaped on the President of the Indian Brotherhood is entirely uncalled for. We are not surprised at that, Mr. Speaker, because after all we have been targets and recipients of similar abuse and similar indiscriminatory kind of charges and allegations made. You, Sir, will recall - oh no, I think it was the Honourable Member, the Minister of Education that was in the Chair - when the honourable member accused the former Premier, the former Minister of Highways, Mr. McLean and myself of gross misuse of public funds, of having unearthed a huge Dauphin highway scandal, and I ask you now, Sir, and I ask all of those who are in the Chamber now, Sir, what has become of those revelations? What has become of the extensive, exhaustive enquiries instigated by the Member for Thompson? What kind of light was shed on that massive bit of wrongdoing that was charged by the Member for Thompson that was perpetuated by former Conservative Ministers.

Mr. Speaker, I don't wonder at the deathly silence that emanates from yonder on this particular subject. A misdemeanor undoubtedly was uncovered, but I would doubt very much if there would be any Minister there opposite that could stand up today and say that perhaps somewhere, in some government shop, some person perhaps was illegally and unlawfully availing himself to some government services - maybe having his half ton truck checked, maybe having his car radiator flushed out by a government hose or maybe having his snowmobile repaired. Misdemeanors that should not be condoned, that should be ferreted out and should be stopped where ever possible, but hardly the basis, hardly the basis of destroying and unsettling the lives of seven or eight employees by firing them and then having to face the embarrassment of re-hiring them; of besmirching the public service record of men like the former First Minister of this province and the former Minister of Highways.

(MR. ENNS cont'd)

So, Mr. Speaker, when I suggest to you that the kind of outburst and perhaps why the response from the Conservative benches has been somewhat muted, is because we have become accustomed, we have become accustomed, Mr. Speaker, to the kind of performance that the Member from Thompson puts on from time to time. But, Sir, the real grievance lies and the real responsibility lies with the government and the First Minister of this government to institute immediately an enquiry, to not shrug off that responsibility on the Member of Thompson or indeed on the Indian Brotherhood. Since when have we perverted British justice to that extent in this country - although the Member for Thompson really doesn't appreciate it, that we have accepted the fact that you are guilty until proven innocent.

It certainly seems a point that the Member for Thompson continues to miss and, Sir, I suggest very seriously to the government members, to the First Minister, who unfortunately is not in his seat, that he reconsider his answer to my questions earlier this afternoon, to institute immediately and forthwith an enquiry -- oh, it needn't be an elaborate one. They don't have to take suites in the Northstar Inn immediately to start this enquiry, but at least get an enquiry started to vindicate the allegations, charges that were made, vindicate what in my judgment without question will be the position and the integrity of the Indian Brotherhood and its leader.

Thank you, Mr. Speaker.

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

COMMITTEE OF SUPPLY

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