

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Wednesday, June 3, 1970

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Notices of Motion; Introduction of Bills. The Honourable Minister of Health and Social Development.

HON. ED. SCHREYER (Premier)(Rossmere): I'm wondering if that might be allowed to stand please. (Agreed)

INTRODUCTION OF GUESTS

MR. SPEAKER: At this point I should like to introduce our guests in the gallery where we have with us the cast of 100 of the Company "Up with People". They are from about 25 different countries of the world and they are under the direction of their musical director, Mr. Dick Couchois and their manager, Mr. William Wishart.

On behalf of the Honourable Members of the Legislative Assembly, we welcome you to this Chamber.

MR. SCHREYER: I'm wondering if by leave we might not come back to the item under Introduction of Bills in the name of the Minister of Health? (Agreed)

INTRODUCTION OF BILLS

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

HON. RENE E. TOUPIN (Minister of Health and Social Services)(Springfield) introduced Bill No. 111, An Act to amend The Child Welfare Act (3).

INTRODUCTION OF GUESTS

MR. SPEAKER: We also have students from Heritage School which is hosting 50 Grade 6 pupils from Erickson School and Carman School. The three schools are under the direction of Mr. Betz of Heritage School which is in the constituency of the Honourable Member for Sturgeon Creek. Erickson School is in the constituency of the Honourable Member for Minnedosa and Carman School is located in the constituency of the Honourable Member for Morris.

And 50 Grade 6 students from Arthur Oliver School, which is the host school, and Killarney School. Both schools are under the direction of Mrs. Ames and Mrs. Prokopchuk from the host school. Arthur Oliver School is located in the constituency of the Honourable Member for Sturgeon Creek and Killarney School is located in the constituency of the Honourable Member for Souris-Killarney.

Also, 68 students from Sargent Park School, the host school, and Minitonas School. The two schools are under the direction of Mr. Ward and Mrs. McIntosh from the host school. Sargent Park School is located in the constituency of the Honourable Minister of Cultural Affairs and Minitonas School is located in the constituency of the Honourable Member for Swan River.

And 32 students from the Red River Community College. These students are under the direction of Mrs. Larson. This school is located in the constituency of the Honourable Member for Logan.

On behalf of all the Honourable Members of the Legislative Assembly, we welcome you here this afternoon.

Orders of the Day.

MATTERS OF URGENCY AND GRIEVANCES

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

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I beg to move, seconded by the Member for La Verendrye, that the House do now adjourn to discuss a matter of urgent public importance, namely the news report on CBC at 11:00 p.m. last evening that construction on two projects of the integrated forestry development at The Pas has been suspended. Since Manitoba taxpayers have over \$90 million invested in this project, the matter should have a complete public discussion.

MR. SPEAKER: I wish to thank the Honourable House Leader of the Liberal Party for complying with the rules and giving me notice. Upon perusing the motion it is my opinion that

(MR. SPEAKER cont'd.). . . . this motion anticipates a matter that has previously been appointed for consideration by the House. I feel that the Honourable House Leader of the Liberal Party

MR. G. JOHNSTON: Mr. Speaker, on a point of order, before you make your ruling.

MR. SPEAKER: May I remind the honourable member that there is no point of order when the Speaker is on his feet. I feel that the Honourable House Leader of the Liberal Party is prohibited from moving such a motion by our House Rule 26, subsection (6) subsection (b), in view of the fact that the estimates of expenditures are before the House and in fact there is a motion on the Order Paper to allow for the consideration thereof. For the aforementioned reason I must rule the proposed motion out of order.

The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I would like to move, seconded by the Honourable Member for Arthur, that the House do now adjourn to consider a matter of definite public urgency, being the mass truancy of school children from Winnipeg schools at a very critical time in the school year.

MR. SPEAKER: I've had the opportunity to peruse the motion proposed by the Honourable Member for Riel and I wish to thank him for presenting me with it in ample time. May I refer honourable members to Beuchesne Fourth Edition, Citation 100, subsection (4), which reads as follows: "A motion to adjourn the House was ruled out of order because the subject matter thereof could be discussed either on the motion for the House to go into Committee of Supply or on a certain bill then on the Order Paper." In the present instance there is a motion on the Order Paper for the House to go into Committee of Supply, therefore I rule the proposed motion of the Honourable Member for Riel out of order.

STATEMENTS

MR. SPEAKER: The Honourable Attorney-General.

HON. A.L. MACKLING, Q.C. (Attorney-General)(St. James): Mr. Speaker, there are two matters that I wish to bring to the attention of the House. During the course of this Session, I have had questions asked of me in respect to the situation that prevails as a result of the appeal to the Supreme Court of a case involving the application of federal law, an amendment to the Criminal Code, which brought in the application of a machine called a breathalyzer to test blood alcohol content, or alcohol content in the system, and I have indicated that despite the fact that the British Columbia case has been taken to the Supreme Court of Canada that the law as it stood was being applied in Manitoba, and such is the case and there has been no change.

I was astounded ~~however~~ to read in the Winnipeg Tribune of the other day a story which was quite to the contrary. There was also publicity by radio and on television which essentially said the same stated facts as indicated in this news story in the Winnipeg Tribune, which is entitled "Breathalyzer Cases Stayed in Manitoba." I'm very concerned at the obvious confusion that would result in the minds of people reading this story and hearing these news broadcasts and I was fully expecting that there may have been one of the honourable members from the Opposition who would put a very hard question to me in the House in respect to this. However, I want to assure honourable members that the law - as I indicated in answer to their questions earlier - remains, that the breathalyzer law is still being respected in the Province of Manitoba. The article that appeared in the Winnipeg Tribune indicated that a Crown Attorney, Mr. Bill Morton, is reported to have said that until the Supreme Court decision is made, Manitoba drivers do not have to submit to a breathalyzer test if requested to do so by a policeman. They will automatically be guilty of an offence if they do take a breathalyzer test and have a blood alcohol level of more than .08. And the article goes on in similar vein.

Now I was very concerned about this and my department assures me that what happened is that Mr. Morton appearing in City of Winnipeg Magistrates' Court stayed a charge in respect to the .08 breathalyzer test, the refusal to take a test, but the party who had been charged with that had pleaded guilty to a charge of impaired driving. Now under those circumstances a further prosecution in respect to a refusal to take the test is really unnecessary. I mean the Crown can proceed with a multiplicity of charges and that's perfectly in order, but invariably the Crown will accept a plea of guilty to one serious charge, and if that really covers the situation of the case will stay the other charges which may be there just as additional insurance that a plea or a proper review of the case or adjudication of the case will be had on one or other of the charges. And this is good practice.

(MR. MACKLING cont'd.)

But what happened was that after the case a reporter apparently who was relatively inexperienced, having but recently been assigned to that Court, interviewed Mr. Morton and obviously was completely confused as to the rather complex provisions of the law in this field. The situation is that if a motorist is stopped and the police officer has reasonable belief to believe that that person has consumed alcohol or some other substance to the extent that there is some impairment of their driving, he will ask the person whether they would voluntarily, without any compulsion at all, submit to a breathalyzer test. If the person is quite ready to do so and volunteers to do so, then that evidence, if the breathalyzer evidence indicates that there is a reading in excess of .08, will be used in any charge that's laid as to impaired driving or whatever the case may be. But if the motorist says "no, I won't voluntarily submit to a breathalyzer test", then the police officer, if he has reasonable belief that the person ought to submit to a test because there is an indication of impairment, may then compel the motorist to take the test and the motorist will be compelled to take the test.

Now if there are sufficient circumstances, if there are sufficient facts on which the Crown can proceed with a charge of impaired driving without relying upon the test then the Crown will proceed or may proceed in that fashion. If, however, the Crown wishes to lay a charge of refusal to take the test, because if the motorist is then required by the police to take the test and says "no, I won't take it," the Crown may and will continue likely, you know, in these circumstances to lay a charge of a refusal to take the test pursuant to the Criminal Code. But the present policy, in view of the fact that that section of the Criminal Code is subject to appeal, is not to proceed with the hearing of those cases until the Supreme Court has made its decision. The charges are being laid in given circumstances but they're not being proceeded with right now.

So that is the state of the law in Manitoba and I regret the fact that confusion has arisen by a misunderstanding of the Crown Counsel's remarks during, perhaps, and after the adjudication of a case in the Magistrates' Court. I assure you that the Crown Counsel in that case was staying a charge laid under that section of the Criminal Code dealing with a refusal to take the breathalyzer test but he did that when that individual had pleaded guilty to a charge of impaired driving so proceeding on that other charge was considered to be superfluous. So those are the circumstances of law, Mr. Speaker, and I wanted to make that very clear because I'm sure that honourable members and the public generally would be concerned to know what the law is.

While I'm on my feet, the Member from Morris brought to the attention of the House and to me a set of circumstances as reported in the Emerson Journal of Wednesday, May 20th, in which there was a suggestion that there had been some very unusual circumstances in a hearing before a police magistrate in Morris. The caption of the story said the court session was far from ordinary and the highlights were that the magistrate had called a seventeen-year-old witness a liar; (b) that the Crown Attorney mocked a French speaking officer's ability to testify fluently in English; and (c) that the defence attorney suggested that a fair trial was possible only for his client if his client's physical appearance suited the magistrate. This story in the Emerson Journal was repeated by stories in the Winnipeg Free Press and the Tribune on May 22nd, 1970.

I indicated in answer to questions brought, the questions brought by the Honourable Member for Morris, that I would look into this situation and enquire as to what the circumstances were surrounding this incident. I now have a very full and comprehensive report, Mr. Speaker, as to what took place and I wish to assure honourable members that the situation or the circumstances were far from as reported in the news article. The submissions or the information, the evidence, if you can call it that, that has been given to me, indicates that the magistrate conducted the hearing in a very proper manner. There was no untoward interference with due process by anyone.

The magistrate did call an accused person a liar, but I'm given to understand that this finding or this word has been used from time to time in various courts. It's a very strong word I admit, and perhaps is one that magistrates or judicial officers ought not to use at too frequent intervals, but after all they're human and if in fact the evidence clearly indicates to them at least that there is an untruth, there's some propensity from time to time to use the word liar, and if in fact that's defining a fact that he's entitled to make and he weighs all the circumstances. Perhaps to some it's an overly strong word, but if he says that I don't believe a thing that the witness has said, it constitutes the same thing and from time to time judges and magistrates

(MR. MACKLING cont'd.), . . . have certainly recorded their findings along those terms. So that although the word liar seems exceptionally strong, or might to some seem exceptionally strong, I don't think that I'm overly concerned about the use of that word.

The other charge was that the Crown Counsel - and this is a very serious one - had mocked a witness' ability with the English language and this troubled me very much. The news article certainly troubled our young Crown Counsel very much because there was no intent, and in fact there was no disrespect shown to the witness, and the witness himself, the R.C.M. Police Constable, objected that there was anything like this at all. There was some -- he was a nervous policeman. I believe it was one of the first times he had ever appeared in court and he was being questioned and questioned with particularity in respect to a certain section of his evidence because it was in that section of the evidence or the basis of that section of his evidence on which the magistrate would rely to the greatest extent in respect to a finding of guilty or not in respect to the charge.

There was a concern to make sure that what he had said was fully understood by the magistrate and counsel, so there was some questioning as to his use of terms, but there was no mockery, there was no foolery, it was a serious matter and there was no attempt and there was no desire to impute anything to the R.C.M. Police Constable. The magistrate indicated that this did not occur in the manner or in any way indicated in a press article, and all concerned that have given me reports indicate that there was nothing to this at all as indicated in the press article.

The other item dealt with the suggestion that supposedly that the accused person wouldn't get a fair trial because of the fact that he had long hair or something, and the magistrate, the magistrate was quite categoric in indicating that he admonished the defence counsel for any suggestion that because the person had long hair or the cut or style of his beard he wouldn't get a fair trial in his court because that is not the case in our courts.

I want to assure honourable members that the incident as portrayed in these news articles was not in accordance with fact and I am troubled by the fact that one of our Crown Counsel has been made to appear to have been something other than he was and acted in an improper manner. He acted responsibly and in accordance with good, sound practice. I'm sorry to have to indicate my concern for the accuracy of the reports that have given some embarrassment to both the Crown Counsel and the magistrate in this case. They acted responsibly and I am troubled by the fact that they have suffered embarrassment. I want to assure honourable members that I will be speaking to the magistrate and making known my views and my concern for any difficulty that they have suffered and hope that the accuracy of reporting in these matters will be much more certain in future.

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): Mr. Speaker, I would like to make a few comments in connection with the last statement that the Minister has made in connection with the incident that took place at Emerson. I want first of all to make sure that it is clearly understood that the accusations that were made were not my accusations. There seems to have been an implication that I had made these charges. I was simply referring an article that I saw in the Morris-Emerson Journal to the Minister

MR. MACKLING: Mr. Speaker, I didn't indicate that there was anything untoward about this matter having been brought to my attention by the Honourable Member for Morris, not at all.

MR. JORGENSEN: Well, Mr. Speaker, the Attorney-General is unduly excited. I didn't imply that at all; I simply said that there seemed to have been an implication that I had made these charges myself, and I didn't suggest for a minute that the Attorney-General had made those charges.

I'm glad that the Minister has had the opportunity of examining those charges and replying to them in the manner that he has done. I think it has afforded the magistrate and those people concerned an opportunity to clear themselves of those charges and it was for that reason that I brought it to the attention of the Minister in the first place, because I did not want to see those charges go unanswered. Any indication that that's the sort of thing that went on in the courts of this country would have been a wrong impression to leave amongst the people of that area. I would like to feel that they would have complete confidence in the courts of this country, and the Minister's statement right now has given a clear indication that what was reported in the press was not in accordance with the facts.

ORAL QUESTION PERIOD

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

MR. G. JOHNSTON: Mr. Speaker, I'd like to address my question to the First Minister. Because there are only an hour and five minutes left in Estimates time and there are three departments to go, could the Minister make a statement on the situation that exists at The Pas without taking up the time of the Industry and Commerce Department?

MR. SCHREYER: Well, Mr. Speaker, of course it is open to honourable members to ask questions with respect to this matter before orders of the day, and then inasmuch as there is more than an hour of time remaining in the estimates of the Department of Industry and Commerce, it seems to me that this is more than ample opportunity in which to debate a matter. The honourable member I think will appreciate that if each matter of this kind were debated for more than an hour in this Assembly, and there are many important questions and problems facing our province, our society, then we would never get the work of government completed in a calendar year. If the honourable member feels that he cannot proceed by way of questions now, he's free to raise it during the estimates.

MR. G. JOHNSTON: Well, Mr. Speaker, I will ask specific questions and perhaps this will help the First Minister. In a news article in today's Free Press he refers to the fact that he needs better evidence that certain monies have been distributed by this particular company, River Sawmills, and he also makes reference to the fact that there will be some delay, I believe, in the settling of the matter. Could he tell this House how much money is involved? Could he inform the House as to how long the delay will be?

MR. SCHREYER: Well Mr. Speaker, I am in a position to advise my honourable friend that the anticipated delay insofar as it is within our power should not be much more than a matter of days now, I would say approximately a week. I should also like to advise the honourable member in reply to his question that part of the onus with respect to settling this matter, in our view, does lie or rest with River Sawmills Ltd. Let me elaborate. The honourable member is aware that certain procedures are always followed at the time of the advancing of the final installment in any loan agreement. This final payout or final draw-down or final advance procedure is a well known one as it's practised in money lending circles and also has been practised over the years by the Manitoba Development Fund with respect to industrial loans.

Now according to my advice, there has not been sufficient evidence brought forward to indicate that all liens and creditors' claims, that this matter has been adequately dealt with by River Sawmills. The solicitors acting for the Fund, and the advice I've received from the Fund, is that there is required some greater precision on the part of River Sawmills with respect to their obligations at the time of their application for the final draw-down.

The honourable member knows that the Mechanics Lien Act, for example, applies in this instance because it is the final advance that is at issue here. So as soon as we have that evidence brought forward that the provisions of the Mechanics Lien Act have been complied with, as soon as we have evidence brought forward that there are no creditors' claims outstanding, then we are better able to settle the account and provide the final payout.

Finally, may I say too, Mr. Speaker, that I'm advised that approximately \$1.1 million already advanced to River Sawmills has not yet been disbursed in actual payment of accounts, and until such time as we have documentary evidence that all this money already advanced has been in fact disbursed, we feel that that is yet another reason for waiting before making the final payout.

MR. G. JOHNSTON: A supplementary question, Mr. Speaker. When was the \$1.1 million handed over to River Sawmills by the M.D.F.?

MR. SCHREYER: Well it was prior to the 20th of May, I can tell my honourable friend that.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. JEAN ALLARD (Rupertsland): Mr. Speaker, I have a question for the Minister of Mines and Resources. Some time ago when there was an announcement made that commercial fishing would be curtailed on some of the lakes in Manitoba because of pollution, the question of compensation was broached, and I would like to ask the Minister if he's in a position to tell us when the fishermen will be receiving money because there is a considerable problem right now - under what conditions, how long they'll receive it, whether the people who work in shore stations will receive any money and whether there'll be any provisions for boats and things of that nature.

HON. SIDNEY GREEN, Q.C. (Minister of Mines and Natural Resources)(Inkster): Mr. Speaker, members will recall that approximately a week ago I said that I had hoped that this matter would be cleared up before the 1st of June. The Deputy Minister of the department was in Ottawa on Friday, which was of course before the 1st of June, to attempt to finalize the matter and I'm happy to say that at that time all matters of principle were finalized, and when I say matters of principle were finalized, I'm also indicating that I believe that this represents agreement between the Federal Government, the Provincial Government and representatives of the fishermen. Now that's a difficult proposition, representatives of the fishermen. We were dealing through the fishermen's organization which doesn't represent every fisherman, but it was attempted to take all problems into consideration, and as a result of all of the proceedings that were taken, Mr. Speaker - and I would indicate that there was roughly six weeks in which to gain agreement of principle on all of these points - I am now satisfied that the department is in a position to finalize the compensation arrangements.

Now my honourable friend has asked for details. I can indicate to the members of the House that approximately \$2 million is expected to be paid out in compensation payments to fishermen, that the sharing will be 50 percent federal and 50 percent provincial, that this would not take into account anything other than what I have just said. The details I am not able to give at this time but they will be made available to the honourable member on request from the department and of course the fishermen are acquainted with them.

I would also indicate that it has been agreed that where there is a dispute that that dispute would not be decided by the government nor by the fishermen but would be referred to a third party, and this is one aspect of the compensation feature that I had indicated to the fishermen concerned that I would press for. This will not be a matter of unilateral payments or amounts of payments.

I don't know whether I've given my honourable friend all of the answers which he would like to have, but the fact is that the formula has been agreed upon; it would appear that we may need emergency legislation in order to deal with actual disbursements and I would hope that that would not be difficult to arrange through the Legislature.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. ALLARD: I have one supplementary question, Mr. Speaker. Could the Minister tell us when - and this is a serious subject in terms of the credit that they live on - when they could expect approximately the first payment?

MR. GREEN: Mr. Speaker, again that was something that was dealt with in the detail of the proposal, but I understand that they would not be fishing till June 1st, that their first payment in any event would not be until sometime afterwards, and I would hope that the first payment would be forthcoming no later than it would have been forthcoming had they actually been fishing. Now that's a hope, Mr. Speaker, and I also hope that it's realized.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. ALLARD: Normally they get an advance on their fishing....

MR. SPEAKER: Does the honourable member have a supplementary question?

MR. ALLARD: Yes, I do. I would like to know if they could expect it, say, within the next three weeks or something of that nature. This would be a reasonable assumption?

MR. GREEN: Mr. Speaker, my honourable friend's assumption sounds reasonable to me and I hope that it's not only reasonable but that it will be realized. With regard to advances, I think that the situation with regard to advances may be better this year than it would be in another year, because there is a clear indication that there will be compensation paid to them.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, on the same subject, may I direct my question to the Minister of Mines and Natural Resources. In commenting on the compensation, I believe he said of \$2 million, is it correct, do I understand this correctly, that the fishermen are going to have to sue for that money that is being compensated to them by the companies that are responsible for the mercury pollution?

MR. GREEN: Mr. Speaker, I indicated from the very outset that what is attempted here is to have all of this money recovered from the firms that could be found responsible for the pollution. The compensation is being made in the form of an advance, a loan, but nobody will have to recover any money until they get compensation. The compensation will be paid to the fishermen, the loan will be made, and if no monies are recovered from the firms concerned there will be no repayment of the loan. So there is no onus whatsoever upon any recovery by

(MR. GREEN cont'd.) the fishermen but there is an onus to try to receive the money because it is hoped that we will be able to make the firms who polluted the waters responsible for the costs that have been involved.

MR. EINARSON: Mr. Speaker, I want to thank the Minister for his answer, I rather thought that's the way it was, but this was a supplementary question if he hadn't given the answer that I was satisfied with, that if in case the fishermen did not succeed in their lawsuit against the companies, then I was wondering if the fishermen would be obligated to pay that money back to the government if they don't succeed in their lawsuit with the industry?

MR. GREEN: Mr. Speaker, I'm sorry I'm having difficulty making myself understood because I said this on at least three occasions. The moneys will be advanced to them; if nothing is recovered from the firms in question there will be no money repayable by the fishermen.

MR. JAMES H. BILTON (Swan River): question to the same Minister. Is it the intention of the government to initiate prosecution in that regard?

MR. GREEN: Mr. Speaker, I'm trying to be patient with honourable members and I know I must be. I announced on at least three occasions that the government would assume all responsibility, including the costs, including the legal services for suing the persons whom it is hoped to find responsible.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SIDNEY SPIVAK, Q.C. (River Heights): Mr. Speaker, my question is to the Honourable First Minister in connection with River Sawmills and what obviously was the final draw by them from the Fund. Can he indicate whether Arthur D. Little have certified that the final draw is now due and payable?

MR. SCHREYER: There is some indication that Arthur D. Little, through one of its employees, is working on this account, has forwarded to the Fund what purports to be a certification. It's been brought to my attention and it is difficult to ascertain whether it is a proper kind of certification. May I also say that - well, I believe that answers the question of my honourable friend.

MR. SPIVAK: A supplementary question, Mr. Speaker. May I ask the Honourable First Minister whether this method of certification by Arthur D. Little varies in any way, or substantially from the manner in which certification has been provided by them in the past?

MR. SCHREYER: Well except, Mr. Speaker, that the particular advance that is at issue here is an advance that is not to be compared with the previous advances of loan capital because this is the final advance, and as the honourable member knows, there is a requirement at the time of the paying out of a final advance, there is a requirement that the Fund be satisfied and the Fund solicitors be satisfied that all matters pertaining to creditors' claims and the like, that there be evidence that these have been taken care of, made account for, and that has not been forwarded to the Fund in an adequate way as yet.

MR. SPIVAK: Mr. Speaker, a supplementary question, and I appreciate the answers of the First Minister but again I think it's important that at least the specific question be answered, and I can understand -- (Interjection) -- yes, the method of certification by Arthur D. Little in this particular case, does it vary substantially from the method that has been adopted in the past when payments of money have been paid out?

MR. SPEAKER: I think the honourable member placed that question.

MR. SPIVAK: Yes, but it hasn't been answered, Mr. Speaker.

MR. SCHREYER: Well, Mr. Speaker, I can answer the honourable member's question and tell him that the Arthur D. Little Company itself is reviewing its own certification procedures in this matter as to their adequacy and they are supposed to report to us within a matter of days, so that it's an in-house study being made by Arthur D. Little of its own certification procedures.

MR. SPIVAK: Mr. Speaker, I have another question for the First Minister dealing with the same subject but not related to the specific questions that have been asked. May I ask in the arrangements that were arrived at between the Development Fund and River Sawmills, is there provision that the payment, the last payment, the last draw is to be given when the work is completed in total for the project or during construction of the project with still some work remaining?

MR. SCHREYER: Mr. Speaker, I can't answer that question; perhaps the Attorney-General may be in a position to do so. However, I can advise the Honourable Member for

(MR. SCHREYER cont'd.). . . . River Heights to this effect, that regardless of what the loan agreement or contract may provide as to the timing of the final advance, we intend to see that the application of Manitoba law, the Mechanics Lien Act for example, is applied, so therefore there has to be adequate evidence that all creditors' claims and so on have been satisfactorily dealt with, notwithstanding provisions of the contract. I think my honourable friend being a lawyer will know that the provisions of the Mechanics Lien Act supersede the provisions of this particular agreement.

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

MR. G. JOHNSTON: Mr. Speaker, I'd like to ask the First Minister if he could tell us the date on which River Sawmills will be making their first repayment of the loan to the province and what the annual payments will be.

MR. SCHREYER: Mr. Speaker, certainly that's a valid question but I'll have to take it as notice and get the specific information. I do not recall the date of first repayment installment offhand.

MR. G. JOHNSTON: A supplementary question then, Mr. Speaker. At the same time could the Minister obtain this information for all four companies, which I would ask to have included the interest rate and the schedule of repayment, as I believe the original agreement has been altered somewhat.

MR. SCHREYER: Yes, I can undertake to do so, Mr. Speaker. I am wondering whether the honourable member wouldn't want to submit that as an Order for Return because that's the form in which the information could be provided.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I wish to direct my question to the Honourable Minister of Industry and Commerce. Has the Minister of Industry and Commerce or any other member of the government had any consultation or discussions with the officials of Arnett Co. Limited of Winnipeg which has just announced that they will be closing their plant and moving to Ontario, to Bramalea?

HON. LEONARD S. EVANS (Minister of Industry and Commerce)(Brandon East): Well, Mr. Speaker, I don't know how I can answer for every other member of the government, but I have had no discussions with that particular company. It's a free enterprise system and they are free to make the choice that they wish in this respect.

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

MR. HARRY E. GRAHAM (Birtle-Russell): I believe there's a supplementary. . . .

MR. SPEAKER: Has the Honourable Member for Assiniboia a supplementary?

MR. PATRICK: Yes, I have a supplementary.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Perhaps the Minister should take this question as notice and, you know, find out how many employees will be affected and will the employees be transferred - because I understand there are approximately 100 employees involved - will they be transferred, and if they will not be transferred, will government give any assistance?

MR. SPEAKER: I believe the honourable member is entering into debate.

MR. PATRICK: Well, my supplementary is, will the government be giving any assistance if the employees are not transferred because there are some 100 employees involved. I mean assistance in retraining.

A MEMBER: It's available for everyone.

MR. EVANS: Mr. Speaker, I don't know all the implications of this particular move. As a matter of fact I have been tied up for some time, I've been tied up all morning, I'm not at all familiar with the question that the honourable member does raise, but if there are people who are dislocated, who are unemployed, who do not wish to move, there are various government programs for retraining and so on. In the meantime, I can assure you we will work hard at creating new jobs in Manitoba.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. BUD SHERMAN (Fort Garry): A supplementary, Mr. Speaker. I wonder if the Minister of Industry and Commerce would undertake to get in touch with the officials of the company concerned and determine whether it's a final decision, whether there's any opportunity of reconsideration, and attempt to determine the reasons why the move is taking place.

MR. EVANS: Well, Mr. Speaker, I don't think that's an unreasonable request; as a matter of fact I've been thinking of that since the question first arose.

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

MR. GRAHAM: Thank you, Mr. Speaker. My question is for the Minister of Cultural Affairs whom I believe is responsible for the centennial events of this province. Could the Minister advise if the twinning program which is now in operation in the schools has been cancelled?

HON. PHILIP PETURSSON (Minister of Cultural Affairs)(Wellington): Not to my knowledge, Mr. Speaker.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, I have a question for the First Minister, and this goes back to River Sawmills but it's another question on the matter. I wonder whether he can indicate whether the Manitoba Development Fund have a separate loan with River Sawmills or payment is made through Churchill Forest Industries to them.

MR. SCHREYER: Mr. Speaker, I should have thought that the Minister of Industry and Commerce -- (Interjection) -- obviously, Mr. Speaker, the former Minister, the present Member for River Heights, I should have thought that he would be familiar with this, but to answer his question and to refresh his memory - I think that's all it is, is refreshing his memory - it is a direct agreement as between the Fund and River Sawmills. There is no other company interceding as a third party.

MR. SPIVAK: Mr. Speaker, I have another question for the Minister of Industry and Commerce. I wonder whether he can indicate whether the Department of Industry and Commerce is aware of the potential layoff, substantial layoff at Versatile which will affect a number of jobs now being held by employees there.

MR. EVANS: Mr. Speaker, I have no direct knowledge of this information or of this point.

MR. SPIVAK: A supplementary question. I wonder whether the Minister can examine the situation and find out if this information is correct and possibly use his good offices in connection with this.

MR. SPEAKER: The Honourable Member for Churchill.

MR. GORDON W. BEARD (Churchill): Thank you, Mr. Speaker. I would address this either to the House Leader I suppose or the Minister of Health. Where tourist operators are located on lakes that are free of pollution, would it be possible for government to give those operators a certificate, a clean bill of health for their own use in advertising their operations?

MR. GREEN: Mr. Speaker, the emphasis - and I realize that it's difficult to sustain the emphasis - but the emphasis that has been attempted both by the Department of Tourism and our department is to say that there is clean health in the lakes of Manitoba with the exception of a few, and I don't think that we should try to shift that emphasis by saying that these are clean lakes. The lakes of Manitoba are clean for fishermen with the exception of a few, and I believe that there are possibly differences of opinion as to how to emphasize this but that is the emphasis the department is trying to create.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, my question is also directed to the Honourable Minister of Mines and Natural Resources and relates to a problem of which he is already aware, that is the serious flooding being experienced by cottage owners at Pelican Lake in southwestern Manitoba. Can the Minister report any progress in resolving the apparent conflict of interest which exists between the cottage owners with respect to lake levels and the people living downstream of the outlet circuit.

MR. GREEN: No, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I have a question for the Honourable Minister of Tourism and Recreation. If it's not an appropriate question for him, perhaps the correct Minister would undertake to answer it. Drowning in Manitoba during the last year, or last season increased by 46 percent while the national average decreased by two. Will the Minister undertake to supply more lifeguards and improved safety standards at many of our public beaches during this season?

HON. PETER BURTONIAK (Minister of Tourism and Recreation)(Dauphin): Well, Mr. Speaker, we are quite aware of the problems that arise in that respect and I can assure the honourable member that we'll be doing everything we possibly can to save lives.

MR. SCHREYER: Mr. Speaker, I wonder if the Honourable Member for Assiniboia could advise us in some appropriate way, perhaps after the question period, as to the actual number of people that drowned rather than put it in percentage terms, because if the number is not that

(MR. SCHREYER cont'd.). . . . large then percentage figures might be very misleading. I know for example that last year the suicide rate in Manitoba decreased by 50 percent but there weren't that many involved.

MR. PATRICK: Mr. Speaker, I can answer the First Minister if he's interested to know the answer. There were 73 drownings which was a substantial increase, I believe 46 percent increase from the previous year and

MR. SPEAKER: I'm wondering if the honourable member could take advantage of another opportunity to provide the Honourable First Minister with that information. The Honourable Minister of Finance.

STATEMENT

HON. SAUL CHERNIACK, Q.C. (Minister of Finance)(St. Johns): Mr. Speaker, I'd like leave to make a statement dealing with the Centennial Series Savings Bonds. I have caused to be distributed copies of the sheets I received, or the sheet I received last night. I have been getting one every day and since we have now reached a certain level I thought it would be of interest to all members, some of whom have expressed an interest in both the bonds and in progress. I don't want to take credit for the some 17 members of the New Democratic Party who indicated to me that they wished to and were purchasing bonds because I doubt that they could make that much of an appreciable difference in amounts, although of course in quality that's another matter.

Mr. Speaker, what I would like to indicate is that yesterday was day nine of the days when remittances and applications for bonds were accepted, and honourable members will note that as of 4:00 o'clock yesterday some \$22 million had been received in remittances by the Provincial Department of Finance. This compares I believe quite favorably with previous issues of the Government of Manitoba and you will note - and I'm afraid you won't note, Mr. Speaker, because you don't have a copy and I apologize to some seven or eight members who also don't yet have a copy because my department has always been warned not to print too much and they printed too little, but we will make up for that oversight very soon so that all members will have it - but those members who do have the sheet before them will note the comparison of totals in previous series.

The first issue, which was I think about 1960 - '61 was the most successful issue. In eight days close to \$41 million had been raised and we could not compare our results with that. I could go into lengthy discussions as to various factors that may have influenced it, but in the case of all other issues, you will note that on day nine we received \$22 million whereas the highest received in all other issues other than the first, in the past, was \$12 million. As of the total issues, you will note again that the number of days as shown in the right hand column, the second most successful issue was the second issue of 16 days where some \$20 million was raised, so in nine days we sold some \$2 million in excess of the final amount received in the second issue. The others of course are even more favourable.

What has been a surprise to me is that when I first announced the issue in the House I stated then that our objective was not in any way decided in our own mind. We had been told by the investment brokers we consulted - and when I say that I mean all of them, there were some 40 in my office, 40 firms represented in my office - that they felt that we should be able to raise from 25 to 50 million dollars. When certain rumours started I started being somewhat concerned - and I see that those rumours were completely unjustified - but at that time I indicated that there were still some \$10 million of bonds outstanding from prior issues which were paying interest rates of I think from 4 1/2 to 5 percent, and I thought it was only fair to draw to the attention of the holders of those bonds that they would have been justified to roll them over, as the term is used, and convert them from those bonds into this new issue which was paying 8 1/2 percent.

To my surprise, as of yesterday, we only had notice of some half a million out of the ten and a half million having been cashed in. Now that kind of information is not as up to date as the receipt of applications and it may be that a few days later will indicate a larger number of what we call roll-overs, but there is no such indication yet and it means that there are some \$10 million in the hands of Manitobans earning an interest rate which I frankly consider low, but I've made it clear in publicity and in our announcements, all bearing the statement that they can be cashed in and converted into these.

But on the basis of the fact that \$10 million which we expected to be cashed in and hoped would be converted into the new bonds, we will have an outstanding savings bond as of 4:00

(MR. CHERNIACK cont'd.). . . . o'clock yesterday totalling \$32 million, and since we get this information a day, two, three after the application is received, we have every assurance that there is a total of \$25 million at least that will have been subscribed by now, and adding the \$10 million would make it about \$35 million, and I'm indicating that we are starting to think seriously as to whether or not to cut off the issue. We must give 48 hours' notice of so doing.

The pressure for money on the world market is still great, there is a great demand for money. The interest rates have not yet dropped although one would hope that they would, but apparently it's such a peculiar market that there is no indication yet. May I say that if rates drop then the convertible feature or redeemable feature of these bonds becomes less attractive which means that we would have ten-year money which, at eight and a half percent, would be very cheap money for us. If on the other hand there is an increase in rate, then of course there would not have been much gained if redemptions come in after six months.

I think I've tried to indicate the various factors involved. Certainly we will need more money for this year's capital program and the decision as to when to cut off is one that we will make and we will announce almost concurrently with the decision, but there's no indication yet as to when that date should be although I should say in all fairness it's coming close, and I would think that people who want to buy Manitoba Savings Bonds, including all members of the Legislature, had better do so quickly.

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

MR. WALTER WEIR (Leader of the Opposition)(Minnedosa): Mr. Speaker, may I from our point of view express our appreciation to the Minister of Finance for the report he's given on the Manitoba Savings Bond series and to say that we share his pleasure at the interest shown by Manitobans in investing in their province, and without delaying the debate, we share his same satisfaction.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I would briefly like to comment on the Finance Minister's statement. When he suggested that this was cheap money I cannot agree, because I still feel it's very expensive money. While it might be less costly, but certainly it's not that cheap in my summation. However, I think the Minister can be quite optimistic in getting the amount of money that is being subscribed to the bonds, bond issue, and I'm just wondering how much of this is credit union money, how much was subscribed by credit union people. I think there must be quite a bit of extraction taking place from some of the other financial institutions and no doubt credit unions would not be exempted in this case, and that this will be reflected in some of the financial statements.

On this same score, I would like to hear from the Minister, could he tell us about the money supply for Manitoba? We get information on Canada's money supply through the financial papers. What about Manitoba? What is Manitoba's condition and how does it compare with the other provinces? Are we sharing equally, or are we in equal status to the other provinces in this respect?

MR. CHERNIACK: Well, Mr. Speaker, let me deal with the point made which I think I understood, and of course it's relative when one says cheap money or expensive money. The fact is that on the current market eight and a half percent is a good price to pay and I believe that for Manitoba investors it's a good price to receive. Frankly, I'm extremely happy that I did not bow to pressures received to open up this issue to all Canadians. The suggestion was even made that we open it up to anybody and we said no, we're going to keep it to Manitobans, because in the event that there's a turn where the interest rate becomes even more beneficial to the owners, then at least Manitobans will be getting the benefit rather than somebody sitting outside of Manitoba. So it's still cheap money, and the fact is that if we went out on the market at the time when we issued this call for a savings bond we would have been paying at least one percent more, but I realize of course that that's on longer term money.

But there is a whole development has taken place in the last year where they now issue a 25 year bond retractable in five years or extendable in five years, which really makes 25 year money a little less certain. I'm learning enough about this business to be able to talk at greater length than I would like to because it begins to bore me after a while and I'm sure it bores others.

Now I've never really comprehended the social creditor's approach on money and cash flow and the use of money. I've even tried to listen to the Honourable Member for Rhineland.

(MR. CHERNIACK cont'd.). . . . I'm really directing myself to his question, Mr. Speaker, which was: how is the money situation in Manitoba as compared to other provinces?

MR. FROESE: We know Canada's position as a country but we don't know. . . .

MR. CHERNIACK: Well, Mr. Speaker, I can only say that at this time we are busily lending money out. Now that's nothing unusual in this season of the year. This season of the year, I learned that the province gets in more money than it spends and we are busy lending money daily, every day we're lending money out, and that means that we're in a nice position of being lenders rather than borrowers on the short term. Now I can't speak for other provinces and I don't have up-to-date information on them.

ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, I direct a question to the Honourable the Minister of Agriculture. In view of the critical situation, Mr. Speaker, that exists in the seeding operations of the farmers of the Province of Manitoba and in view of the fact that thousands of acres will not likely be seeded and in view of the. . . .

MR. SPEAKER: Is the honourable member asking a question or is he entering into debate?

MR. WATT: Well, Mr. Speaker, I wasn't expressing an opinion, I'm just presenting a factual preamble to my question if that's permissible. My question then to the Honourable Minister. Is the Minister prepared now to stand up and apologize to the farmers of the Province of Manitoba for the part that he played in Operation LIFT?

HON. SAMUEL USKIW (Minister of Agriculture)(Lac du Bonnet): I wonder if my honourable friend would recite the part that I played.

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

MR. WALLY JOHANNSON (St. Matthews): Mr. Speaker, I have a question for the First Minister. I wonder if he could inform the House as to the number of people who committed suicide in Manitoba during the last year of Conservative rule?

MR. SCHREYER: Mr. Speaker, I'm sorry I can't give my honourable friend the exact number. All I can advise him is that the rate decreased by 50 percent in 1969 as compared to 1968.

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

MR. G. JOHNSTON: Mr. Speaker, I'd like to direct my question to the Minister of Tourism and Recreation. Is it true that a person arriving on foot at a provincial park has free entrance to the park and doesn't have to pay an entrance fee?

MR. BURTONIAK: Did I hear the question - is it true that if a person arrives at a park on foot that there is no fare? -- (Interjection) -- no entrance fee. It's true, but you see the thing is when people arrive at our parks - you know, where they want to go where the activity is or where they want to be at a certain area of the park - you know, usually these things are a long way from the entrance to parks. So when they come in they have to pay, then of course they can walk on foot; there is no more charge.

MR. G. JOHNSTON: A supplementary question, Mr. Speaker. -- (Interjection) -- Well, it's somewhat jocular to the members. This is a serious question. I made enquiries this morning and that's the information I was given and I could hardly believe it. This is discrimination against people who drive cars and ride motorcycles.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I'd like to lay on the table the Annual Report of the Manitoba Farm Loans Association for the period ending March 31st, 1969.

Mr. Speaker, while I'm on my feet, I wish to draw to your attention Debates and Proceedings for Tuesday, May 26th, 1970. Speaking to the Legislative Assembly on the subject of mercury pollution in the Assiniboine River, I am quoted as stating that the actual source of pollution is now - that's n-o-w - known. I am sure that this is an error and that I actually stated that the source is not known - n-o-t. There is a substantial difference in meaning in the two words and I want to make it clear.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I have a question to direct to the Honourable the Minister of Municipal Affairs. Could he tell us what criteria or formula is being used in Northern Manitoba to assess the various communities that are presently being assessed in Northern Manitoba?

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs)(Selkirk): Specifically in what respect, if I could

MR. FROESE: Well, I think it's for the first time that some of these communities are being assessed, and what criteria is being used in making those assessments.

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

ORDERS OF THE DAY

MR. SPEAKER: Adjourned debate on second reading on the proposed motion of the Honourable Minister of Mines

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

MR. SPEAKER presented the motion.

MATTER OF GRIEVANCE

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

MR. GRAHAM: Mr. Speaker, I rise at this time on a question of grievance. In my area last evening, in the Village of Strathclair, the people of that area were informed that the twinning program which had been arranged through the Centennial Corporation, which allowed children from the rural area to come in and visit the City of Winnipeg and students from the City of Winnipeg to go out and visit for a week in the rural areas, they were informed that this program had been cancelled, that they were unable to carry forward the program that had been started. After questioning, the reason given was the fact that the teachers in the City of Winnipeg had adopted a work-to-rule program and the program that had been laid out with the cooperation of the Centennial Corporation to utilize the time of the students while they were in the city for one week involved the extra-curricular use of teachers to provide guidance for these students when they were making the various tours throughout the City of Winnipeg.

Now, Mr. Speaker, I realize that the teachers have rights when it comes to dealing and everyone expects those rights. They expect those rights to be used properly and in the interest of all concerned, but in this particular case I believe the teachers are using their rights strictly for their own use and the students are the ones that are suffering. When students become the innocent pawn in negotiations between school board and teachers, then I think it is time that government take action. We have the appropriate methods to take action. It's all laid out in the Public Schools Act, the Minister has the authority, but so far he has done nothing and this is now affecting many students both in the City of Winnipeg and also in the rural areas.

Mr. Speaker, many of these students in rural Manitoba have never seen the City of Winnipeg. They were being offered, through the Centennial Corporation and the Department of Education, a program where they would spend one week in the city as the guest of the various schools. They would become a part of the community, the urban community, something which was entirely foreign to those children before, and by becoming a part of that community they would be better able to understand some of the problems that are foreign to them in rural Manitoba, and I think it is a shame that these students are now going to be denied that privilege.

And likewise for the students in the City of Winnipeg, there are many of them who have never seen a farm, have never lived in a small community where everyone knows who their neighbours are, what they do and everything about them. This is something that the people of the City of Winnipeg, the students anyway, will now not be able to take part in, or if they do take part in it, it will be at considerable inconvenience to the rural people because they will be taking in additional students without being able to move an equal number into the urban area. So I think that in that respect it is a matter of urgency and it's certainly a matter of concern to me as one who has spent years in the service of education in this province, and I'm sure there are many other people besides myself who are concerned with this particular problem.

Now it was a little surprising to me to find that the Minister who is charged with the responsibility for the Centennial Corporation was not aware earlier today of this situation, and I would urge him to become aware of it and to use his good office to do something about this situation. We have seen instances in the past where there has been some confusion with regard to other centennial projects, and if this one blows up in our face, I would certainly hope that it does not do anything to detract from our centennial celebrations for the summer.

Now perhaps we should look at some of the reasons why the present situation is at the

(MR. GRAHAM cont'd.). . . . condition it is, where we now have teachers adopting a work-to-rule attitude. Under our public school system and the Public Schools Act, there are various steps that have to be taken towards the bargaining for the rights of teachers and the rights of schools boards to hire teachers. We have seen the teachers in the past object to the merit system of rating. -- (Interjection) -- We have seen some teachers in the past object to the merit system of rating. We have seen others quite willing to accept it. This question has been discussed at many meetings of both the Teachers Society and the Trustees Association. I know I have sat in on several where that subject has been discussed. The subject has gone on for several years and we have still not come to any agreement on that subject. There has been little progress made in that field. We have seen attempts made at regional bargaining on the part of schools boards which has not met with

MR. SPEAKER: Order, please. I'm finding it rather difficult to determine whether the honourable member is still speaking on the grievance related to the matter of twinning or is he introducing another matter?

MR. GRAHAM: Mr. Speaker, this is all tied in with the grievance on the part of the teachers on their work-to-rule and the results that it has on the twinning program.

At the present time in the Province of Manitoba we have 47 school divisions. There are 4 in the City of Winnipeg, in the Metro area, who have settled their contract negotiations. There are 16 in rural Manitoba, including the northern one, so that 20 out of 47, not quite 50 percent have settled their salary negotiations. More than half of the province is still not settled in the matter of teacher salary negotiations. At the present time there's one school division which has not reached the stage of conciliation; there are 4 school divisions that are presently under conciliation; and there are 22 who are awaiting arbitration. Now under arbitration there are certain procedures to go through, and at the present time I understand there are 6 divisions where arbitration has now commenced. Some of these divisions have waited as much as three months for arbitration.

However, there's one serious flaw in our educational system, Mr. Speaker. We can only have seven members appointed to a panel and from that panel the Chairman can be appointed. Now the members on this panel are selected jointly by the Teachers Association and the Trustees Association. They are men that are highly respected and they are, I think, eminently qualified to act as arbitration chairman. However, we only have seven of them and at the present time one is sick. There are 22 school divisions at the present time waiting for arbitration. According to the Public Schools Act we can only have seven. At this rate, Mr. Speaker, I think it could be a long time before all the school divisions settle their differences and I for one think that the Public School Act must be changed to allow additional members on this panel.

MR. SPEAKER: Order, please. I'm anxiously awaiting to hear the honourable member relate arbitration procedures to the twinning program.

MR. GRAHAM: Thank you very much. . . .

MR. J. WALLY MCKENZIE (Roblin): On a point of order, Mr. Speaker, on a grievance he can speak on any subject he wants.

MR. SPEAKER: The honourable member is correct.

MR. GRAHAM: Mr. Speaker, I will get back to that but I have to outline what is happening at the present time. I think the Public Schools Act has to be changed to allow more members on this panel; seven is not sufficient. However, even though these members on this panel have been nominated by the Teachers Association and the Trustees Association, we find at the present time that in two cases the nominee of the Teachers Society has refused to accept any of the panel judges as being acceptable chairmen.

MR. RUSSELL DOERN (Elmwood): How do you know? How do you know?

MR. GRAHAM: Now, Mr. Speaker, the only resort left after that impasse is to apply to the Chief Justice who has the authority to pick anyone he wants as chairman and in his case then nobody can disagree. However, is it necessary that we have to go as far as the Chief Justice of the Province of Manitoba to settle a dispute between a Teachers Association and a Trustees Association, not once but maybe 20 or 30 times during the course of a year? I think that this is probably a little too much to expect of the office of a Chief Justice.

There have been attempts made at setting specific dates throughout the calendar year so that we could have an orderly arrival at agreement on these things. In many cases, members of one or either side have objected to an orderly procedure of this nature. However, I feel that with school boards and municipalities, and indeed this Legislature, facing definite time limits

(MR. GRAHAM cont'd.). . . . when we must know how much money we're going to spend, that we have to have definite final dates to arrive at a settlement. At the present time, the reduction in the grant system that we had in this session has further tied the hands of school boards. Lack of money makes it an increasing problem when trying to settle disputes. We have seen the Minister taking no action as yet, that I can see, in the Winnipeg area. You've had considerable time now and I would urge him to use his good office as often as possible to ensure that we get adequate results.

At the present time, this is the end of the academic year. If the teachers continue in their work-to-rule program, while we realize that in many schools the need for year-end exams has diminished and in some cases been eliminated, the students are still facing their year-end exercises, their graduation exercises, their track and field meets and various other activities which come outside the normal school hours, and I think it could be placing quite a strain on the relations between parents, teachers, students, school boards and government, if the situation that exists today is continued much longer.

But, Mr. Speaker, my immediate concern was for the people of my constituency. I realize that there are some people in this Chamber who are more familiar than I with the situation in the Winnipeg area, and I feel that I can only speak on this as it affects the students and the parents in my constituency.

MR. SPEAKER: Are you ready for the question? The Honourable Minister of Cultural Affairs.

MR. PETURSSON: The Honourable Member for Birtle-Russell mentioned the twinning program. After having asking me a question on it, I suggested to him that I was not aware of any interruptions having taken place in that program. I'm still not aware of any such interruption. If the honourable member knows of any specific instances, I would be very happy to get that information from him. But let me assure him that as far as the Centennial Corporation is concerned and my department, there is no interruption and the intention is to carry on that program fully and as completely as possible.

As an instance, there were two or three classes as a part of the twinning program in the galleries today. They were named by the Speaker and they were given welcome to the House. I have a young granddaughter who is in a class that has been designated as part of the twinning program and she is now out in the country, in one of the country points in a school there, enjoying the hospitality that is being provided for children taking part in these twinning programs. There is a youngster in the city who has come in with a class from out in the country who is a guest in my son's and daughter-in-law's home as a part of the twinning program. This is a program that was instituted for the very purposes that the honourable member mentioned, of acquainting people who live in rural parts, children in rural parts, with city schools and city ways and city attractions and city people, just as it is the plan to acquaint city children with the rural areas and the schools in the rural areas.

If the program has been interrupted as a result of the present dispute between teachers and schools boards, that does not come under the jurisdiction of the Centennial Corporation or the program that has been instituted by it in exchanging classes, and the program will go on to as great a degree as the circumstances will permit. So I say there is no interruption, it is no plan on the part of the Corporation to discontinue or to interrupt the programs.

During the Centennial Year of '67, the Canadian Centennial Year, there was a program that was known as Students Exchange Program in which students in the higher grades travelled from one part of the country to another, from the east to the west coast and north and south in any number of combinations, and after the Canadian Centennial that program was carried on under the name of the Voyageur Program and it had such great success that it was felt that it would be unfortunate to drop it. That program is also being continued. I have a grandson who is participating in that program with his class in high school visiting in Saskatoon, with a class from -- or a group from Winnipeg, and in the same way there is a group visiting Winnipeg under that same program.

MR. BILTON: . . . if the Minister is speaking on a point of grievance.

MR. PETURSSON: I understood, Mr. Speaker, that this was the grievance that the Honourable Member from Birtle-Russell was raising, that there had been an interruption or a cancellation of the twinning program.

MR. BILTON: Answered his question and giving a speech.

MR. GREEN: Mr. Speaker, on the point of order, there is no doubt whatsoever that when

(MR. GREEN cont'd.) a grievance is raised it becomes an issue for discussion and any person can discuss it. And it has been the habit in the House where a person has raised a grievance for a Minister to get up and talk about it.

MR. BILTON: The floor was given to one honourable member and one honourable member only to speak on a grievance. I don't see how it can be carried much further.

MR. GREEN: Mr. Speaker, that is certainly not the rule.

MR. PETURSSON: If the honourable member was asking for enlightenment, I'm trying to enlighten him.

MR. GREEN: They don't want enlightenment.

MR. PETURSSON: He asked the question and I answered it earlier during the question period and then he raised it as a matter of a grievance, or as a grievance. If he wanted information, I have been giving him the information; if he doesn't want it, that is his privilege; but I have gone as far as I think I care particularly at this time to go. I'm not going to enter into the other area in which he was developing the matter of difficulties arising between school teachers and their administrative boards.

MR. SPEAKER: Are you ready for the question?

MR. GRAHAM: Mr. Speaker, in answer to the Minister's question

MR. SPEAKER: I don't believe the honourable member has the right to speak again.

MR. GREEN: Mr. Speaker, on a point of order, there is no

MR. SPEAKER: Are you ready for the question? The Honourable Member for Winnipeg Centre.

MR. BUD BOYCE (Winnipeg Centre): Mr. Speaker, the Member from Birtle-Russell's remarks give rise to a grievance on my part in that his remarks are, in my view, an epitomization of an attitude which I for one can't condone. Somebody remarked yesterday that we were sitting rather quiet, some of us, with our views on many things, but one of my views is many of the things that we have done heretofore in this Legislature have been important. I think automobile insurance is important; I think northern affairs is important; I think the Manitoba mosaic is important; but in my view, one of the most important things we have to deal with is human development because if we haven't got social order, then these things become irrelevant.

I say human development rather than education because, in my view, this is what we have to talk about in this point in time, and one of the things that I would suggest to this Legislature is that we can no longer hide behind Departments of Education, Ministers of Education, Advisory Boards or anyone else. You know, the buck stops here, and when the Member from Birtle-Russell raises a point - and I think he has got a grievance in that something has happened to cause the system to break down - but I would suggest that the place that he places the blame may not be where it should actually be placed. I suggest the blame rests here, right here with us. Each member of this group, including myself, is responsible in human development. You know, since becoming a member of this group, as the Member from Portage la Prairie said yesterday, he's got to know some people rather well and he considers some members on this side friends of his - I hope I'm one of them - and I would no more think of hurling a charge or irresponsibility at any member of this House than I would of flying to the moon. But what I want to point out to you and this point that I'm trying to make, is that we have to become more responsible, and if we are going to build a society we have to be responsible to the people who elected us because they have a right to demand of you and I, where are you taking us, and one of the biggest instruments of taking anybody anywhere is your educational system which, as I suggest, should become one of more of a developmental system.

I could stand today and mention many points of grievance. One point, when I think of Dr. Ralph Pippert leaving the Department of Education, University of Manitoba; when I think of Dr. Taylor leaving the Faculty of Education at University of Manitoba. In my view, my involvement in life in Manitoba, this is much more important than any other group that might leave this province, because in my prejudiced opinion - I will admit it's prejudiced - I think one of the greatest contributors to development in Manitoba in the past few years has been Ralph Pippert.

But we are talking about responsibility. The Member from Birtle-Russell raises a point of education and educators. You know there's very much confusion in our society today and I up to the first of this year was a teacher involved in the system and I would ask the people of Manitoba to tell the teachers what they expect of them for one thing. The teachers should know. You know, perhaps it's not as important as I view the situation but in arguing or discussing a matter with a friend of mine from the press the other day, I raised a point - we were talking

(MR. BOYCE cont'd.). . . . about this Bill 75 and in my view I said that I was opposed to expansion of the advertising hours in that I thought it was a means of inculcating people with habits because it was identifying alcohol with having a good time. So I asked him, what contribution is the press making to education in the 1970's? Is the press willing to accept their responsibility in education? Is the press willing to evaluate their contribution to education in the 1970's? I think this is something that they should address themselves to. I suggest that the sociologists should give us some information on what education is in the 70's. I suggest the psychologists should give us some information what education is in the 1970's. And when I say us, I mean every cottonpickin' member in this Assembly because it is your responsibility and it is my responsibility, but before you can discharge this responsibility you have to have the information and you have to assess the information, and after you have assessed it, then it becomes your responsibility to evaluate it relative to your personal philosophy. But for somebody to stand up in this House and say, you know, because of a breakdown in the negotiating system between the teachers and one school board in the province, I think this is ludicrous. To say teachers are opposed to merit rating. Teachers have never been opposed to merit rating; all they have said is come up with a workable system; not a demerit system, but a merit system. There are many things happening in education around all of us and I would suggest to the members of this group that many of you have absolutely no idea what's going on, and not only that, most of you are unwilling to accept your responsibility in my view.

People stand up in this House and we spend more time talking about agricultural problems, which is important, but they're problems over which we have very little control. Wheat sales, for example - we spend hour after hour, and somebody stands up here and asks a question on a farm, somebody may respond to it and the question comes flying across - "What do you know about farming? You're a turkey farmer, or you're a potato farmer." Well we got the bull farmer from Lakeside here, he isn't here today, we know what he does with ~~his balls~~ but he brings all his by-products in here to spread around. We got more authorities on insurance flying around in this House right now. Everybody's an authority on insurance. I would ~~suggest~~ suggest....

MR. BILTON: Mr. Speaker, I just don't know how to deal with this matter but the honourable gentleman is not making any reference to what my friend said here whatsoever and I wonder if you are going to continue this debate to go on in this manner.

HON. LAURENT L. DESJARDINS (St. Boniface): Order, order. You've lost your job. Order.

MR. BILTON: What's it got to do with it? Shut up, -- (Interjection) -- Yes that's where yours has been a long time.

MR. BOYCE: Well with all due respect to my.....

MR. GREEN: Mr. Speaker, I thought that the member who was speaking was being rather eloquent and developing a point.

MR. BILTON: I understand you ~~gave~~ gave the floor to the Honourable Member for Birtle-Russell. I don't think it has any license to be given to the honourable gentleman to be speaking on the subject that he is speaking on at the moment. He's not referring to my honourable friend's statement at all.

. . . . continued on next page

MR. SPEAKER: My interpretation of Beauchesne, and I would like to refer to Section 234 subsection (2), once debate has concluded on one matter and another matter intervenes, members cannot again discuss the former, and I interpret this to mean that it presumes that debate may continue on one matter for some time. However, once another matter intervenes by way of grievance raised by another member, then debate may not be revived on the former matter. Now, my impression is that the Honourable Member for Winnipeg Centre is debating the matter raised by the Honourable Member for Birtle-Russell. -- (Interjection) -- My interpretation is that he is merely referring to agriculture in the process of illustrating or elaborating on some points related to the topic that he is debating.

MR. BOYCE: Thank you, Mr. Speaker. With all due respect to the former Speaker, I'm glad we came. Well you see he's learned -- I forget what I was going to say now, so you accomplished -- he's pouting now? Well, I won't pout. Oh there he is; I missed you. But the only point I wanted to make, the only point I wanted to make -- before I go on I will make this one point. The Member from Swan River may disagree with me on anything that he wants to disagree, I still insist upon my right to voice my opinions in this Chamber.

MR. BILTON: Mr. Speaker, I want it thoroughly understood that I did not dispute the honourable member's right to speak or the Honourable Member for St. Boniface . . .

MR. DESJARDINS: Order, order, order.

MR. BILTON: . . . who rudely interrupts me every time I get up, and I'm not going to take it from him or anyone else. Shut up.

MR. SPEAKER: I believe that this matter has resolved itself in the last ten seconds. Would the Honourable Member for Winnipeg Centre proceed?

MR. BOYCE: I certainly won't model my parliamentary decorum after the former Speaker. But to sum up, Mr. Speaker, in my view -- (Interjection) -- well you want to help me with my debate? Do you want to comment?

MR. SHERMAN: On a point of order, Mr. Speaker, there's so much noise adjacent to me here that I can't hear the debate.

MR. GREEN: As we sometimes do in court, I think the records show that adjacent to the Member for Fort Garry sits the Member for Swan River.

MR. BILTON: I don't think that that requires any remarks from the Honourable Leader of the House. He's busy enough.

MR. BOYCE: I don't know, Mr. Speaker, but a fellow stood up in the United Nations, he banged his shoe with a desk . . . I'd just like to sum up my speech, comments -- perhaps that's what should be done . . . But really, in my view, as far as education is concerned, and I see the Minister of Education has ducked out on me; I think he thought I was going to say something, but not in this session because we have too much work to do; but I would ardently hope, I would ardently hope that early in the next session that we can certainly address ourselves to the educational problem and the direction which our human development or socialization, ramifications of our educational system have to be -- I've got lots of help today.

I'll sum up with this, that in the next session of the Legislature I would like to see a task force established in education into which every group of the community could make representation to Number 1, lay out, delineate their responsibilities and their willingness to make contribution, such as the press, the business community, the faculties of the universities. All groups, welfare groups, all groups could make representations to this task force and this group could accept the responsibility, get their information, evaluate it, and come to some conclusions so that people would know what the system is all about and what it should be responsible for.

MR. SPEAKER: The Honourable Member for Emerson.

MR. GABRIEL GIRARD (Emerson): Mr. Speaker, I too would like to rise on a point of grievance which is closely related to that which has been announced by two of the previous speakers, but I wish also to have included that in some little way I would like to mention, if possible, the things that might have been mentioned today by my honourable colleague from Riel had he been able to have his position heard. I can't but feel a bit sympathetic with the honourable member, and I in no way, Mr. Speaker, wish to quarrel with your ruling; in fact, I'll be very careful not to. However, I cannot hide the bit of frustration that I shared with the honourable member when he was thwarted by the rules of the House in expressing an opinion which I consider quite valid and important.

I think that we are at a stage in the education system being exercised in Winnipeg which

(MR. GIRARD cont'd.) we can say is one of emergency. I am deeply involved in education, as most people know, and I am very interested in the developments that are occurring in spite of being outside of Winnipeg, but I do challenge, Mr. Speaker, that this is a situation which can be considered an emergency. We have in the recent years given more responsibilities to the teachers, justly so, and we have in our system given more responsibilities to the divisions and the schools, and justly so, and I'm a little concerned, Mr. Speaker, as to whether exactly all these are being taken the way they should have been.

Today we find a number of students who should be in school at a time in the year when we know, through past experiences, that it is important that they be in school and these students, rather than being where they ought to be, are encouraged by circumstances to be elsewhere voicing an opinion, which maybe is the right kind of thing, however at the wrong time.

MR. DOERN: Classes are still being held.

MR. GIRARD: Mr. Speaker, I am well aware that classes are being held but they are much more fruitful to students, I would hope, when the student is there. From my experience this is what I would judge. Yes I understand, Mr. Speaker, that's questionable and I can only speak from my own experiences. I'm very sorry, I can't judge from the experiences of the other members. I wish not to put on the shoulders of the Minister of Education more blame and responsibility than rightfully belongs there, but I would like to say, Mr. Speaker, that he has failed the people of Winnipeg and the people of Manitoba in that he hasn't issued and enunciated very clearly what the position is today, and there are many people in Winnipeg . . .

MR. HARRY SHAFRANSKY (Radisson): On a point of order, Mr. Speaker, it seems that the Honourable Member for Emerson, who is my constituent, if he had any complaint he has never come with any complaints to me at any time.

MR. GIRARD: Mr. Speaker, might I just comment on the inefficiency of my good-looking member and might I suggest that I was frustrated and therefore I'm seeking another alternative.

I would like to say that the Minister, in my opinion, should have voiced very clearly the situation that exists today to the people of Manitoba and not assumed the responsibility - that's not what I'm asking him to do - of taking one side or another, but of saying on such and such a day I received, I received from my conciliation officer notice that negotiations have been broken and that arbitration will likely be necessary, and we didn't have to wait a period of weeks; and I suggest to you, Mr. Speaker, it has been a period of weeks since the Minister of Education knew that the conciliation was broken and it was not necessary to wait for the school board to suggest to the Minister, "Now, just according to your rules and regulations, maybe you should be appointing an arbitration board." I suggest, Mr. Speaker, that this should have been done a while ago. -- (Interjection) -- I suggest that he waited - if I might just answer the question - because it might well be politically expedient not to be mixed into this kind of situation if you're a Minister and I can well understand this, but I suggest that nevertheless the people and the parents ought to know what the situation is at the moment.

MR. DOERN: Listen to the news tonight and you'll find out.

A MEMBER: Still a big joke, eh Russ?

MR. GIRARD: I might suggest to the Minister that had the proper course of events taken place during the session of last year after he assumed the portfolio, had the proper course of events occurred rather than lowering the general mill rate, had the school boards been given an increase in their grants the way I think they should have been and the way I explained at length they should have had, it might well be, Mr. Speaker, that the situation would be a little better. It might well be that the school board would be in a better position to negotiate. I suggest that it might well be that the Honourable Member from Winnipeg Centre is perfectly right when he says every cotton pickin' member in this House is responsible to some degree, and I would underline the fact that maybe the Minister in that case was a little more responsible than most other members. I would be delighted to go into the justifications of leaving the mill rate where it was because I'm convinced that we went in the wrong direction when we lowered that general mill rate, but I don't think this is the proper time to do so.

There's another important factor that should be considered in view of the situation, and that is the passage of Bill 59 which placed the responsibility of school attendance on the shoulders of school divisions. I am wondering, Mr. Speaker, if the Winnipeg School Division, if the school board is aware that they are in fact now responsible for school attendance.

MR. SPEAKER: May I remind the honourable member that our rules prohibit reflecting on a decision of the House.

MR GIRARD: Mr. Speaker, I don't quite understand what you mean.

MR. SPEAKER: The bill to which the honourable member has made reference has already received Royal Assent.

MR. GIRARD: Yes, Mr. Speaker. Maybe I am not clear in what I am trying to suggest.

MR. SPEAKER: And that bill was passed during this session.

MR. GIRARD: Yes, and it is the executive responsibility of the Minister to see that the information that that bill has been passed reaches the school board and that they are well aware that the responsibility is now theirs and not the Department of Education, and this is the point I'm trying to make. If those responsibilities had been channelled, if the school board knew and the teachers knew and the administrators knew, it might well be that they would be even more concerned about the truancy that exists today. -- (Interjection) -- I'll seek the advice of my guidance counsellor before I answer you.

HON. SAUL A. MILLER (Minister of Youth and Education) (Seven Oaks): Mr. Speaker, I wonder if the member would permit a question?

MR. GIRARD: Yes.

MR. MILLER: I wonder if he's aware that the amendments to the Act referred to by him in no way alter the obligation of the school board; in no way at all.

MR. GIRARD: Well, Mr. Speaker, if that is the case then no one assumes the responsibility of the attendance of students at school.

MR. MILLER: . . . always been the responsibility of the school boards. -- (Interjection) -- Under the Act. I'll take you aside and show you.

MR. GIRARD: This would mean that the Attendance Officer of the province was absolutely redundant.

MR. MILLER: That's why I eliminated him.

MR. GIRARD: Well thank you for your explanation. I'm not entirely convinced that in practice this was the case.

MR. MILLER: . . . only for prosecutions.

MR. GIRARD: I'd like also to indicate a few thoughts with regards to the teaching that is occurring in schools now and the question of who should be teaching what or what should and should not be taught. I have heard recently many comments with regards to the introduction of politics in school and some say it's good and others say it's not, and I wish to emphasize very clearly that I believe quite firmly that indoctrination in school is unjustified and undesirable. Now this can mean politics or other matters, but if it means indoctrination, it ought not to be in school.

MR. SPEAKER: Order please. The Clerk informs me that the subject which the honourable member is presently raising has been discussed in the House on June 1st by the Honourable Member for St. Matthews.

MR. GIRARD: Thank you, Mr. Speaker, and I acknowledge that it has. I acknowledge that it has and I will not deal with that subject area as much as I intended to do so. Just one other matter I would like to bring with regard to attendance and with regard to the fact that we are in a very undesirable position at the moment with negotiations going on. It seems to me that teachers are duty-bound, as professional people, to do the best possible thing as far as their job is concerned in the circumstances given to them, and it would seem to me that if they must take drastic action, then it ought to be for as short a time as is deemed necessary or advantageous. I think that because teachers in the last while have become employees of a large system, they have tended to a large degree to become, in their own way of thinking, a little bit like the civil servant, and I think the teachers have become a little bit lulled into a sense of security and comfort, and I would suggest that it might be advisable that responsibilities be shifted in their direction. And I say this, Mr. Speaker, while being very sympathetic to the Society, a society which I believe functions well, but I say this with sincerity; I have examined it quite closely.

I'll go a little further, Mr. Speaker, and I would suggest that in a time of plenty, when the supply of teachers is plentiful, that the present system and the present Society could well be blamed for not having the best possible teachers placed in classrooms, and I would suggest that this is done because of the tenure clause. I have no hesitancy in saying this, Mr. Speaker. I know that this might not be agreeable to members of the Teachers' Society but I challenge to prove that this is not fact. -- (Interjection) -- Very much the same, Sir.

MR. DOERN: Did you opt out yet?

MR. GIRARD: Mr. Speaker, I see no need for opting out. I suggest that being a member of the Society doesn't mean that I should be muzzled. I believe in saying what I think and that's what you have.

Just in closing, Mr. Speaker, might I urge the Minister, might I urge the Minister not to wait any longer but rather to make clear to the people of Manitoba and the people of Winnipeg what the situation is at the moment, how long it's likely to be the way it is, what are the alternatives left, to whom. Might I suggest to the Minister that he has a responsibility to lead the Department and not to sit and watch it go by.

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

COMMITTEE OF SUPPLY

MR. CHAIRMAN: Resolution 62, 1 (a)--passed. Whoops. On the amendment, the Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, there are just one or two things I would like to say to Resolution 62 before we file it in the archives and the records of the Second Session of the 29th Legislature, and they arise out of some of the remarks that were made last night during the debate, Sir. You know, the sham and the transparency of this government in the debate on these estimates is really something to behold, Mr. Minister. It's really masterful. It's really masterful. Last night we had the Minister of Industry and Commerce pointing to the growth record, or the relative growth record of the Province of Manitoba in the past twelve-month period. He compared the performance of Manitoba in terms of population shift, in terms of emigration from the province to other parts of Canada, and in terms of business successes and failures with the record of other provinces and he purported to show, and he was aided and abetted by the Minister of Labour who, from his chair, made references to the lowest unemployment rate in the country, he purported -- (Interjection) -- It's very nice to hear, but the Minister of Industry and Commerce purported to show, Mr. Chairman, that things have improved substantially in Manitoba in the last twelve months and it's been due in no small measure, if not in total measure, to the administration of the present New Democratic Government occupying the seats of power and decision . . .

MR. PAULLEY: How true. How true.

MR. SHERMAN: . . . in this building.

MR. PAULLEY: That's the best statement you've made this session.

MR. SHERMAN: Well it's an interesting thing, Mr. Chairman. You know, when we ask this government what about some of your election promises, when we talk to them, for example, we humbly and modestly bring up some of the blatant, garish promises that were circulated . . .

MR. CHAIRMAN: . . . the member . . . from the Department of Industry and Commerce.

MR. SHERMAN: I assure you I'm not, Mr. Chairman.

MR. CHAIRMAN: Well I hope that you're not.

MR. SHERMAN: When we bring up some of the more spectacular pledges that were included in the handbills distributed by this party now the government, formerly just one of the opposition parties, in the campaign a year ago - and I make specific reference here, for example, to the campaign promise to deal with the real property taxation situation for elderly and infirm - what is it that we get in the way of a response? What is it that we elicit from this government every time, Mr. Speaker, when we raise a question like that? Well I'll tell you what it is, Mr. Speaker. What we get every time is an apology, an apologia for the fact that they haven't been in office very long. "We haven't been in office long enough to do these things," they say. "Give us time, Mr. Chairman; give us time. How can a government that's only been in office eight, nine, ten, twelve months be expected to implement some of these promises that we made? How can we expect it to follow through and honour election promises that we made, because ten, twelve months, that isn't enough time, Mr. Speaker." But then, when the emphasis in the equation and the perspective is turned around the other way to the economic situation and the industrial situation in this province and the difficulties that we feel legitimately, that we realistically and legitimately feel our Manitoba economy is experiencing, then all of a sudden the Minister of Industry and Commerce pulls out of the hat a number of

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(MR. SHERMAN cont'd.) figures, a number of indices, pointing to Manitoba's performance in the last few years. And suddenly, suddenly, lo and behold, the great transformation has taken place, Mr. Chairman; this government has had ample time to do all these things! This government has had ample time to improve the emigration-immigration picture; this government has had ample time to keep the unemployment rate down; this government has had ample time to improve business conditions and to reduce business failures, and to improve the general gross provincial production. And so it -- (Interjection) -- And to improve the birth rate, my colleague from Morris interjects.

MR. WALLY JOHANNSON (St. Matthews): Ah, you fellows are growing old.

MR. SHERMAN: You know, it's passing strange, Mr. Chairman, that the administration is able to draw the kind of inference that it wishes to draw to suit and buttress its own arguments, and those inferences turn out to be diametrically opposite depending on the case being made, being built by the people of this province and by the Opposition in this Legislature. And that's why I say that the position taken by this government in this debate is a sham and a transparency, and I have no hesitation in saying it, Mr. Chairman, because we are continually thwarted and frustrated in our attempts to encourage and urge this government to implement some of the promises that it made during the election campaign, or at least in our attempts to elicit answers from them as to why they haven't done so, and the total argument always is the one that I've referred to, about the requirement for more time. I suppose two or three years from now they'll be saying the same thing, Mr. Chairman - that they need more time.

MR. PAULLEY: And we'll still be here.

MR. SHERMAN: But only on that side of the . . .

MR. PAULLEY: We'll still be here three or four years from now. Thanks for the admission.

MR. SHERMAN: My colleagues remind me that they may well not be here or in a position to say so. They still, however, might have to answer to their supporters and other Manitobans two or three years from now as to why they did not do the things they said they would do, and I'm sure their argument then will be, "There wasn't time; we didn't have long enough." But point to any improvement in the economic picture which can demonstrably be shown to be the result of ten years of Progressive Conservative policies and administration, point to that and suddenly, even though they've only been in a few brief months, suddenly even though the candle has only been flickering briefly, they take the credit for it. "These are the achievements of this administration." Well, it's an interesting, it's certainly an interesting exercise in the twisting and the diverting of the facts of a situation, Mr. Chairman, and I think that the members of the Treasury Benches who were responsible for this kind of devious argument should be brought up short and called to account for it, and the hypocritical position that they've taken in this argument should be on the record, and reference to it should be on the record. The Minister of Industry and Commerce, as I say, takes great pride in arrogating unto himself all the credit for the performance of the last few years in the economy.

MR. BOYCE: Mr. Chairman, . . .

MR. CHAIRMAN: The Honourable Member for Winnipeg Centre. You have a point of order?

MR. BOYCE: This "hypocritical" again. I thought we agreed yesterday that this was unparliamentary. Would the member mind withdrawing that word?

MR. SHERMAN: Mr. Chairman, if I may speak to that objection, I see nothing wrong and have seen nothing wrong, or have seen no objection in this Chamber to use of the term "hypocritical" in its application to an approach. I think if it's applied to an individual it comes into a more questionable category as far as parliamentary language is concerned.

MR. CHAIRMAN: I don't think the word in any usage is appropriate and I would ask the member to withdraw it.

MR. SHERMAN: Well, Mr. Chairman, I don't -- Mr. Chairman, I don't wish to make things difficult for you in your position in the Chair, and I am prepared to withdraw the remark. I don't believe that in its application it was as uncomfortable or discomfoting as some members opposite may think, but I'll withdraw it, Mr. Chairman, and replace it with the term "devious" and replace it with, yes, replace it with the term "devious" because it is a devious approach; it is a devious approach for the government on the one hand to claim . . .

MR. JOHANNSON: Mr. Chairman, on a point of order. I don't believe the term "devious" is parliamentary.

MR. SPIVAK: Mr. Chairman, speaking to the point of order. I think there has to be a clear understanding, the Member from Fort Garry has already referred to it, from the description of an individual as devious or hypocritical and the description of an approach, and I think there is a distinction and I think this is understood, and therefore I do not think the Honourable Member for Fort Garry is out of order.

MR. CHAIRMAN: Well I believe that the Member for Fort Garry has observed the suggestion of the Chair and has withdrawn the comment. I don't know if it's particularly useful for members to then adopt the practice of finding synonyms which are equally, let's say, difficult, but I do know that the word "hypocritical" is not parliamentary. The word "devious" may be equally bad but I do not feel that I can make judgment on every synonym. It's difficult to do but I . . .

MR. SHERMAN: Well, Mr. Chairman, I think the objection entered by the Honourable Member for St. Matthews is totally illogical. The word "devious" is not unparliamentary either in this Chamber or any other that I know of in this country, and the fact of the matter is that it's a highly questionable tactic for this government to take the stand to which I've referred, where it arrogates the credit on to itself for a certain performance in a certain period of time because it suits its argument and its position to do so, and repudiates any responsibility for anything else that it should be doing in that time, on the grounds that it hasn't had sufficient time to do it. Now that may not be devious in the vocabulary in the library of the Honourable Member for St. Matthews, but, Mr. Chairman, in my library it is devious.

Mr. Chairman, some of the things that the Minister of Mines and Resources had to say last night were extremely interesting and I'm sorry that we don't have the last night's copy of the Hansard available to us yet, last night's -- oh, did we just get last night's? Well, I don't want to misquote the Minister of Mines and Natural Resources but it seems to me that in the course of his remarks he argued that the competitive free market system, the free enterprise or free economy system in industrial terms, had not been successful. Now I may be misinterpreting his remarks but this was the inference that I drew from them, that the system had not been successful.

Well, I don't know where he thinks other systems, economic systems of the massive responsibility that the free market system has had in North America, have operated with a better record. I don't know what societies he feels have profited more fully, more substantially in economic terms, although he did cite Sweden as an example, and I think somebody, maybe it was my, I think it was my colleague from Swan River who perhaps unjudiciously suggested Siberia as an example. I stand to be corrected, but I have not seen any evidence of waves of immigrants, waves of the world's tired, hungry and poor fleeing from the shores of North America, and fleeing from the shores of Australia, and fleeing from the shores of Japan, and emigrating either to Sweden or to Siberia. I may be wrong, but I've seen no flood tide of emigration to either of those countries and I think that the judgment as to whether those economies, faced with the pressures that the economies in North America have been faced with socially, culturally and geographically, I've seen no evidence that those economies should function anywhere near as successfully as the free enterprise economy has done on this continent. I think the Minister's remarks in that respect are totally incorrect and incapable of standing up under scrutiny and examination. I have no brief to make for the United States as far as the social and cultural situation in that country is concerned, Mr. Chairman, but I do think that the free market economy, the free enterprise economic system has been refined and honed to a degree in the United States where it has achieved unquestionable success in terms of material production, and I would just like to acquaint my honourable friend the Minister of Mines and Resources with the steps that Americans would have to take, the things that Americans would have to do to enjoy the same privileges, economically speaking, as the people of the Soviet Union enjoy, for example. For Americans to enjoy the same privileges as the citizens of the Soviet Union they would have to abandon three-fifths of their steel production capacity . . .

MR. GREEN: Mr. Chairman, I have no objection to my honourable friend doing this but, on a point of privilege, I hope that he is not suggesting that I had emulated that the Americans should be like the Soviet Union.

MR. SHERMAN: No, Mr. Chairman, I'm not suggesting that the Minister of Mines and Natural Resources said Americans should be like the Soviet Union, nor am I saying that we should be like the Americans, but we are confronted in the world today with a struggle of

(MR. SHERMAN cont'd.) two Titans in philosophical, economic, political terms. And I'm challenging the Minister of Mines and Resources on his assertion last night that the free market economy, the free enterprise system, had never been successful; and what I'm saying is that if the citizens of the United States wished, for example, to enjoy the same kind of privileges as the citizens of the Soviet Union do - and Siberia is a part of the Soviet Union and Siberia was mentioned in the argument . . .

MR. BOYCE: By your side.

MR. SHERMAN: It was not refuted or refused by the Minister of Mines and Resources.

MR. GREEN: He didn't comment. He didn't comment at all.

MR. SHERMAN: Well let me tell you, in challenging your statement that the free enterprise economy, the free enterprise system has never really worked successfully, let me just tell you what the Americans would have to do to enjoy the same privilege, as I've said, as the citizens of Siberia and others in the Soviet Union. They would have to abandon three-fifths of their steel production capacity; they'd have to scrap two-thirds of their petroleum producing capabilities; they'd have to stop 95 percent of their electric motor output; they'd have to destroy two-thirds of their hydro electric plants; they'd have to sacrifice 90 percent of their natural gas reserves; they'd have to rip up 14 of every 15 miles of paved highway; they would have to demolish two out of every three miles of their railroad system . . .

MR. BOYCE: Apropos of what?

MR. SHERMAN: They would have to sink eight out of nine of their ocean-going ships; they would have to cut their living standard by three-fourths; they would have to scrap 19 of every 20 cars; they would have to smash 40 million TV sets - which might not be a bad idea; they would have to remove nine of every ten telephones; they would have to raze seven of every ten houses, and they would have to put 60 million people back on the farm.

MR. BILTON: How do you like that?

MR. SHERMAN: These are some of the steps, Mr. Chairman, that the people of the United States would have to take to enjoy the same standard of living as the people who, through their government, are apparently engaged in the titanic cold war struggle for the minds of men on this planet in 1970, these citizens of the Soviet Union.

Now I don't suggest, and I reiterate, I don't suggest that the Minister of Mines and Resources was citing the Soviet Union as a paragon of economic virtue, but the fact is that these are the statistics of traumatic change that the United States would have to embrace if it wished to enjoy the same standard of living as its arch enemy in cold war 1970, or its arch enemy in, let's say in the cold war of the mid-twentieth century, and in the society which is most consistently compared with its own when one is attempting to arrive at definitions of value and progress.

So I say that when the Minister of Mines and Resources has said that the free market, free economy, free enterprise system has never been successful, he's talking straight rubbish. The free enterprise system, as refined and employed in the North American continent, has delivered the highest index of material production and the highest material standard of living in the history of the world. So although we've heard a lot, Mr. Chairman, about high level diversions and the like in these estimates, consideration of these estimates and other debates before us in the last few weeks, I think the classic low level diversion comes from arguments of this type by the Minister of Mines and Natural Resources when he interjects himself into debates in such a way as to continue to run interference for the Minister of Industry and Commerce, and attempt to obscure the basic issues before the House with a doctrinaire philosophical approach to a subject . . .

MR. HARRY ENNS (Lakeside): . . . attempting to stabilize the dollar.

MR. SHERMAN: Yes, attempting to stabilize the dollar, the Member for Lakeside says, with a doctrinaire philosophical approach to the subject which belies the facts of the case, and the facts of the case are that free enterprise has worked, does work and is working, demonstrably so.

MR. BOYCE: What about the incidence of venereal disease?

MR. GREEN: Mr. Speaker, I wonder if the honourable member would permit a question?

MR. SHERMAN: Yes, certainly.

MR. GREEN: Mr. Speaker, I previously indicated that I made no such comparison as the honourable member who apparently, not having a good argument against me, sets up a straw man so that he could knock it down, but is it not a fact that at the height of the development of

(MR. GREEN cont'd.) the American economy, at its height, the President of the United States, Jack Kennedy, said that every night in the United States 30 million people go to bed hungry, ill-fed, ill-clothed and ill-housed?

MR. SHERMAN: I don't dispute that point, Mr. Chairman, for one instant and I don't think anybody on this side has, and I think the House Leader of the Liberal Party answered the question, by inference, at least, yesterday when he said that no system is as yet perfect, and there are a great many ills and agonies that need correcting. All of us can see that, but I think that for a rigid kind of philosophical statement which really emanates from a doctrinaire position such as that made by the Minister of Mines and Resources last night, for that to be interjected into a debate on the estimates of the Industry and Commerce deserves challenge; and I don't deny that there are millions of Americans who go to bed hungry - I imagine there are probably millions of people in the Soviet Union that go to bed hungry. There are probably a good many people in Siberia or in Sweden that go to bed hungry; certainly a good many people in Mexico and in Africa that go to bed hungry.

MR. JOHANSSON: Mr. Chairman, would the honourable member submit to one more question? Would he tell us how many people there are in Sweden who go to bed ill-fed, hungry, ill-housed? Would he tell us what percentage of the population there is affected by these social problems?

MR. SHERMAN: I won't, Mr. Chairman. I won't tell him. I won't tell him because I don't know.

MR. SHAFRANSKY: So why talk about it?

MR. SHERMAN: But that's typical -- (Interjection) -- I said I won't tell him because I don't know. I don't know what the index of relative poverty is in Sweden, but I know this; as the House Leader of the Liberal Party said last night that no system is perfect, and I challenge, I challenge the Member for Provencher or the Member for - what's his constituency? St. Boniface, I challenge the member who just spoke to prove - the Member for Radisson - to prove to the satisfaction even of his own colleagues, that even the system in Sweden is perfect. It's a complete smoke screen to argue about perfection of systems. -- (Interjection) -- No, I don't think, Mr. Chairman, that the kind of statement made by the Minister of Mines and Resources last night should be allowed to remain on the record unchallenged, because that's the purpose in my making the remarks that I've made this afternoon up to this point.

MR. GREEN: Mr. Speaker, on a point of order, I wish that the honourable member would challenge my statements and not challenge something that he wishes I had said so that it would be easier to challenge. My honourable friend says that I made a doctrinaire speech. At no time did I put forward a doctrine, but I've heard a lot of doctrine today about free enterprise.

MR. SHERMAN: No. The remarks that the Minister of Mines and Resources said last night may not have come in the form of doctrine but they emanate from doctrine, they emanate from doctrine. His doctrinaire position has always been and will continue to be until the end of time, Mr. Chairman, that the free enterprise system cannot work and I challenge that statement, that a free enterprise system can, has and does work and is working.

MR. GREEN: It doesn't, it's never been shown to work.

MR. SHERMAN: Well, I don't expect the Minister of Mines and Resources ever to be able to accept that side or even to listen to that side of the argument, but if he has some time some day to reread Hansard, and reread the list of surrenders in economic terms that I enunciated a few moments ago, that the Americans would have to make to put their economy on an equal footing with that, for example, of the paramount example of state socialism in this world then perhaps he will . . .

MR. GREEN: That's not an example of state socialism.

MR. SHERMAN: Then perhaps he will be able to see the light and appreciate the point that I'm trying to make in the argument, vis-a-vis free enterprise versus state-oriented enterprise.

MR. GREEN: Israel is a better example of state socialism.

MR. SHERMAN: Now, Mr. Chairman, one . . .

MR. GREEN: . . . says that if he was in Israel he would be a socialist.

MR. SHERMAN: One final point, Mr. Chairman. There has been a continuous attempt and a repeated attempt on the part of members opposite, on the part of Ministers of the government, to downgrade and ridicule the kinds of enterprises that my colleague the Member for

(MR. SHERMAN cont'd.) River Heights carried out when he was Minister of Industry and Commerce. There have been all kinds of unflattering remarks made about his beating of the drum, his employment of the drummer boy technique, about the energies and efforts and hours that he expended in promotion. Well it's a curious anomaly, Mr. Chairman, that in the estimates for the Department of Industry and Commerce under Appropriation No. 1 (d) tucked away under the little innocuous heading of "Government hospitality and presentations" which I presume is euphemism for promotion, tucked away under that neat little heading "Government hospitality and presentations" we see that in the year ending March 31, 1970 the appropriation was \$50,000 and in the year ending March 31, 1971 the appropriation is to be \$75,000.00.

MR. EVANS: Has he ever heard of Centennial projects?

MR. CHAIRMAN: the honourable member that he should be strictly speaking, discussing his own amendment which -- (Interjection) -- I understand that, he should strictly be discussing his own amendment which is to reduce the Minister's salary. He should not, he should not be referring to specific items in the estimates since we are discussing general administration and policy, so I would ask him to bear that in mind.

MR. SHERMAN: In any event, Mr. Chairman, I can see that that's not a munificent or a magnificent increase, in fact if it's linked with item 2 (d) on industrial development, promotion, advertisement

MR. CHAIRMAN: I must say to the honourable member that he should not be referring to specific sections in a department since this will come if we ever get past item 62 1 (a), he should not now proceed to go ahead and pick out sums and pick out sections. This is not acceptable in debate.

MR. SHERMAN: Well, Mr. Chairman I'll rephrase my remarks to say that if one scans the estimates in the Department of Industry and Commerce one will observe that there is certainly no cutback scheduled in the area of promotion and advertising and in fact, depending on the way one interprets the listing of the items there might even be a substantial increase. One of the basic objections and criticisms that's been hurled at the former Minister of Industry and Commerce by members opposite and among them one of the foremost critics has been the Minister of Industry and Commerce himself, has been the fact that the former Minister as I said, devoted some substantial attention to promotion.

Now I spoke earlier about hypocritical attitudes and I was forced to withdraw that remark and so I withdraw it again. But, Mr. Chairman, when you've got a cadre of critics sitting over there hurling all kinds of invectives at a former minister for an exercise that this administration, this government is persisting in and pursuing to the same degree, if not in fact, if not indeed expanding, then I ask you are there any terms in the parliamentary lexicon, any terms of derision or ridicule that could be construed as unparliamentary when applied to that group. When you talk about dissembling, when you talk about being devious, this must be one of the classic examples of this Legislature, Mr. Chairman. All the Minister of Industry and Commerce, the present Minister of Industry and Commerce, is able to do in this respect on the basis of an examination of his estimates is to continue at least to the same level of energy and enterprise, if not, to some degree to expand the promotional efforts employed by the former minister who has been subjected by members of the treasury bench since this Legislature got underway to abuse and ridicule of the cruelest and the most unfair nature. -- (interjection) --

Now we're hearing from the Pizza King, the Attorney-General. I'm always entertained by the arguments that my friend the great Pizza entrepreneur brings to debates having to do with enterprise and industry in this province.

MR. MACKLING: At least that's edible; at least you can do something with that. That's not like the garbage you're passing over here.

MR. SHERMAN: He speaks with a lengthy background, lengthy experience in enterprise himself, some of which obviously, Mr. Chairman, may have been tinged more with failure than with success because it's obviously affected the approach that he brings to other enterprises in this province. If he can't succeed selling Pizza he doesn't want anybody else to succeed selling Pizza.

But anyway, Mr. Chairman, my concluding notes - my concluding notes

MR. GREEN: Mr. Chairman, I really don't think that the honourable member, he may have been speaking in a jocular fashion, but if he is suggesting that the Attorney-General was preventing somebody from doing something to serve his own interests I think that he had best reconsider what he said.

MR. MACKLING: Mr. Chairman, I assumed that the Honourable Member from Fort Garry was engaged in a lot of joking. I assume that he's not meaning the intent of his words. If he does, I'll rise on a question or privilege.

MR. GREEN: . . . on the record, Mr. Speaker. Even if we saw them, the Hansard remarks . . .

MR. SHERMAN: Well, Mr. Chairman, if it will make my anguished friend, the Minister of Mines and Resources any happier I'll put a smile on the record. With reference to the exchange between my friend the Attorney-General and myself I'll place a smile on the record. I don't think I can go that far with my friend the Minister of Mines and Natural Resources.

In conclusion, Mr. Chairman, the point I want to emphasize is this point of convenient manipulation of argument to suit the government's position and to suit the government's policy, and no where is it more - I made reference to it earlier with respect to the credit that the Minister takes for the economic performance in this province in recent months and he ascribes it all to eleven months of New Democratic administration, and I make reference to it with respect to the specific allocations in his estimates for promotion of the wares and the products of this province. This government is doing precisely, and not as well, doing precisely in terms of promotion, what the former minister did and how it can defend the kind of criticisms it levels at the former minister is beyond my comprehension. As I said, Mr. Chairman, no term could be unparliamentary when it was applied to this government in criticism for the conduct and the manipulation of tactics that it has employed in this regard.

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

MR. EVANS: I was wondering whether the Member from Fort Garry was suggesting that we should not be promoting the Province of Manitoba in any way, shape or form, because at least this is the impression one gets that, you know, one should not, we should have no money whatsoever for some promotion of the province. I think the important point at debate or the point that I want to make at least that's very crucial, Mr. Chairman, is that it's what we're promoting that counts, it's the emphasis that is important, it's the emphasis we are proposing will shift from that of crude growth theory to that of promoting the real qualities, the good life we do lead in Manitoba, there are many very significant features and attractions of the Province of Manitoba which can be and should be promoted. But I would say I agree with his assertion - did you have a question?

MR. SHERMAN: Yes, I wonder if the Minister would entertain a question. Is the Minister saying that promotion of the quality of life and the aspect of life that he just referred a moment ago, comes under the ambit of responsibility of the Department of Industry and Commerce?

MR. EVANS: Yes. As a matter of fact, I know of various businessmen in the United States who are very anxiously looking for opportunities in Canada, including Manitoba, to get away from racial tension, to get away from strifes, to get away from urban congestion, to get away from pollution; to smell clean air, to see lots of good sunshine and to live in a very quiet peaceful democratic society that we have here in Manitoba. -- (Interjection) -- Not only that, their employees will be covered by Medicare.

As a matter of fact, however, there is some cutback in advertising expenditures and these are shown in the estimates. There is some cutback in some types of advertising and that's in line with our thoughts on the matter, but there is a substantial increase in economic research in general. However, I don't wish to debate the philosophical aspects of growth which the Honourable Member from Fort Garry seems to be very concerned with and the various political economic systems that exist in the world and so on - I'm not interested in doctrinaire points of view. As I said before, we are presenting a very pragmatic program.

I think, however, that it's of interest to the people of Manitoba that I make two references to two companies which were raised in the question period today, and that is, one with regard to the Arnett Company Limited. The fact of the matter is I have an early report on it, it's not a complete report but this matter came up last year prior to my taking over of the portfolio and that strenuous efforts were made on the part of members of the Department to attempt to indicate to that company why they should remain in Manitoba. However, we understood the latest information we had on file was that they were only moving part of their operation to Toronto in order to provide the custom service required and that their Winnipeg operation would remain open to produce customized kitchen equipment and their familiar milk dispensers.

(MR. EVANS cont'd.)

Passing onto the question of Versatile, I believe the Member from River Heights was concerned about this. We have checked into this and I'd like to explain to the members of the House that the employment level at the Versatile Manufacturing Company fluctuates during the year between 500 and 800 employees. This is a normal sort of fluctuation. At this time of the year the people are becoming less and less required because of seasonal patterns of production and by July 1st it is estimated that about 100 people, fewer or less, will be required because of the seasonal production pattern. This is the same number that was laid off as in the previous years. There's absolutely no change in that situation. In August of each year that company, the plant of that company closes down completely for two weeks and inventory is taken at that time. So what I'm suggesting to members of the House is that the situation at Versatile is a very normal situation and there is no adverse situation confronting them.

MR. CHAIRMAN: The Honourable Member for River Heights.

MR. SPIVAK: I'm not sure, is the Honourable Minister finished his statement or is he intending to continue? If he is, I'd just like to ask a question on this one specifically. I wonder if he could indicate how many jobs Versatile will have as of July 1st with it's normal layoff?

MR. EVANS: Well, Mr. Chairman, I don't have that information available, but I don't think that that is the important question. The important question is that the Versatile situation is a normal situation, there is no unusual adverse conditions affecting employment in that company; that's the important thing.

MR. SPIVAK: Well let me just make one comment. The Honourable Member for Rhineland I gather wants to speak in the debate. You talk in terms of figures between 500, 800 as terms of its maximum employment. You've indicated a reduction of approximately 100. I think it is fairly significant in terms of the numbers and the potential of the company to know whether the cutback of 100 is based on an employment of 500 or a cutback of 100 is based on an employment of 800, which would mean that there are 700 people that will be employed by July the 1st or 400. I think it would be important at least to understand it from our point of view and for the record possibly to get that information.

MR. EVANS: Well, Mr. Chairman, we have been in contact with the company and the company assures us that the situation this year, at this time, is normal, which means that there is relatively no significant change from previous years.

MR. CHAIRMAN: The Honourable Member for Rineland.

MR. FROESE: Mr. Chairman, I don't think my remarks will be very lengthy although there is not too much time left this afternoon in speaking on the Industry and Commerce supply debate. Personally I feel that the government will find it more difficult to provide new jobs than during the 60's. I feel for one that it's because of the recession that has already set in and is taking place, and it's always harder for any provincial government who is not in this case, master of its own house, because we are not in control of the monetary system of this country, to bring about proper economic climate for industry to come in and to prosper.

While I believe in the profit system as has already been mentioned by some of the members who spoke previously in the debate, I mean this and say it with sincerity, because if we did not believe in the profit system I am sure there would be no use for us to go out in the various enterprises that we have, and even the farming enterprise as such. I think the reason for the setbacks that we have periodically, and I think we have had them quite often, especially according to a report on the money supply debate that was held quite some time ago, and because we have a fluctuating money supply this definitely has a bearing on the economy and in the matter of having businesses flourish, because we have seen from time to time that when we have recessions this means that there will be bankruptcies, and this has to be because of our present monetary system that we are operating under, and I claim that the system itself is to blame to a large extent.

We know that there are two prime factors, in my opinion, that cause inflation. One definitely is the interest rates and the other is the matter of mark-ups that you have in your products that you sell. Let's take the interest rate first. We know that banks, in making loans, require an interest payment on that loan and the principal amount that is being borrowed has been brought into existence but the interest that is charged on that loan has never been brought into existence, and if we had to start from scratch we would find this very evident. Now, with the way the system has been operating over these many years, we find that we've built up a large debt in this country. I mentioned the figure of \$90 billion in a

(MR. FROESE cont'd.) previous debate. This is what we have accumulated over these many years and there is actually no way that we can repay this large indebtedness because there is not sufficient money in existence today to pay for that debt that we have and that we owe in Canada. There's no way of doing it. So every time a loan is made and interest is being charged on that loan, this means that there is a certain amount of inflation taking place.

Then also if we take, for example, any article that is being manufactured, the raw product is being paid for, the labour, the selling and the handling of it, this is all brought into existence and the result of that earning gives the people the purchasing power to buy goods, but it is never sufficient to buy back the goods that they produce because of the mark-up that is being added on, and that too has never been brought into existence. So we have these two factors that bring about the situation where the — (Interjection) — Pardon?

MR. EVANS: . . . attacking the free enterprise system, Jake?

MR. FROESE: Well, I'm attacking the present monetary system and . . .

MR. EVANS: It's part and parcel of the economic . . .

MR. FROESE: I know, and I feel that under the present system we can never all be successful. It's impossible for all of us to be successful unless we operate at an inflationary level right along, and this is what Freedman said in the States in one of his reports, and I can quote his conclusion: "Let the quantity of money increase at a rate that can be maintained indefinitely without inflation, about five percent a year, and keep taxes and spending at levels that will balance the budget at high employment." This is the conclusion he got and this is correct. We have to have a certain amount of inflation every year; if not, we're in trouble, and this is why, when the Federal Government sets out to fight inflation to the point where we're bringing about unemployment, this is definitely wrong and I do not subscribe to it.

MR. GREEN: Tell the Member for Portage.

MR. FROESE: I claim that we cannot afford to eliminate inflation. This is impossible under the present system. This is also one reason why we must have and why the present system must have these certain booms, and they always come during wartime. We have booms and busts, and during wartime they extend the money supply, they create goods, non-essential goods, and the earnings that are being drawn from the manufacture of those goods they help to pay, or help to provide the purchasing power to buy the essential goods. This is why, during wartime, we have good times and the people have the necessary purchasing power to buy the goods. -- (Interjection) -- Not a Socialist; this is Social Credit. We believe in that.

MR. EVANS: Would the honourable member submit to a question?

MR. FROESE: Yes.

MR. EVANS: In the good times that you refer to which we, you know, in the wartime, good times are experienced during wartimes, would you not agree with the observation that this is the time also that the government takes the greatest amount of initiative in affecting the economy?

MR. FROESE: Well, I realize that they're the chief promoters, that these what we would call non-essential items are being manufactured. They are the ones, and also they are the ones that introduce the large amount of monies and make those monies available. We all know that from past experiences.

MR. GREEN: Mr. Chairman, I wonder if the honourable member will permit me a question?

MR. FROESE: Sure.

MR. GREEN: If you increase the money supply to meet the amount of consumer goods, which appears to be what you are suggesting, how are you then to guarantee that the price of the consumer goods will not go up so as to again have a deficiency in the money supply?

MR. FROESE: Well this is where, I guess, just price comes in and where you would have to set up some machinery to control that very thing, but I don't think that I want to discuss that particular aspect of it just now. But look, during the Thirties we had everything but the medium of exchange. We had crops and we had the grain; we had everything and could produce everything that we wanted but we had no medium of exchange to exchange their goods, and this is what caused, well the situation that we had, where nothing was moving and everything came to a standstill, and certainly none of the members in the present House would want to see a situation like that again. So this means that we want to see the money supply extended to the situation where we will have a steady inflation but not an excessive inflation, I take it, because that can also produce hardships and certainly is not the thing that I would support.

(MR. FROESE cont'd.)

Then, too, I think we probably would have had another war by now if it hadn't been for the nuclear armaments and the bombs that are presently being produced that would destroy, not a nation, but could destroy the whole world. This has been the deterrent in not having another war. I think otherwise the people, the big -- and I think it's the big capitalists that are back of the war, that produce wars and initiate wars, and then bring about a certain amount of prosperity. If it wasn't for the nuclear bombs and so on, I'm sure that we would already have been in a war situation by now. Mind you, the United States . . .

MR. GREEN: Mr. Chairman, perhaps the honourable member could be recognized when the Committee again meets. I move that the Committee now rise.

MR. CHAIRMAN: Committee rise. Call in the Speaker. Mr. Speaker, the Committee wishes to report progress and begs leave to sit again.

IN SESSION

MR. DOERN: Mr. Speaker, I move, seconded by the Honourable Member for Flin Flon, that the report of the Committee be received.

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

MR. SPEAKER: It is now 5:30 and the House is adjourned and will stand adjourned until 2:30 tomorrow (Thursday) afternoon.