

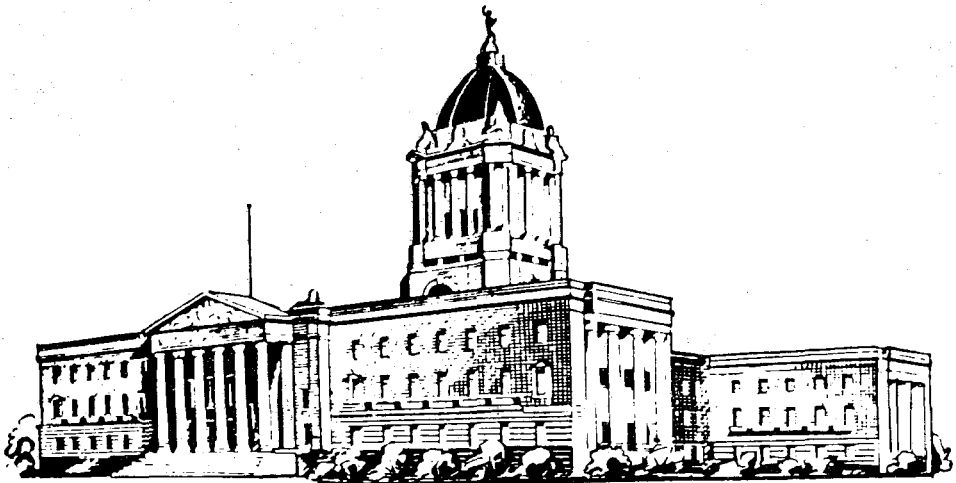


Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

Speaker

The Honourable Peter Fox



Vol. XXI No. 23 8:00 p.m., Tuesday, February 19th, 1974.

First Session, 30th Legislature.

Electoral Division	Name	Political Affiliation	Address	Postal Code
ARTHUR	J. Douglas Watt	P.C.	Reston, Man.	R0M 1X0
ASSINIBOIA	Steve Patrick	Lib.	10 Red Robin Pl., Winnipeg	R3J 3L8
BIRTLE-RUSSELL	Harry E. Graham	P.C.	Binscarth, Man.	R0J 0G0
BRANDON EAST	Hon. Leonard S. Evans	NDP	Legislative Bldg., Winnipeg	R3C 0V8
BRANDON WEST	Edward McGill	P.C.	2228 Princess Ave., Brandon	R7B 0H9
BURROWS	Hon. Ben Hanuschak	NDP	Legislative Bldg., Winnipeg	R3C 0V8
CHARLESWOOD	Arthur Moug	P.C.	29 Willow Ridge Rd., Winnipeg	R3R 1L5
CHURCHILL	Les Osland	NDP	66 Radisson Blvd., Churchill	R0B 0E0
CRESCENTWOOD	Harvey Patterson	NDP	978 Garwood Ave., Winnipeg	R3M 1N7
DAUPHIN	Hon. Peter Burtniak	NDP	Legislative Bldg., Winnipeg	R3C 0V8
ELMWOOD	Hon. Russell J. Doern	NDP	Legislative Bldg., Winnipeg	R3C 0V8
EMERSON	Steve Derewianchuk	NDP	Vita, Manitoba	R0A 2K0
FLIN FLON	Thomas Barrow	NDP	Cranberry Portage, Man.	R0B 0H0
FORT GARRY	L.R. (Bud) Sherman	P.C.	86 Niagara St., Winnipeg	R3N 0T9
FORT ROUGE	Lloyd Axworthy	Lib.	132 Osborne St. S., Winnipeg	R3L 1Y5
GIMLI	John C. Gottfried	NDP	44 - 3rd Ave., Gimli, Man.	R0C 1B0
GLADSTONE	James R. Ferguson	P.C.	Gladstone, Man.	R0J 0T0
INKSTER	Hon. Sidney Green, Q.C.	NDP	Legislative Bldg., Winnipeg	R3C 0V8
KILDONAN	Hon. Peter Fox	NDP	Legislative Bldg., Winnipeg	R3C 0V8
LAC DU BONNET	Hon. Sam Uskiw	NDP	Legislative Bldg., Winnipeg	R3C 0V8
LAKESIDE	Harry J. Enns	P.C.	Woodlands, Man.	R0C 3H0
LA VERENDRYE	Bob Banman	P.C.	Steinbach, Man.	R0A 2A0
LOGAN	William Jenkins	NDP	1294 Erin St., Winnipeg	R3E 2S6
MINNEDOSA	David Blake	P.C.	Minnedosa, Man.	R0J 1E0
MORRIS	Warner H. Jorgenson	P.C.	Morris, Man.	R0G 1K0
OSBORNE	Hon. Ian Turnbull	NDP	Legislative Bldg., Winnipeg	R3C 0V8
PEMBINA	George Henderson	P.C.	Manitou, Man.	R0G 1G0
POINT DOUGLAS	Donald Malinowski	NDP	23 Coralberry Ave., Winnipeg	R2V 2P2
PORTAGE LAPRAIRIE	Gordon E. Johnston	Lib.	135 - 16th St. S.W., Portage la Prairie, Man.	R1N 2W5
RADISSON	Harry Shafransky	NDP	4 Maplehurst Rd., Winnipeg	R2J 1W8
RHINELAND	Arnold Brown	P.C.	Winkler, Man.	R0G 2X0
RIEL	Donald W. Craik	P.C.	3 River Lane, Winnipeg	R2M 3Y8
RIVER HEIGHTS	Sidney Spivak, Q.C.	P.C.	Legislative Bldg., Winnipeg	R3C 0V8
ROBLIN	J. Wally McKenzie	P.C.	Inglis, Man.	R0J 0X0
ROCK LAKE	Henry J. Einarson	P.C.	Glenboro, Man.	R0K 0X0
ROSSMERE	Hon. Ed. Schreyer	NDP	Legislative Bldg., Winnipeg	R3C 0V8
RUPERTSLAND	Harvey Bostrom	NDP	Manigotagan, Manitoba	R0E 1E0
ST. BONIFACE	J. Paul Marion	Lib.	394 Gaboury Place, Winnipeg	R2H 0L4
ST. GEORGE	Hon. Bill Uruski	NDP	10th flr., 330 Portage Ave., Wpg.	R3C 0C4
ST. JAMES	George Minaker	P.C.	318 Ronald St., Winnipeg	R3J 3J8
ST. JOHNS	Hon. Saul Cherniack, Q.C.	NDP	Legislative Bldg., Winnipeg	R3C 0V8
ST. MATTHEWS	Wally Johannson	NDP	418 Home St., Winnipeg	R3G 1X4
ST. VITAL	D.J. Walding	NDP	26 Hemlock Place, Winnipeg	R2H 1L7
STE. ROSE	A.R. (Pete) Adam	NDP	Ste. Rose du Lac, Man.	R0L 1S0
SELKIRK	Hon. Howard Pawley	NDP	Legislative Bldg., Winnipeg	R3C 0V8
SEVEN OAKS	Hon. Saul A. Miller	NDP	Legislative Bldg., Winnipeg	R3C 0V8
SOURIS KILLARNEY	Earl McKellar	P.C.	Nesbitt, Man.	R0K 1P0
SPRINGFIELD	Hon. Rene E. Toupin	NDP	Legislative Bldg., Winnipeg	R3C 0V8
STURGEON CREEK	J. Frank Johnston	P.C.	310 Overdale St., Winnipeg	R3J 2G3
SWAN RIVER	James H. Bilton	P.C.	Swan River, Man.	R0L 1Z0
THE PAS	Hon. Ron McBryde	NDP	Legislative Bldg., Winnipeg	R3C 0V8
THOMPSON	Ken Dillen	NDP	1171 Westwood Dr., Thompson	R8N 0G8
TRANSCONA	Hon. Russell Paulley	NDP	Legislative Bldg., Winnipeg	R3C 0V8
VIRDEN	Morris McGregor	P.C.	Kenton, Man.	R0M 0Z0
WELLINGTON	Philip M. Petursson	NDP	681 Banning St., Winnipeg	R3G 2G3
WINNIPEG CENTRE	J.R. (Bud) Boyce	NDP	777 Winnipeg Ave., Winnipeg	R3E 0R5
WOLSELEY	I.H. Asper	Lib.	Legislative Bldg., Winnipeg	R3C 0V8

THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Tuesday, February 19, 1974

SUPPLY - NORTHERN AFFAIRS

MR. CHAIRMAN: Resolution 97(c)(1). The Honourable Minister of Northern Affairs.

MR. McBRYDE: Mr. Chairman, I can't remember exactly where I was when we adjourned, but there were a couple of questions that I've got answers to that were asked before the adjournment period. The total value of the construction, new town centre development at South Indian Lake, is \$2,280,505.00. That question was asked in relation to what percent the architect's fees were or what was the total of that contract when we look at the architect's fee.

The Member for Birtle-Russell asked a question about location of staff of the Central Administration staff of Northern Affairs, and when I read him the answer I omitted a page. There are 31 staff, administrative staff, and nine of those are located in Thompson; that includes secretarial staff, administration, secretarial, clerk, etc., and 22 staff in the City of Winnipeg.

There was also a question from the member, from one of the members in regard to the salary range in administrative salaries and I think the range is from a clerk's salary, yearly salary of \$4,332, to the high pay of the man who sits in front of me of \$7,000, how much? Five hundred. Seventeen thousand five hundred. It was \$17,553 - it doesn't have the cents in there.

The other question was in regard to the social and economic study done in relation to the Churchill housing project, and I think that probably just a brief summary of the agreement will give the nature of that study that has not been completed in final form as yet. The contractor agrees to provide the desired information as follows: What is the difference between normal industrial cost per housing unit in the north and the production with the training of native people? What income and employment benefits have been received by the trainees to date? What social benefits have resulted from the Churchill Pre-Fab located housing project including training, training family and community? What changes in training skilled levels and work attitudes have occurred? What ongoing record system is most useful? Degree of achievement relative to the original objectives at different levels. Factors in the process that were determinants. Supervisory attitudes which are the best; comparison with other similar projects. History of the development. Test of the original assumptions and the results thereof. Determinants of social and economical benefits of special work environment versus the classroom environment, and what work environment modifications were practiced and what should have been practiced. These were some of the things in our study that is covered in the external contracts in terms of the Department of Northern Affairs at the Churchill Housing Plant.

I would also like to give to the members opposite at this point, though I'll have to admit it's a tiny bit off the subject, material I agreed to get to them in regard to the tonnage of freight on northern winter roads. I'll have to point out to members that this is a very very rough estimate. Basically, we've listed the tonnage into the various communities last year; we've listed the tons that we know have gone in earlier as of yesterday, and we've made a very rough guess as to what still needs to go in and these will vary somewhat with the 1972-73 figures in cases where we know where the amount to be hauled is up. In some cases the figures are identical with 1972-73 and I think that's because we don't know for sure the exact total for those communities this year. So perhaps one of the pages could hand these out to members.

MR. CHAIRMAN: Does the honourable member have a point of order?

MR. GRAHAM: No, a question for the Minister on the figures.

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

MR. GRAHAM: Are any of the figures included in this year's tonnage, are those tonnages that were supposed to be delivered last year and were not delivered last year? Are those figures included in this year's tonnage?

MR. McBRYDE: The amount of tons that were supposed to go in last year is listed. The amount of tonnage that has gone in already this year is listed. The amount of tons estimated to go in, which is very very rough, (I want to keep reminding members of that; these are very very rough figures) but I think if you'll check with the leader on that white report from Gardewine dated last year, they record what tonnages they did not deliver by winter road last year and those figures are available in there. But I am not sure, you know, how much of last year's is going in this year. I know there's some, and some of it of course was air freighted in last year.

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MR. CHAIRMAN: Resolution 97 -- the Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Chairman, yes. I have a short question here I want to ask the Minister. Can he tell me what a policy analyst is, and I refer to two that are listed presumably in this item as well, one at \$12,348 and one at \$10,164.00. My question would be: don't MLAs really come cheaper at \$7,200 and isn't this the role of an MLA to be a policy analyst and has not his backbench already got four MLAs to advise him?

MR. CHAIRMAN: The Honourable Minister of Northern Affairs.

MR. McBRYDE: Mr. Chairman, they certainly do come cheaper and they certainly do provide a good effort for the amount of money they get for worthwhile information. Do you want me to read you the description? This is a full working level analyst where incumbent is required to assume responsibility for major projects under very limited direction. This level differs from Planning and Research Analyst I - I'm talking about the Analyst II now--primarily on the basis of the experience required, the more limited supervision and generally the more complex nature of the projects assigned. He will be required to supervise and instruct junior analysts. Researchers--typical duties: Researcher reviews, evaluates and advises on the feasibility of major program activities affecting a program. Formulates policy alternatives and develops a means to achieve pre-determined policy objectives of the Manitoba Government. Reviews programs to ensure they are consistent with intended policy. Carries out special studies and projects as assigned. Performs other duties as assigned. Qualifications, knowledgeabilities and skills: Good working knowledge of the principles and techniques of economic and statistical analyses. Ability to determine whether department program is consistent with government policy and to develop alternative policy recommendations. Ability to prepare detailed statistical and cost analyses. Ability to work with minimal direction. Ability to plan and supervise the work of junior analysts. Education training and experience: University graduation in Economic Social Science or relevant specialized discipline, and three to five years related experience.

MR. CHAIRMAN: The Honourable Member for Riel.

MR. CRAIK: Mr. Chairman, might I just say that I felt that the key words in there that the Minister gave us were "review policy objectives of the government" and although there were other qualifications in there--not qualifications but job specifications--I seriously question whether he requires social scientists from the university to do this when really policy objectives of the Provincial Government should be assessed and set by the members of the government backbench whenever they're available for that purpose. I would seriously question whether the government should set as a priority the hiring of people at the \$12,000 range to do this sort of job when they're already well staffed for doing that, considering the fact that the Northern Affairs Department was virtually a non-existent department, and in a matter of two or three years, four years, has gone from virtually a zero department to a staff of thirty one fifty six--three hundred and fifty-six at this point.

MR. CHAIRMAN: The Honourable Minister of Northern Affairs.

MR. McBRYDE: Mr. Chairman, I hope that the member didn't misunderstand my reading of the description as not to review what the government policy is but to review programs and recommend programs that would fit in with the policy direction of government, so the individual involved is not determining policy but only evaluating programs in relation to the policy. There are 13 positions in the planning and research section that relate actually to planning and research. There are also 9 town planning and positions relating to actual physical planning in the communities. The real emphasis has had to be in terms of--maybe the member heard my comments the other night in relation to negotiation--preparing program proposals and negotiating with the Federal Government in terms of a DREE agreement for northern Manitoba. That's one of the main activities that the research and planning section will be involved in in the upcoming year.

MR. CHAIRMAN: The Honourable Member for St. James.

MR. GEORGE MINAKER (St. James): Mr. Chairman, through you to the Minister. A copy of your description of the job specifications for the policy analyst will be made available to the opposite side here, will it? We can have a copy of that?

MR. CHAIRMAN: The Honourable Member for Swan River.

MR. BILTON: Mr. Chairman, it seems as though we're taking care of everything under the Minister's Salary and maybe that's not too bad an idea, and I'm taking advantage of the opportunity to ask the Minister a question of what I've already related, and I want to ask him

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(MR. BILTON cont'd) . . . now if he would give us a short summary as to this Information Communication program. I want to know whether or not this is a satellite of the information office here in the building that is perpetuated by the government, and is it true that this setup is costing something in the neighbourhood of a million dollars? And is it true that it is a joint effort by the Provincial and Federal Governments, and how many of a staff are there there, and are they fully equipped with probably hundreds of thousands of dollars worth of equipment, that is cameras and what have you? And do they have carte blanche authority to go to any point throughout northern Manitoba in order to develop material for this thing we're--I've got here; there are many of them? And while I have no objection whatsoever, Mr. Minister, to information being passed along to our Canadian people for their edification, I believe jokes and cookery things and this sort of thing that is in this material is spending money, public money unnecessarily, and I want to know too, Sir, whether or not every settlement and community in northern Manitoba is going to have its own publication printed and distributed from The Pas, and I'd like to know the cost factor insofar as material is concerned and just how far this is going. Because it is my understanding that the contribution made by the Federal Government expires in 1975, and when that happens is it the intention of the government to carry on this network of propaganda and that's all it is, government propaganda - to the native people throughout Manitoba and northern Manitoba, some of which, Sir, is good and I appreciate it and my party appreciates it, but a lot of it, Sir is to create an image for yourself, and I think this is the sort of thing that you should avoid at all costs. And I say that sincerely as a friend, a friend of the people in the north. Please put a halt to releases from your office over your name as though you're King Kong in northern Manitoba, because you're not. And I would like to know just where we're going with this sort of thing.

MR. CHAIRMAN: The Honourable Minister of Northern Affairs.

MR. McBRYDE: Mr. Chairman, I would very much like to deal with the comments of the Member for Swan River, but I think it would be more appropriate if we waited until Section 101 (5)(c), that's the section that he's really talking to, and not the section we're on at this moment.

MR. CHAIRMAN: The Honourable Member for Riel.

MR. CRAIK: Before we leave this item, the information provided with regards to policy analyst job description that he provided with for planning and research analyst. I wonder if the Minister is indicating that a policy analyst description is the same, or is there a job description for a policy analyst?

MR. McBRYDE: The same, Mr. Chairman.

MR. CHAIRMAN: Resolution . . . The Honourable Member for St. James.

MR. MINAKER: Mr. Chairman, through you to the Minister. Then why do we under the contract list show two separate listings, one for a policy analyst and one for a research and planning analyst? Why the difference in that particular listing of contracts if they are the same?

MR. CHAIRMAN: The Honourable Minister of Northern Affairs.

MR. McBRYDE: A rose by any other name would smell as sweet. I think it's two names for the same type of function.

MR. MINAKER: Then, Mr. Chairman, through you to the Minister, why are there different salary levels for the two classifications?

MR. McBRYDE: Based on, as even as in this job description, Mr. Chairman, based on the responsibility and experience.

MR. CHAIRMAN: Resolution 97. The Honourable Member for Riel.

MR. CRAIK: I want to indicate here that the description, I think the Minister indicated that I misinterpreted his remarks, but the description indicated here is that these people are to formulate policy alternatives. This person formulates policy alternatives and develops the means to achieve predetermined policy objectives of the Manitoba Government. Well, Mr. Chairman, I ask again if the primary responsibility for this sort of thing does not lie with the elected people rather than with the appointed civil servants.

MR. McBRYDE Well, Mr. Chairman, I think it's - you know, general policy direction lies with the elected people and certainly civil servants in all aspects of the government carry out the direction of their Ministers and of their seniors in that department, and this particular case I can say to the people in Research and Planning that we have to insure that northern people get employment in this particular type of industry; and they might come forward with three or four different programs that would achieve that same objective, which then gives me and the

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(MR. McBRYDE cont'd) . . . senior officials some chance to evaluate, you know, which of these alternatives is the best way to proceed to assist people get employment in that particular industry. That's an example of the kinds of discussion that they would be involved in.

MR. CHAIRMAN: Resolution 97 (c)(1)--passed, (2)--passed. Resolved that there be granted to Her Majesty a sum not exceeding \$1,682,800 for Northern Affairs. Passed.

Resolution 98 (a)(1). The Honourable Leader of the Opposition. The Honourable Member for La Verendrye.

MR. BANMAN: Thank you, Mr. Chairman. I feel very much like most of my other colleagues do. I question what is going on in the north, and I tend to agree with the Honourable First Minister that when he stated that the system of winter road construction is somewhat in the nature of an experiment, and I would like to sort of relate that to the Air Force and I sort of wonder when the experiment will have a conclusion. The Manitoba Government Air Service particularly arouses my curiosity and it is incredible to note that this agency has a 50 percent increase in miles travelled over the last year. --(Interjection)-- No, no, no, not yet, we're not up to there yet.

The Minister stated on Friday that a flight co-ordinator for the Government Air Force was helping reduce duplicate flights and yet we have a 50 percent increase. The Northern Affairs people seem to have stepped up their flying and some seem to be spending a lot more time in the air. They jump from 242,499 miles the year before to 569,085 miles, an increase of 326,536 miles. Over 100 percent increase in the air miles. There seems to be somewhat of a competitive spirit between the departments to see who can spend the most time in the air.

Three weeks ago when I was up in the north--(Interjection)--no. I must admit by TransAir. After spending an evening in The Pas I woke up the next morning and went to pay my motel bill and found a curious pack of matches lying on the counter there, and they aroused my curiosity. Manitoba Government Air Division, plan your flight, share it. For flights, call Winnipeg, Thompson or The Pas. I begin to wonder how many people are sharing flights; from the increase it looks like quite a few. I seriously question if we are either running an air service, commercial airline, or a political flying machine.

The other point I would like to raise is that the revenue seems to have doubled; the Northern Affairs people are charging other departments double what they were the year previous, and yet they account for over two-thirds of the miles - increase in mileage. I wonder if the Minister could explain why the recoverable appropriations rose from \$989,200 to \$1,730,200, with the majority of the flight increase being taken up by the Department of Northern Affairs.

MR. CHAIRMAN: The Honourable Minister of Northern Affairs.

MR. McBRYDE: Mr. Chairman, I am quite pleased to see that the new member is travelling in northern Manitoba although I would hope he doesn't fall into that trap of becoming an expert on his short trip up there. It's probably quite fortunate that he didn't go to Britain on that trip, because had he got up in the morning and found a match cover on the motel desk it might have said "Share your bathtub" instead of share your airplane.

Mr. Chairman, I think I explained the other day, but it's probably worth saying again, that the previous system with Government Air Services was that any civil servant would call a commercial carrier or call the Government Air Services and charter a flight, and I also point out the example of Moose Lake near The Pas, Manitoba, where you might have three or four civil servants coming in on three or four different flights. In order to avoid that kind of extra expense to the people of Manitoba, a Flight Co-ordinator system was established. Now all civil servants call Government Air Services if they wish to use a charter air service, then the co-ordinator tries to put together members from various departments who might be going to the same location and in the same area. I don't know how effective the advertising means that the member mentioned is, but that is the goal is to attempt to make sure that civil servants get ahold of Government Air Services and maybe even instead of one phoning and saying he's going to go Wednesday and the other phoning and saying he wants to go Thursday, that in fact they even get together before that and say they'll both go the same day in order to lessen the number of flights that particular aircraft has to make in order to take people to the same community.

Mr. Chairman, there is an increase in the total number of passenger miles flown by Government Air Service and this is for two reasons; I think the main reason would be by the

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(MR. McBRYDE cont'd) . . . increase in getting into the communities by staff of all departments of government and I say that's about time. It's about time that we started getting into those communities and if it's going to mean aircraft to get into those communities, then that's the way we're going to have to do it - and the member for Swan River might recall it costs a considerable amount for a legislative committee to travel around northern Manitoba in terms of the Northern Task Force, but I didn't hear any members opposite argue that that wasn't a worthwhile expenditure in order to have them get into the communities, see things first hand, talk to people first hand to understand the situation.

Well the same thing is required in terms of all departments of government and the civil servants working in those departments to get into the communities they are supposed to serve and not try to do things from Winnipeg or Thompson or from outside the area they are serving.

I don't know if - I think that pretty well covers the questions. Maybe the member has . . .

MR. CHAIRMAN: The Honourable Member from Sturgeon Creek.

MR. FRANK JOHNSTON (Sturgeon Creek): Mr. Chairman, I have a question to ask but I'm - the Minister was just talking about experience in the north and that's rather strange coming from a Minister who by his own admission last year, says you never really know the north until you are sitting in an outhouse in the winter with a cold wind blowing and if that's the way he learned the north, and that was by his own statement last year, I don't know why he would criticise anybody else wanting to get some experience.

Mr. Chairman, the question I would like to ask - the Minister earlier in this debate mentioned the rates that some of the private carriers charged per mile for the airplanes; I wonder if he could give us the rates per mile charged by the Government Air Services, and also after he had the rates if he'd be kind enough to give us a breakdown of the income to the Government Air Services, what part of this 1,730,000 comes from other government departments. In other words I would like to know how much Public Works has paid to the Air Service; I'd like to know how much Industry and Commerce has paid to the Air Services, and the breakdown on that income as to how much percentage of it is government and how much is private.

MR. CHAIRMAN: The Honourable Minister of Northern Affairs.

MR. McBRYDE: It might be quickest and easiest for us to deal with the last question first. The charter that Manitoba Government Air Services has is to fly, to service the Province of Manitoba, that is, to fly on behalf of the Province of Manitoba. The charter does not allow us to go into competition in private passenger carrying with the private charter companies. So if that figure, that is all recovered from departments of the Provincial Government 100 per cent, there is no recovery from private companies or private individuals because our charter does not allow us to carry private companies or private individuals.

However, the member is probably aware that a considerable amount of government's flying on the part of the Manitoba Government is still done by private carriers - and I had the figure in front of me yesterday but I think about 42 percent is still done by private air carriers in the Province of Manitoba.

In answer to the first question that the honourable member mentioned, what are the charter rates? These following charter rates became effective May 3, 1973. The Cessna Skymaster is 55 cents per mile, or \$99.00 per hour; the Piper Aztec is 60 cents per mile, or \$108.00 per hour; the Otter is \$1.25 per mile, or \$135.00 per hour; the Turbo Beaver is 110 cent per mile, or \$1.10 per mile, or \$125.00 per hour; the Piston Beaver is 80 cents per mile, or \$85.00 per hour; the Cessna 180 is 55 cents per mile, or \$66.00 per hour; the MU2 is \$1.00 per mile, or \$300.00 per hour. I don't have in front of me, Mr. Chairman, comparable statistics for private carriers but I understand that these rates for similar service by private carriers, that the Government Air Service rates are slightly lower than rates that we would pay if we chartered through private air carriers.

MR. CHAIRMAN: The Honourable Member for La Verendrye.

MR. BANMAN: The other question I was wondering about was that last year there was a \$989,200 recoverable, and this year it's \$1,730,200. It seems like a fairly substantial increase in rates charged to the different departments, which brings the net total that is charged to the Northern Affairs Department from \$616,200 last year to an estimated \$377,900, with an increase of flights to the Northern Affairs Department.

MR. CHAIRMAN: The Honourable Member for Minnedosa.

MR. DAVID BLAKE (Minnedosa): Mr. Chairman, I just have one question, while the

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(MR. BLAKE cont'd) . . . Minister is answering, he may answer at the same time. I wonder if he might inform us if government aircraft have been used on any occasions in flying fish out of remote northern lakes?

MR. CHAIRMAN: The Honourable Minister of Northern Affairs.

MR. McBRYDE: Yes, Mr. Chairman, there have been occasions on which government aircraft were used to fly fish out of remote communities and I'm not sure - there was negotiation going on with co-operatives in the Department of Co-operative Development. In terms of our charter we would be hired by the Department of Co-operative Development to carry fish. I advised the assistant deputy minister responsible for air services that if we could do that at a cost basis, that is that we would have to recover everything from the department, the total cost of the fish haul would be recoverable and Government Air Services would have to break even from such an operation.

MR. CHAIRMAN: The Honourable Member for La Verendrye.

MR. BANMAN: Is the Minister working on an answer to my question?

MR. McBRYDE: I'm sorry, that's the second time I've forgotten that question. I think that that figure really reflects the increased use of government aircraft by other departments I don't think it reflects much more than that.

MR. BANMAN: The increased use by the other departments seems to be about 200,000 miles, and yet the recoverable has jumped almost double, and yet your department will be using the airplanes more in the coming year and it will cost you substantially less.

MR. McBRYDE: Mr. Chairman, the Department of Northern Affairs is billed for use of Manitoba Government Air Services' planes, so if someone flies from the administrative section, the administrative section is sent the bill for his flying; if somebody flies from the northern co-ordinators, they are billed for the flying; if I fly, the Minister's office is billed for the flying.

MR. BANMAN: Could you give me the projected amount of flying to be done by the Northern Affairs people in dollars and cents?

MR. McBRYDE: Approximately half a million dollars.

MR. CHAIRMAN: The Honourable Member for St. James.

MR. MINAKER: Mr. Speaker, when the Minister answered the question with regards to the matchbook cover, it was my understanding with his answer that this only applied to government employees for their information. I believe that is correct, is it not? Then, Mr. Chairman, I suggest that either the Minister is creating a false impression in the north, or the government is, by distributing these matchbooks throughout the north, stating that, "Manitoba Government Air Division, Plan Your Flight, Share It." You know, it's creating an impression that anybody in the north can fly on the Manitoba Government Air Division. If this is not the case, then I suggest that you're false advertising; and I would suggest, Mr. Chairman, that it would be far more sensible, if it only applies to government employees, to put out an interdepartment bulletin stating that this is available, and I'm sure they must have done it by now hopefully, rather than pass around this free propaganda, and I would like to know if the Northern Affairs Department authorized the printing of this book light, endorsed it, and also how many have been printed, and also where they have been distributed?

MR. McBRYDE: Mr. Chairman, in order for such a match cover to be printed, someone in Northern Affairs would have to authorize it. I must assume that the Assistant Deputy Minister, Mr. John McDonald, would have authorized that; it never came through my office or the Deputy Minister's office, but certainly we are responsible for what all staff has printed. I'm not sure - you know, I don't think we've done a sort of a cost-benefit analysis of the match cover in terms of getting people to share their flights; you know, you could say it doesn't have any effect, and I suppose you could argue that it in fact does remind civil servants to do that because they pull it out to look at the phone number, at the same time they remember that the guy down the hall was going and they make arrangements to share that flight. I'd have to find out how many covers were printed, because I don't know.

The other thing that - my understanding is that the distribution of those is limited within the government, but I am not aware that it was being distributed outside of the--(Interjections)-- the only place I've seen them distributed is in the Co-ordinators' offices of the Air Division in the communities.

A MEMBER: Would you table that please?

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MR. CHAIRMAN: The Honourable Member for St. James.

MR. MINAKER: Mr. Chairman, I might ask the Minister why the department didn't have the knowledge to print on it so there would not be any false advertising, "applies to government employees only", rather than to try and create a false impression that it was for all the citizens of the north to enjoy.

Further, I would like to ask, Mr. Chairman, through you to the Minister, how many of the 58 NDP organizers travelled on the Government Air Division during the election campaign? I would presume that you kept a log of the different passengers on the different flights, because I believe most Air Divisions, whether they be private or government would keep this kind of a record, and I would ask how many of the 58 NDP organizers have travelled on the Government Air Division Services during the last election?

MR. CHAIRMAN: Resolution 97. --(Interjections)-- Resolution 97. The Honourable Member for St. James.

MR. MINAKER: Mr. Chairman, I don't believe the Opposition considers it a silly question, because it is a government operated airline, and it is money being spent for political gains, and if in fact the government refuses to answer this question, one can only assume that in fact there was travel taken by the organizers, and I would expect to receive an answer to this question from the Minister.

MR. CHAIRMAN: The Honourable Minister of Northern Affairs.

MR. McBRYDE: If the new member wants to get down in the gutter with his leader, let him go ahead.

MR. SPIVAK: Mr. Speaker, I take it that the Minister is not prepared to answer the question. Well, Mr. Chairman, the Minister says it's a stupid question. The question put to the Minister, and I think implicit in the 58, that's a number that I think is known to the NDP as official organizers, is really whether the Government Air Services was allowed to transport members who were working, either as paid workers or voluntary workers, for the New Democratic Party either prior to the election or during the election, and that Mr. Chairman, is a legitimate question to be asked of the government. If the government doesn't want to answer it, that's up to them; that's not a gutter question; that's a question that has to be answered by the government; that's a question that not only the members of the Opposition are asking, but many people in the north are asking; and I must say, Mr. Speaker, for the benefit of the Minister, many members of the New Democratic Party are asking it.

MR. CHAIRMAN: Order please. The Honourable Minister of Northern Affairs.

MR. McBRYDE: Mr. Chairman, the Leader of the Official Opposition started out his pre-session tactics or campaign from the gutter by making certain allegations about patronage in northern Manitoba, and now he's had the opportunity to prove it, and he hasn't proved a bloody thing. He makes accusations and then he forgets about them, as if somehow these accusations --(Interjection)-- Yes, he can smear, he can tarnish the image of this government, but, Mr. Chairman, I would assume that he has some responsibility if he's going to make allegations to go ahead and substantiate those allegations.

A MEMBER: That's right.

MR. McBRYDE: Mr. Chairman, unlike previous to 1969, the Government Air Services were not used to --(Interjections)-- transport any organizers --(Interjections)-- or anyone for political purposes.

MR. CHAIRMAN: Order. Order.

A MEMBER: Get out of the gutter.

MR. CHAIRMAN: ORDER! ORDER! And I think that the Honourable Minister of Labour is one that has been in this House long enough that he should know the rules . . .

A MEMBER: That's right, and I . . .

MR. CHAIRMAN: ORDER PLEASE! ORDER! I would refer honourable members to Rule 41, or Rule 42 of our House rules, when a member is speaking, no member shall interrupt him except to raise a point of privilege or a point of order. The Honourable Minister of Northern Affairs. The Honourable Leader of the Opposition.

MR. SPIVAK: I think I indicated earlier to the Honourable Minister, and I want to repeat myself again, that I was prepared to give him the opportunity to review the statements that he made with respect to some of the people who are under contract --(Interjection)-- Yes. Well, I maybe - I think I am generous. I've asked him to review it and to make a decision

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(MR. SPIVAK cont'd) . . . whether he is still going to maintain the position. I've also indicated, Mr. Chairman, and I intend to follow through on this, that there are many opportunities, and will be in this House before it is completed, to in fact I think basically prove the position of the patronage and politicizing that has taken place. Mr. Chairman, I must tell the honourable Minister I am not in any way concerned about his allegations now; I think he should be more concerned about what may be forthcoming, and I say that to him directly --(Interjections)-- I say that to him directly in the hope that he would reconsider the position that he took. Having said that, and leaving that for the moment, because I am quite prepared to deal with this, and I will be dealing with this, I would now then put the question to the Minister, that the Honourable Member for St. James has put, has anyone used the government services with respect to transportation by any of the New Democratic organizers, either paid or voluntary? And I don't think that that question is an unfair one to be placed before the government. If the answer is no, let him say no, but surely at this point the position that he takes now is that he's not going to answer that, and that in itself is more affirmative than negative. --(Interjections)--

MR. CHAIRMAN: The Honourable Minister of Northern Affairs.

MR. McBRYDE: I answered that question, but there's so much noise coming from opposite that apparently they didn't hear the answer. No government aircraft were used to transport political organizers for any party to the best of my knowledge, and government aircraft have not been used for political purposes.

Mr. Chairman, the Leader of the Opposition Party is now promising us that he's going to prove all these allegations that he's making? He came up, Mr. Chairman, with the evidence this afternoon, two names, Mr. Ben Thompson, Mr. Ben Thompson. Mr. Chairman, maybe the pages would like to hand out copies of the advertising through which Mr. Thompson was hired. This position was advertised, the contract position located with the Local Services Division, Community Service Branch in Thompson; the positions were advertised as in the advertisement. The applicants numbered one, two, three, four, five, six, seven, eight, nine, ten. The board that selected Mr. Ben Thompson was held on October 16, 1973; the board members were Mr. L. Curran, Mr. J. Reiter, Mr. B. F. . . , Municipal Affairs, and Mr. Birch, Northern Affairs personnel officer.

Mr. Chairman, as a result of that competition, Mr. Thompson was hired and a Mr. Basson were hired. Mr. Chairman, those are the facts that the member opposite has laid on the table to prove his ridiculous allegation and now he's promising us more facts. Could he either put up or shut up? --(Interjections)--

MR. SPIVAK: Mr. Chairman, the Honourable House Leader I think can inform the Honourable Minister that with respect to court, the evidence that's submitted is presented, when one is questioned one is asked to answer those questions truthfully, and that in itself can become evidence. The only thing that happened this morning, or this afternoon is that the Minister was asked certain questions --(Interjections)-- Well, Sir, answers and questions. The Minister has given his answers at this point. When, Mr. Chairman, evidence will be submitted, and I suggest it will, I think that the Minister then can reply to the evidence that will be submitted; but at this present time what we are doing, and what I'm doing, and what I'm entitled to do, is to ask questions of the Minister, and the Minister is to give answers, and that to the extent that there are answers is evidence, but the evidence is his evidence not my evidence, or not the evidence that I'm going to be presenting, and if you'll understand that then he can bide his time as to when we will furnish it.

Now I want to ask him another question based on the information he just gave us. The position that's advertised here is not a civil service position. This position is for a contract - a term contract for a year, and the Minister is suggesting that he actually followed a civil service procedure for boarding for a contract, for a position that was not approved by Management Committee. Now who gave him the authority to do this?

MR. McBRYDE: Mr. Chairman, the other day I stood in my place and I outlined the procedures of hiring. I don't know if the honourable member was not here, whether he was not listening, or whether he didn't want to listen. At that time I explained to him the method used for hiring a contract position and said that quite frequently the regular full civil service procedure was used for hiring people in contract positions.

But in regard to the earlier comments of the member opposite, Mr. Chairman, the

(MR. McBRYDE cont'd) . . . member's right, I am not a lawyer. I have had occasion to be in the courtroom but I'm not a lawyer. But maybe I don't understand the full procedure in a courtroom but, Mr. Chairman, we are in a courtroom here, in effect the courtroom of public opinion, and the member keeps making allegations and if he's not going to provide the evidence to those allegations, then I think it will happen, and I think it's right that it happens, that he'll be judged in that courtroom of public opinion for making allegations with no facts and being unwilling to produce any facts to back up those allegations.

MR. SPIVAK: Mr. Chairman, for the benefit of the Honourable Minister, I've been in the court of public opinion for some time - a little longer than he has. Well the individual - the person says not so successfully but I think I've won more elections than he has, and I think I've been involved in winning more elections than he has; so, Mr. Chairman I'm quite prepared to respect the court of public opinion and I also have to tell the Minister, the purpose of the estimates, as I understand it, is for the opposition to be able to ask questions of government --(Interjection)-- Yes, you can do two things: you can stand up and make an allegation without even asking any questions of the government; or you in fact can ask questions of the government and on the basis of the answers make a determination of how you are going to present a position. I have already indicated, Mr. Chairman, and so I don't want to keep the Honourable Minister, you know, to sense or feel any unease, but at the appropriate time with respect to the questions that I've asked, there I think will be some evidence to support my position presented. And I say that, Mr. Chairman, and the Honourable Minister can harangue all he wants about it, he's just going to have to wait until I'm prepared to do it. Having said that, he still has to subjugate himself as a minister to questions from the members on this side. He may or may not want to answer them - and again I cannot understand the rationale or the reasoning of the Minister.

The Minister went to Management Committee, and he indicated that, for firm positions which were not authorized, and he admitted that of the 44 or 45 contracts he had last year, eight were allowed to become permanent positions by Management Committee which is in effect Treasury Board of the government. Having been given that authority he still took it upon himself, and I gather he has authority to do this without any approval from anyone, to go out and hire another 45 people on contracts, and he in turn has advertised and followed a procedure which would normally be followed if a position had in fact been approved by Management committee, had been advertised and been boarded in a normal way.

Now I find that procedure a bit strange and I find that a bit strange, and I wonder on what basis and on what authority he had been given the authority to give this - did Management Committee then say to him, well Mr. Minister even though we're not going to allow permanent positions, we are going to allow you 45 positions, and I have indicated that based on the last year those positions amount in salary to over \$307,000.00. They are not included in public accounts; they are not included to the extent --(Interjections)-- No they will not, they will not be in public accounts, because they are not in public accounts. I want the Honourable Minister to know they are not in public accounts. They are not listed, they are not listed, they are not listed as people to whom cheques have been payable. They are on contracts. --(Interjection)-- It's an expenditure that is not - well I ask the Honourable Minister to see whether in fact they are in public accounts. --(Interjection)-- No I'm talking about last year because he not only included this year, he included last year --(Interjection)-- Well they are below - but they are \$307,000, and if we take the attendant expenses and say that they were \$200,000, because I think that would be two thirds of it, and I think it usually runs dollar for dollar in overall expense and operation, we are talking approximately of five percent of the Department of Northern Affairs operation that really is not accounted for. And so I - I don't think the Minister can get that uptight or can criticise our asking the question; nor do I think that he can in any way suggest that there is not, you know, some answers to be given.

The Honourable Member for Riel stood up and asked for an explanation of a position, and asked why it was necessary for that position to be taken. The Honourable Minister has indicated that with respect to negotiations with DREE with respect to a new ARDA agreement, he has set up another group, I think under 9 or 13 people, who are going to be working on it, and it's very obvious that many of these people are hired under contract. Is it because the people within the civil service are not capable of doing it? Is it because they have too much work - and surely if that's the case, if they have too much work Management Committee would have

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(MR. SPIVAK cont'd) . . . at least made the determination that those positions should have been added to.

So there is something, Mr. Chairman, very strange, it is very strange, this is not normal. When you talk in terms of 45 people, which represent approximately about 11 percent or 12 percent of the members of the department who in effect are really hired by way of contract, and obviously in this case, who have been boarded whatever the procedure that the Minister said, then one has to be concerned, concerned about the operation of government and about the control, and the control of expenses, because, you know, is this something that can be increased to 75 if the Minister so decides; is there any control on him; who gives him authority on this; who allows him to do this; is the deputy allowed to do this, without any reflection on the deputy, but has he the authority to go out and hire whoever he wants, under what conditions? I think these questions have to be asked with respect to this department and its activities.

MR. McBRYDE: The positions I listed for members previously, but I'll list them again, the breakdown of staff in the Department of Northern Affairs: managerial positions 1973-74, 25; 1974-75, 33; professional positions 1973-74, 37; for the upcoming year 46; technical, 103 to 125; administrative support, 70 to 86; service, 8 to 6; temporary 8 to 8; departmental casual, 0 to 6; contract positions, 48 to 45. Conversions from contract to permanent status from the 1973-74 fiscal year to the 1974-75 fiscal year, J. Wallace, Northern Co-ordinator, J. Perchaluk, Northern Co-ordinator; J. Campbell, Northern Co-ordinator; R. B. Chernier, Assistant to the Director; P. Williams, Training Officer; D. Moose, Training Officer; J. Moriceau, Program Co-ordinator; J. Lyons, Program Co-ordinator.

Now the way the process has worked, Mr. Chairman, and maybe it's a strange process, but the way the process is worked is that the total number of positions within the Department of Northern Affairs are approved by Cabinet with advice from Management Committee; the total number of positions approved are 355, of those 45 will be contract positions. At the last estimate review - excuse me - The transfer of those eight positions from contract to permanent or contracts recommended and approved, those conversions by the department approved by Cabinet at estimates time. At that time Cabinet said that the 45 positions under contract should all be reviewed by Management Committee to see if a number of those positions should not in fact be converted to permanent positions within the civil service.

The member raised questions about hiring procedures, so maybe I'm going to have to review - refresh his memory once again. Permanent Civil Service appointments; lower level method, lower level - lower entry level positions are not bulletined or advertised - clerk steno II, clerk general II, etc., as per Civil Service Commission procedures. Promotional opportunity positions are bulletined and advertised locally, provincially, nationally based on recruitment market. A competition board is held including a Civil Service Commission representative and the respective supervisor and director and the departmental personnel administrator. Note: Information Communication Extension Program - a member, a board of directors or consulting committee is a member of the competition board. Applicants appear before the community, recommendations are then ratified by the Minister and approved by the Civil Service Commission. Note: Promotional boards are not usually held for pilots, airmen, maintenance engineer positions in air radio division. Reasons basically would be an internal competition as all pilots and air maintenance engineer positions are in air radio division. (b) Market conditions: Advertisements for these positions have been failures due to lack of response from suitable qualified and experienced candidates. Pilots and air maintenance engineer are personally employed on a term or casual basis; their performance is very carefully modified and reviewed; depending on performance they are recommended to the Civil Service Commission for permanent appointment - the reason being, Mr. Chairman, that we believe that the chief pilot is the one that has the competence to judge the competence of pilot as opposed to someone in the Commission.

MR. CHAIRMAN: The hour being 9:00 o'clock, the last hour of every day being Private Member's Hour, committee rise and report. Agreed? Call in the Speaker.

Mr. Speaker, the Committee of Supply has adopted certain resolutions and has directed me to report the same and asks leave to sit again.

IN SESSION

MR. SPEAKER: Order please. The Honourable Member for Logan.

MR. WILLIAM JENKINS (Logan): Mr. Speaker, I beg to move, seconded by the Honourable Member for Point Douglas, that the report of the committee be received.

MOTION presented and carried.

. . . . continued on next page

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MR. SPEAKER: The Honourable Member for Wolseley, the Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, I beg to move, seconded by the Honourable Member from Assiniboia, as follows:

WHEREAS the family farm and the family-owned business are important elements in the social and economic fabric of Manitoba;

AND WHEREAS national and multi-national takeovers of these independently-owned farms and businesses are occurring at a rate which is undesirable;

AND WHEREAS last year, in response to representations made to the Federal Government, the capital gains tax was removed in respect of the transfer of farms within a family unit whether during the lifetime or at the death of the owner, as an incentive for retaining ownership within the family unit;

AND WHEREAS similar provisions and support are required in Manitoba to facilitate the retention of small business operations by permitting them to pass from father to son, or otherwise within the family unit, without the imposition of capital gains tax;

NOW THEREFORE BE IT RESOLVED that the government consider the advisability of:

(a) Making representations to the Federal Government to afford the same capital gains tax exemption to transfers of small businesses when they are transferred within the family unit, as is now the case with family farms, namely, that no capital gains tax is payable when such transfers of property occur; and,

(b) Until such time as the Federal Government is prepared to enact such small business capital gains tax exemption legislation, the Province of Manitoba establish a capital gains tax rebate system whereby the provincial share of the capital gains tax, namely 42.5 percent thereof will be rebated in respect of transfers of small businesses within the family unit.

MOTION presented.

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

MR. ASPER: Mr. Speaker, the object of the resolution is very clear, very straight forward, and one which I hope will gain support from all sides of the House. I say that remembering and calling to the members' attention the remarks of the First Minister when I put this question to him last year in this Chamber and received his support in principle that this kind of legislation is desirable in the province.

What we seek is to bring relief to a situation which creates a disincentive to entrepreneurship to the beginning of small business; and secondly, to create a tax incentive which will see the maintenance of ownership of family business retained within family units in the province.

Mr. Speaker, I don't wish to sound as though I'm trumpeting gloom but if the present trend, and I don't lay the finger of blame on any particular level of government but rather on all governments, but if the trend that we are in continues, if it's not checked, then three undesirable but distinct events will occur in this province, as are occurring now. First, there will be a diminishing number of new private business start-ups; second, there will be a continuance of the rush for small business to sell out to the national and multi-national concerns; third, Manitoba will progress inexorably but unmistakably along the lines towards the completion of a branch office economy, a depersonalized and uninvolved entrepreneurship which has no real personal concern over the events that take place in this province.

Mr. Speaker, I don't know that I'll have time to outline the very very serious and adverse social and economic events that occur as we move to a branch office economy and if time permits I will document that. Mr. Speaker, I don't consider this a partisan resolution because - as a matter of fact I will mention now, a select committee or a standing committee rather of this Legislature looked into this question a year ago. Mr. Speaker, I'm happy to say that committee was an all-Party committee dominated by government; and Mr. Speaker, the conclusions found by that committee are sufficient to cause concern even amongst the most placid of us.

There are over 30 discovered takeovers of Manitoba small business by non-residents in a very short period of a few years. Those are the discovered group, Mr. Speaker. As I look through it I find at least 20 more that are so-called undiscovered; whether it's Triangle Auto, Auto Wrecking, Chicago Kosher, Canada's Manitoba Distillery, Carter Motors, Weidman Brothers, O.K. Packers, R. C. Baxter, Northwest Fabricators, BACM, they - or with one or two exceptions aren't even discovered in our own committee's report. --(Interjection)--

Mr. Speaker, the ludicrous observation by the Minister who could do something about that indicates exactly the level of concern that he in his buffoonery shows for this problem.

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(MR. ASPER cont'd) Mr. Speaker, I call on the Minister of Finance who has the power to do something about the problem, if he has one scintilla of concern, to read the report, read it again and let him be concerned as all of Canada is concerned; but we in Manitoba are darn concerned, because if the Minister of Finance doesn't understand what a branch office economy is, then his successors will understand and will damn his administration for having contributed to it.

Mr. Speaker--(Interjection)--Mr. Speaker if the lack of knowledge by the Minister of Finance, that BACM prior to the takeover was a Winnipeg controlled company, if that information escapes him, as so much of the vital economic information of this province escapes him, I can do nothing more than ignore his ludicrous comments from his seat. Mr. Speaker, the trend is accelerating. Let him - let all members read this one document that was generated by this House. Let them look at the takeover by U.S. interests of building products with its 200 employees, of M. . . Manufacturing, of Copp Clark Publishing, of Charles Frosst, the drug company, of Marshall Wells, of International Laboratories, of Universal Distributors, of A & W Drive-ins, of General Paint, McKenzie-Stevenson, all with dozens, if not hundreds in some cases, of employees who now work in branch office operations; Canadian Trailmobile, Turnbull Elevators, Rayman Company, Melrose Food, Winnipeg Pants and Sportswear, Building Products, which was a subsidiary of BACM, Concrete Placers, Tallman Paving, Portage Concrete, Western Concrete, Tallcrete; Provincial Concrete, Model Homes, B. A. Construction, Tallman Gravel and Supply, Creko Concrete, Con-Force; Bell Foundry Company, Canadian Breweries, Carling Breweries, O'Keefe Brewery, McCabe Grain, National Grain, Kane Equipment, Peerless Carbon and Ribbon, Stewart Brothers, Canadian Motorola Electronics, Salada Foods, Canada Cement, . . . Provincial Lines, Modern Dairies, with about eight or nine subsidiaries, Webster Air Equipment, Stanley Brock, James B. Carter, Winnipeg Supply, A & W Food, Precision Plating.

Mr. Speaker, the committee then looked to determine whether there was something that caused these takeovers--just as a committee of the Ontario Economic Council looked in 1968 to 1970.

Mr. Speaker, in all cases that are documented in the committee report, as well as the Ontario Economic Council Report, indicate a desire for liquidity, a desire to escape tax penalty, a desire to protect against inability to pay death taxes when one transfers within the family unit. Mr. Speaker, those are not opinions, those are universally known truths, and accepted facts by all economists, all provincial governments who have any sense of awareness of this dimension, this trend.

Now, Mr. Speaker, it's been examined and found that there are three key ingredients that these sales: One, the fear of death tax, the requirement to liquidate, to have cash for death tax, which is a provincial tax; Second, the inability to transfer those assets within the family unit because of the barrier of provincial gift tax; and third, the inability to transfer within the family unit of those businesses as a result of the combined federal and provincial capital gains tax.

Mr. Speaker, I regret and I'm sure most people in this province seeing the result of the last five years must regret the role the present government had in influencing and encouraging and exhorting the adoption of some of the Carter Report Commission recommendations on taxation. And it's interesting to see, it's interesting to see how these courageous, fearless purists could bring themselves to back off when it came to the Family Farm, because they were seeking to gain popularity and support from the Family Farm owners. But, Mr. Speaker, that same thing when put to the First Minister in this House must apply to small business, and he said yes, because he thought that was a good idea. Mr. Speaker, we now give him and his government the opportunity to do something about it. I urge that the government look at a royal commission report that 30 years ago warned where we were going to wind up if we didn't do something about it, and has been proven frighteningly correct. I am referring to the Ives Commission report on taxation of 1945 to '48. Because, Mr. Speaker, the words that were prophetic in those days have become a nightmare of truth today.

Mr. Speaker, I quote some of the sections from the report: "We're strongly impressed by the evidence of the value and the necessity of these private companies in the Canadian economy. Their importance is not only in the matter of employment, but the . . . of their activities is found chiefly in more or less widely scattered communities across Canada and so serve to

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(MR. ASPER cont'd) . . . decentralize employment. A very great percentage of the population of Canada depends directly or indirectly upon the healthy condition of private companies." And further, the report says: "The problem with which we have to deal relates to the combined effect," which is what I'm speaking of, Mr. Speaker, "the combined effect of income taxes and succession duties arising on the death of any of the principal shareholders of closely held corporations with accumulative surpluses."

Mr. Speaker, there are so many quotations from this report which are relevant today. The current levels of income tax create for many companies an impossible situation. Mr. Speaker, that is the situation in Manitoba. Mr. Speaker, I could--(Interjection)--the Minister of idiocy, the Minister in charge of the Manitoba Development Corporation, suggests that I should read more. If the Minister would be so gracious as to give leave when I run out of time, I'll be glad to read more.

Mr. Speaker, I wish to cite the ludicrous position that small business - the impossible position that small business is in. The founder of a small business who begins today with zero, with borrowed capital, he accumulates on the basis of \$30,000 a year of after tax profit, ten years from today has a 300,000-dollar value in a small business. Mr. Speaker, he now wishes to transfer that small business to his son who has been working for the preceding period with him. The Provincial Gift Tax is \$114,000; the Federal and Provincial Capital Gains Tax is \$80,000; the total is \$193,000, 65 percent of his total accumulated capital. Mr. Speaker, it's true, and the Minister of Finance may be quick to point this out, there are certain credits that go with that, but fundamentally that is the cash drain that he faces in order to go through the simple economic chemistry of transferring the business from himself to his son who helped build it. The provincial share of that capital gains tax is approximately \$35,000, Mr. Speaker. Mr. Speaker, suppose he doesn't do that.

MR. SPEAKER: Order please.

MR. ASPER: The Minister in charge of the Manitoba Development Corporation suggests a tax avoidance scheme. Mr. Speaker, let's take the man, let's take the man . . .

MR. SPEAKER: Order please.

MR. ASPER: Mr. Speaker, I hope, I hope in calculating the time limit that you will take into account the interruptions from the Minister of Mines and Natural Resources.

Mr. Speaker, if that same man continues to operate his business and then dies, wishing to pass that farm or rather the small business to his son, if he has an estate consisting of the business plus \$200,000 of homes and life insurance, here's his position. The 300,000-dollar business will face a death tax of \$91,000 plus the death capital gains tax of \$80,000, totalling 171,000, 57 percent, payable in cash. Mr. Speaker, there is no way that the ordinary small business owner can find the cash with which to pay that tax.--(Interjection)--

Mr. Speaker, the Minister of Finance says he has five years to pay it. At 12 percent interest, he has to borrow the money. Yes, that's the rate, 10-1/2 to 12 percent is what the banks are charging. Mr. Speaker, we'll have the opportunity for debate on this on the Finance Minister's time. Fifty-seven percent tax when there's no cash with which to pay it. Now, Mr. Speaker, if he engages in some other planning whereby he transfers the business, sells the business to his son and takes some sort of an auction to buy it back should the son default in order to protect his wife, then, Mr. Speaker, he's in the position where if the son defaults at a time when the business is worth \$100,000 more, in order to abort the sale he pays another \$25,000 in provincial and federal capital gains tax.

Mr. Speaker, one could run through dozens of more extreme examples. The best example, Mr. Speaker, is to compare the Manitoba situation with a Minnesota situation, and under the exact same circumstances I've described where a Manitoba family in order to move the family business to the son where he would pay 170 some thousand dollars in taxes, in Minnesota the comparable situation yields a 75,000-dollar tax. Mr. Speaker, if this situation isn't checked there will be a concentration of wealth in fewer and fewer hands, a concentration of economic control in lesser numbers of owners, lesser entrepreneurs; and Mr. Speaker, I'll be prepared if this debate progresses to catalogue the concentration of capital that's developing as a result of this.

Mr. Speaker, there's a bias in the marketplace now against small business; the difficulty in obtaining management; the difficulty in obtaining financing; the difficulty in converting to public support in the marketplace; the difficulty in attracting technology; and the difficulty in

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(MR. ASPER cont'd) access to markets. I am urging the Provincial Government to enact legislation to remove one of those biases, that is, Mr. Speaker, as we did for the farmers of Manitoba and for Canada, remove the capital gains tax when they transfer property from father to family unit; and until the Federal Government will do it, the Provincial Government rebates the 42 percent of that tax that is collected by the Provincial Government. Mr. Speaker, we have a choice . . .

MR. SPEAKER: The honourable member's time is up.

MR. ASPER: . . . I ask this House to act on it.

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

MR. JOHANNSON: Mr. Speaker, I almost hesitate to speak on a Liberal taxation resolution. The last time, or one of the last times I spoke on one, in 1971 I spoke on a Liberal resolution on the Inheritance Tax, I found that peculiar things happened to the words I spoke. They were continually distorted by members of the Liberal Party, and Mr. Speaker, rather amusing results occurred during the last election campaign, and in fact prior to the election campaign, the Liberal candidate in my constituency, a gentleman named Curtain, began - well I'll name him now because the election is over and he fared very disastrously. But this gentleman began running a series of ads long before the election campaign and well into the election campaign - yes, they were very expensive ads, a great many of them. This particular ad, Mr. Speaker, states among other things that the St. Matthews' member wants your home for that 100-dollar rebate. You know, Mr. Speaker, in 1971 I made a speech in which I defended the principle on inheritance tax, a tax on the transfer of wealth at death; I made that defence of that principle in 1971 and I made a remark--(Interjection)--

MR. SPEAKER: Order please.

MR. JOHANNSON: . . . and I added a phrase which indicated that I believed in a far more steeply progressive tax rate than that prevailing under the Federal Inheritance Tax at the time.--(Interjection)--That's right, a virtual confiscatory tax rate - inheritance--(Interjection)--That's right, that's right. But within the context of what I said, I saw defending a principle and urging a more steeply progressive tax rate. And if the honourable member had ever read John Stewart Mill, one of the stalwarts of British Liberalism, John Stewart Mill defended the principle of total confiscation of estates beyond a certain level.--(Interjection)--I'm not defending that principle at this time, because of what might happen to my remarks when they pass beyond this House. But my particular remark was twisted by the Liberal candidate in St. Matthews into a statement, and this was repeated many times on many pieces of literature in many ads, that I believed in confiscation of homes, the homes of the people, and it's in black and white here. If the members wish to read it, they're welcome to do so.

Now, Mr. Speaker, that wasn't bad enough; this remark of mine also happened to filter out into St. George constituency and there I am informed the Liberal supporters were spreading the word that I was a Communist.--(Interjection)--Mr. Speaker, a businessman in Arborg, yes, who was supporting the Liberal candidate--(Interjection)--a Tory businessman in fact. Now. . .

MR. SPEAKER: Order please.

MR. JOHANNSON: Now Mr. Speaker, I really didn't object to that too much because I expect, I expect that sort of thing from the Liberal Party, over the last four years I've grown to expect that sort of distortion. But, Mr. Speaker, the final insult occurred, the Liberals in my constituency in an article in the local rag, the local paper, and also in a pamphlet accused the Conservative candidate Einar Einarsson, a very fine upstanding gentleman of being a Communist, not only of being a Communist - Mr. Speaker, not only was he accused of being a Communist but because he happened to be the chairman of the Board of Directors of Mount Carmel Clinic he was also a pro-abortionist.

Mr. Speaker, I don't object when honourable members of the Liberal Party indulge in a bit of smear on myself, but I really think it's being a bit nasty when they start calling the Conservative candidates Communists. You know when the members opposite, when the members opposite entered into their cozy little deal in running single candidates in ten constituencies and through the GGG little deals in other constituencies, I really don't think they realized what strange bedfellows they were going into partnership with.

Mr. Speaker, the honourable members opposite belabour us repeatedly with the statement that there are few businessmen or farmers in our group. There is a turkey farmer, yes, in the Cabinet, but there are a few farmers and a few businessmen in our group. Now

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(MR. JOHANNSSON cont'd) --(Interjection)-- I'm losing my time, yes, so I'll have to be careful. Mr. Speaker I wouldn't claim to be a businessman, I wouldn't claim to be a farmer; I am a country boy by origin, so I must have a little bit of merit in the eyes of the members opposite - my father is a small businessman, my grandparents were farmers. One thing I noticed, Mr. Speaker, in my years in a small country town, and observing the local small businesses, these were family businesses in a small country town - and these are the days long before capital gains tax - one thing I observed was that these family businesses were very fleeting in nature; they lasted for a certain period of time and then they disappeared. And in no way did the capital gains tax cause this disappearance. In fact, the period I'm talking about occurred decades ago - this was going on. So the concern the honourable member expresses was occurring a long time ago, long before the capital gains tax ever entered the picture.

I would like to deal with the second - I really don't think it's terribly relevant to the resolve. The 4th indicates that Manitoba should facilitate the retention of small business operations by permitting them to pass from father to son, or otherwise within the family unit without the imposition of capital gains tax. It's very strange, Mr. Speaker, that this very proposition was put to the Federal Liberal Government in power in Ottawa last year, and what happened, Mr. Speaker, they declined to act on it? They declined--(Interjection)--this proposition was put to the Honourable John Turner and he--(Interjection)--that I would have to check, the person who put it, but Turner argued against it, and I'll quote his argument to you if you doubt this point.

John Turner a year ago, John Turner one year ago in the House of Commons argued that the family farm should be given exemption from capital gains taxation on transfers within the family unit, and he argued that this could be done because there were special reasons for it, and I'll quote. This is from the House of Commons Address, April 9, 1973, Page 3119 of Hansard, and I quote: John Turner: "The distinction between the family farm and any other sort of business is that a farm by its very nature tends to be highly capitalized in terms of land and equipment. Secondly, there is a predominantly non-liquid situation in that most of the assets of the farm are tied up in land and equipment. Thirdly, the value of the land is highly volatile, it depends on market conditions prevailing at the time in the area and on other market conditions that need be quite irrelevant apart from the essential worth of the farm as a going concern." And Turner proceeded on Page 3120 of Hansard to argue against the extension of this exemption to small businesses and to corporate family farms, and he argued on a number of grounds; the main argument was that there was administrative difficulty and he foresaw a lot of administrative problems in trying to proceed beyond the exemption to the family farm. He also argued that there was much more liquidity within a corporate family farm and that through the device of share-holding transfer of ownership could be facilitated over a period of time and therefore it didn't deserve the same kind of exemption.

Now the honourable member has spoken as if the Manitoba Government has shown no concern for taxation reform and no concern for small business, and I would point out that I think our record in the field of taxation reform is one of the things of which we are most proud. We have carried through major redistribution of income through the Manitoba property tax credit plan and through the elimination of the inequitous health premium - this is a major shift within the tax field. But we have also shown concern for small business - now coming from ravening Socialists this may shock the member, and if he would care to read back to the Budget Speech delivered by the Minister of Finance in 1970 prior to his entry into this House, appendix (b) The Minister of Finance made representation to the Federal Government requesting reforms, requesting changes in federal tax legislation, which would have given far greater benefit to small business than the proposal now put forward by the Liberal leader. --(Interjection)--Just a moment.

The Minister in his - in the Manitoba Government position Paper in respect to the Federal Tax Reform, made a couple of points. One was that depletion allowances and other resource industry incentives, etc., are still going to operate, and these may well be wrong in principle, whatever the basis for computing them. Depletion allowances benefit large corporations and they give them a very unfair advantage over small corporations. Another point made by this Finance Minister; capital cost allowances must be fully re-examined before setting any final corporate tax policy - an unlimited advertising expenditure offset against tax liability remains a major inequity and an economic weakness which the White Paper ignored. These items again

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(MR. JOHANNSSON cont'd) are major competitive advantages that large corporations enjoy over small business and we agreed that the Federal Government should eliminate these unfair advantages given to large corporations. --(Interjection)--I'm running short of time.

MR. SPEAKER: Five minutes.

MR. JOHANNSSON: No. I'll answer questions when I've completed.

And the Minister of Finance argued that there must be alternative provisions for truly small and innovative business as the Carter Commission recommended. These new and small scale operations need aid in finding and holding capital; they are entitled to various special incentives with offsetting incentives to large operators, who simply use tax advantages to wipe out small competitors. Manitoba proposes tax deferral for small business for a specified period of start-up.

So we did make major recommendations to the Federal Government which would have been of benefit to small businesses and of course the Federal Government didn't accept these recommendations.

One of the difficulties is that my concept of small business seems to be a bit different from that of the honourable member. He has given as examples of small business corporations that no one else would define as small business, BACM, A & W - what else did he - James B. Carter, Salada Foods, small family businesses. Only the Liberal Leader would define these as small family businesses.

Now the validity of his arguments are very questionable. He claims that the capital gains tax is harsh on small business - and of course he gives an example of a \$300,000. . .

MR. CHERNIACK: Maybe he doesn't believe in capital gains tax.

MR. JOHANNSSON: I don't know if he does or not. It sounds highly questionable whether he does or not. But, Mr. Speaker, I did some calculations on the basis of what I thought was a typical small family business, a grocery store worth \$60,000 at the end of 1971, \$80,000 at the end of 1973. In other words, a capital gain of \$20,000. I calculated or I had calculations done to find out how much this gentleman would pay in capital gains on this small family business, what I thought was a small family business - now the Leader of the Liberal Party seems to have a very different concept - and I found, Mr. Speaker, that if this gentleman took advantage of the general averaging provisions under the federal legislation, the provincial capital gains tax payable over a two year period would amount to a little over \$1,000 - that's on a \$20,000 capital gain, a little over a 1,000. Now capital gain of course is unearned income. \$1,000 provincial tax payable if he took advantage of the forward averaging provisions which permit him to spread that capital gain over a 15 year period . . .

MR. SPEAKER: Order please.

MR. JOHANNSSON: Mr. Chairman, if someone has an asset worth \$80,000 they can very readily obtain \$1,000 cash on that asset of \$80,000, very, very easily.

The second point I would make is that the second resolved of his resolution is incorrect. He implies that the provincial tax payable is 42 percent of the total - in fact the provincial tax is 42 percent of the federal tax, which means that the provincial portion is about 30 percent.

One further point, Mr. Speaker, Manitoba at present could not legally proceed to implement his suggestion, because we are locked into the present system by a federal-provincial tax collection agreement, and if we were to want to end this agreement, we would have to give a year's notice; we couldn't get out of the agreement until the end of 1975, and at that point the implication of his proposal is that we would have to set up our own bureaucracy to start collecting taxes. --(Interjection)--No, we could use unemployed Liberals; there are a lot around after the last election.

In conclusion, Mr. Speaker, I would think that first of all there is no proof that capital gains taxation on the transfers of small businesses within family units is burdensome. Mind you the honourable member defines small businesses as BACM, so we can't agree on that. Secondly, a provincial rebate as he suggests is now legally impossible under the present federal-provincial tax collection agreement; and finally, even if it could be implemented, what significant benefit is this to the small businessman. In the case that I mentioned, he has a benefit of \$1,000.00.

MR. SPEAKER: The honourable gentleman's time is up. Order please. No questions unless by unanimous consent since the member's time is up.

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(MR. SPEAKER cont'd)

Are you ready for the question? The Honourable Member for Sturgeon Creek.

MR. FRANK JOHNSTON (Sturgeon Creek): Thank you, Mr. Speaker. The Member from St. Matthews just leaves me cold. It leaves me to presume that capital gain is unearned income when a person buys a business, owns a business worth, say, \$20,000, \$1,000, and builds it up to be worth \$10,000, you say that's unearned income? Good heavens, Mr. Speaker, You know --(Interjection)-- Yes, I'll let you ask me a question.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. ASPER: Thank you, I wonder if the Minister, rather the speaker from, the Honourable Member from Sturgeon Creek would comment on his digression . . .

MR. SPEAKER: Order please. Order please. May I remind the honourable gentleman about our rules; rules in respect to questions are for clarification, not to expand debate or to alter debate. So would the honourable gentleman wait until the Member for Sturgeon Creek has said a few words. The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: I'll allow a question and answer, Mr. Speaker. Then he takes the grocery store, you know, the small grocery store, and I had a lot of respect for small grocery stores; I spent a lot of the first part of my business life calling on small business grocery stores, they're the backbone of the province these types of small businesses. But to say that James B. Carter was not a family business started in Manitoba, that grew - of course the members on the other side don't want businesses to grow in this province. As I said in my speech from the Throne, Mr. Speaker, this government does not like small business; they can't flourish with a bunch of free enterprisers around; they can legislate against big business, and every bit of legislation that they have put through at the present time is to gradually put the small businessman out of business.

You know, Mr. Speaker, the Member from St. Matthews ought to put a bag over his head when he starts talking business. He goes down to the library and gets a bunch of statistics that he loves to read in books and his practicality of business is something to be desired. And I would say this, Mr. Speaker, the Member for Wolseley at many times, the Honourable Leader of the Liberal Party does have some problems at times, but I'll tell you that he's very knowledgeable on tax. I think that he could argue with the Member from St. Matthews any given time, and what the Member for Wolseley just finished saying in his resolution and in his presentation, is that we have a problem in Manitoba. And what did we get from the usual over there, the laughing back row, the smiling centre row, and the smug front row, you know. You see, what really goes on over there is the fellows on that front row, that government has reduced itself from a 31-man government to a 5-man government, and the honourable gentlemen on the front bench really don't tell anyone what's going on over there; even the Ministers on the Treasury Bench in the second row don't know what's going, and the fellows in the back row know less.

Mr. Speaker, let me tell you about one that I know of personally, a business started in Manitoba from about a size of a building the size of that chesterfield, grew up to a head office in Manitoba, branches across western Canada, and the man, Sir, had to sell out. He couldn't possibly die, that business, owning that business. He had to sell out. And when he finally sold out to a very large corporation he got out of this province, Sir. He could not afford to die owning the business he started in Manitoba. There was just no way. All the people that advised him said, look at your age you've just got to, got to make this move. So what usually happened - what's happening now? We have small business in Manitoba that gets whacked at daily; even the Minister of Autopac has decided that they're going to hit at the small business more than anybody; they think that the - not all small businesses are grocery stores, there are small business that have fleets of cars. We have the succession duties, we have the taxes that the Minister of Finance continually seems to go out of his way to find to put on the people in this province, and when we get a presentation that's very factual, very factual, except that maybe they do have five years to pay, and the Minister wants to prove that in his little book that he's got over there - that's fine. If he wants to prove those insignificant little things, why doesn't he stand up and speak instead of hiding behind the back benches on that side. They pass out the resolutions, Mr. Speaker, and what do we do? You pass them out to the back benchers. But the Treasury Bench has a resolution put in for this government - and the Treasury bench has a resolution put in front of them with a problem described by a person

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(MR. F. JOHNSTON cont'd) . . . who's knowledgeable in tax, knowledgeable in tax --(Interjection)-- I'll stack him up to those fellows any time. And anyway, what do they do, they laugh about it. They laugh about it. And the Minister says to the fellow in the back bench, go down to the library, dig up some figures, talk about something you know nothing about, and he hides behind them and doesn't answer that question - does absolutely nothing about it. Mr. Speaker, Mr. Speaker, we've got it again. We've got the laughter from the government.

Mr. Speaker, just for a second to you, Sir, doesn't it bother you that you get that continual laughing and cackling from that government? You know, it's, you know, the smug, smooth, pious comments of the Minister of Finance only when you speak. You know, it's rather ridiculous, you know, it's rather ridiculous that the seriousness that this government takes on a situation that's a problem in Manitoba. The nothing attitude of the Minister of Industry and Commerce when we talk about small businesses going out of this province, and nothing is said. Nobody cares. You know, if you want to, Mr. Speaker, document the argument the Member from Wolseley made; if you want to sit down, or as they should on the other side and really discuss it sometime; I'm not saying that he's completely right but he's certainly not very far off base of what is happening. And they would find, Mr. Speaker, that they still wouldn't admit it because they still keep putting the taxes on. But it's rather nice for a Conservative to get up and speak on this resolution, because we didn't put any of these taxes on.

A MEMBER: Hear hear.

MR. F. JOHNSTON: All they did is when the NDP and the Liberal Party got together, we found taxes keep coming out that would harm small businesses. And what do we hear the Member of St. Matthews say? The Member from St. Matthews says, we have made recommendations to the Federal Government. Recommendations? We've been recommending things; this government recommends and recommends and recommends and does nothing about it and says, we're going to let you all go out. We're going to lose you all because the Federal Government won't do anything about it. You know, and they are the ones that helped the Federal Government do it. --(Interjection)-- Right. Right. They are the ones that won't take a look at the Manitoba problem.

You know, Mr. Speaker --(Interjection)-- it's there. The problem is there. The taxes, because you can't transfer within the family in business, which to me is something for the - what do you call it, the human rights, or whatever you want to - something like that --(Interjection)-- They tell you you can't transfer to your family or your sons, or anything like that without it costing you an arm and a leg, and then they give you the example about the small grocery stores, because while the Member from St. Matthews was a little boy in the country, he noticed that small grocery stores changed hands, and they had a way of going, you know. Mr. Speaker, I was a salesman for Paulin Chambers biscuits when I was 19 years old, through the country area, and I saw small businesses change hands; I saw communities that would grow where the business would grow, and then the community might not, and they had a bad time, the business would go down. But there was a free enterpriser that was willing to take that gamble every time he went in there, and he says that that's the criteria of small business, and that's why he doesn't like the small business. And that's why the opinion that he gives that we shouldn't have a James B. Carter started in Manitoba, a family business grow. Well, they have them, but they don't want to keep them because most of those men or people that own them can't afford to die owning those businesses in this province, so they sell out.

And, Mr. Speaker, these men smugly sit there and say there's no problem. When they walk around this province themselves daily; they walk around this city, they meet people, they see the problem, and they still won't do anything about it. In fact, they think it's humorous.

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

MR. EVANS: Mr. Speaker, in the very few minutes that are left to me, I'd like to make a very few brief remarks. I appreciate the description of the problem posed by the Honourable Leader of the Liberal Party. He read off a great list of the companies that have moved out or whose head offices have been moved out of Manitoba to eastern Canada. But I would like to ask the honourable member and all honourable members to take a look at the record a few years back, in fact a few years back beyond that, and I can tell you for a fact

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(MR. EVANS cont'd) . . . that this trend of takeover of head offices, of moving out of head offices, is something that has gone on in the Province of Manitoba for three or four or five decades, if not longer. That is a fact, and it has nothing to do with the tax situation, it has nothing to do with the tax situation, Mr. Speaker. I agree with the Honourable Member from Wolseley on his description of the problem, of the trend, I agree with some of his descriptions, but I disagree with his diagnosis of the cause of the problem, because the cause of the problem is not tax. I know the honourable member's an expert in taxation, and he seems to think that everything that happens in the economic world is dependent upon taxation. Well, Mr. Speaker, that is utter ruddy nonsense. It is utter ruddy nonsense to say, for the Member for Wolseley, the Member who leads the Liberal Party, to tell the people of Manitoba and the members of this Legislature that this is happening because of a particular tax law or because of a particular set of tax regulations. Because that is not the reason, that is not the reason why, why any trend towards concentration in eastern Canada is happening. There are a lot of very very good reasons and they're not the reasons that the Honourable Member from Wolseley has stated.

And the point is, Mr. Speaker, he doesn't know a damn thing about economics and he gets up - he doesn't know a damn thing about economics, and everything - he can only see, he can only see business in terms of tax laws, and getting around tax laws perhaps, I don't know but he can only envisage, he can only envisage the business world in terms of the tax structure. And, Mr. Speaker, I'm afraid therefore that the Honourable Member from Wolseley is looking at the business world through a veil, through a very clouded, through a very clouded glass, because he doesn't see the actual situation. There are various reasons why there are trends towards concentration of business in Canada, some very fundamental economic reasons. The national tariff; look at the national tariff of Canada and you tell me if that does not have an influence on concentration in industry in eastern Canada. It damn well does, and it's sponsored by the Federal Government of Canada.

What about the railway rates, the freight rate situation? If anything that causes the concentration of industry in Ontario and Quebec, it's the railway rates, and it's sponsored by the Federal Ottawa Government, not the tax situation. The tax - what the honourable member refers to in terms of taxes is peanuts, it has really no --(Interjection)-- really no, it - essentially it has very little influence, it has very little impact. The railway freight structure in this country is designed to enhance and to concentrate industry in Ontario and Quebec, and there's no getting away from that. That is the fact, and all the western provinces of Canada came to Calgary last summer and we said together in a unison, to all the people of Canada, the the freight rates, the national freight rate system in this country was geared against industrialization in western Canada. And that is a fundamental reason why you do have this continuing takeover by head office organizations, this continuing concentration of industry in eastern Canada.

And let me give you another reason, Mr. Speaker. I'll give you another reason. You take, Mr. Speaker, take a look. I want the honourable tax expert in this House to look at the Department of Industry, Trade and Commerce in Ottawa. He's babbling from his seat because he knows damn well I'm telling the truth. You look at the - you look at the Federal Department of Industry, Trade and Commerce, the Federal Department of Industry, Trade and Commerce, and look at their budget. Where is their money going? --(Interjection)--

MR. SPEAKER: Order please.

MR. EVANS: Well, I am looking at it.

MR. SPEAKER: Order please. Order please.

MR. EVANS: I am looking at it.

MR. SPEAKER: Order please.

MR. EVANS: I am looking at it, and 85 percent of the federal budget, the Federal Department of Industry, Trade and Commerce goes towards enhancing the growth of industry in Ontario and Quebec. And I told Allister Gillespie, the Federal Minister, this and he couldn't deny it, and all you have to do is look at the budget, look at the estimates of that department and see where they're spending it. They can put \$80 million in De Havilland; they won't put one penny into Saunders; they'll support De Havilland in Ontario, but nothing in Manitoba.

MR. SPEAKER: Order please. Order please. Order please.

MR. G. JOHNSTON: Would the Honourable Minister entertain one question before 10:00 o'clock?

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MR. EVANS: Mr. Speaker, two more points. A few weeks ago we had the Federal Minister of Supply and Services here. This is the department that buys hundreds of millions of dollars of goods and services from business in Canada; and the Minister came here to Winnipeg and he was on a television interview with myself, and he said, yes, Ottawa does not buy a fair share of goods and services from industry in Manitoba. And that's another damn good reason why we don't have the rate of industry that we should have, industrialization in Manitoba.

And let me make one final point because time is going. The last point I would make . . .

A MEMBER: Keep going. Keep going.

MR. EVANS: Okay. Another point, Mr. Speaker, I would make is that there is such a thing as an economic system. There's such --(Interjections)-- Okay. Everybody's all excited on that side, because I'm telling it as it is, that that is what the situation is, not this minor taxation, not this minor taxation . . .

MR. SPEAKER: Order please.

MR. EVANS: . . . the Member for Wolseley is talking about.

MR. SPEAKER: ORDER! I had intended to give the honourable gentleman another 30 seconds. Would he . . . --(Interjections)-- The honourable gentlemen just make it impossible to hear; possibly next time when the question comes up the honourable gentleman can finish his remarks.

The hour being 10:00 o'clock, the House is now adjourned and stands adjourned until 2:30 Wednesday afternoon.