

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2:30 o'clock, Wednesday, February 15, 1967

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions

MR. DOUGLAS M. STANES (St. James): Mr. Speaker, I beg to present the petition of Joy Huston and others praying for the passing of an Act to incorporate The Association of Occupational Therapists of Manitoba; and also, Mr. Speaker, I beg to present the petition of The Society of Industrial and Cost Accountants of Manitoba, praying for the passing of an Act to amend an Act to incorporate The Society of Industrial and Cost Accountants of Manitoba.

MR. SPEAKER: Reading and Receiving Petitions

Presenting Reports by Standing and Special Committees

Notices of Motion

Introduction of Bills

Before we proceed I wonder if I might direct the attention of the honourable members to the gallery. Today on my right we have 36 students of Grade 8 standing, from the St. John's High School. These students are under the direction of Miss Reimer. This school is located in the constituency of the Honourable Member for St. John's. There are also 30 students, Grade 7 and 8 standing, from the Rosenfeld Consolidated School. These students are under the direction of Mr. Kuhl. This school is located in the constituency of the Honourable Member for Rhineland. I might go a point further and indicate to the honourable members that we also have with us today some 50 members of the Royal Canadian Horse Artillery under the command of Captain Kavey. On behalf of all the members of the Legislature, I welcome you all here today.

HON. STEWART E. McLEAN, Q.C. (Provincial Secretary): Mr. Speaker, before the Orders of the Day, I have a statement that I would like to present to the members of the House. The Manitoba Telephone System has informed me, and I am pleased to announce that contract negotiations between the Manitoba Telephone System and the Canadian Broadcasting Corporation have been successfully completed for the Manitoba Telephone System to provide the necessary television network facilities for the transmission of live television to Northern Manitoba. The facilities to be provided by the Manitoba Telephone System will permit the CBC to transmit live television to the communities of The Pas, Flin Flon, Snow Lake and Thompson. The accelerated expansion and development of Northern Manitoba has necessitated the building of a new microwave relay system to meet the north's ever-growing telecommunication requirements, and this expansion of the Telephone System's facilities has made this new proposal for a live television network now possible.

It is proposed that the Manitoba Telephone System will pick up the CBC's Fisher Branch re-broadcasting signal and extend it via the microwave radio relay system to the existing transmitters at The Pas and Flin Flon and to proposed new transmitters at Snow Lake and Thompson. I am informed that the initial steps to incorporate the transmission of live television into the System's proposed microwave network have already been taken by the Manitoba Telephone System to ensure completion as early as possible in 1969. It is my understanding that the Canadian Broadcasting Corporation has applied to the Board of Broadcast Governors for licensing in order to complete arrangements to serve Lynn Lake by means of frontier coverage package television facilities which will be programmed by tape recording. It is also our understanding that the Canadian Broadcasting Corporation is at present and will continue providing film recordings to the local television station at Churchill. They will continue their interest in the continued operation of this service to the Churchill community.

Mr. Speaker, I might add that this same statement or the substance of the statement is being made concurrently here in this House and in the House of Commons at Ottawa by the Honourable Judy LaMarsh, the Secretary of State, and may I just add one further comment that the Manitoba Telephone System has already placed its order for the necessary equipment and this equipment will be of the type necessary to carry both black and white and coloured television.

MR. GILDAS MOLGAT (Leader of the Opposition)(Ste. Rose): Mr. Speaker, I want to thank the Minister for the statement he just made. It's a statement that will please all Manitobans but particularly the Manitobans who live north of the 53, because this is one item that they've been asking for for a long time, and undoubtedly while we down here in the southern part of the province enjoy radio and television, it's even more important for those of the north who do not have access to all the other types of activities and social entertainment that is

(MR. MOLGAT, cont'd) . . . .available to the more heavily populated southern area. I think this is a good example of co-operation between a provincial government and a federal government joining together to provide a service to our citizens. The people of Flin Flon and The Pas, while they appreciated the canned type of TV they were getting, were certainly most anxious to get their sports and their news up to date rather than a week behind time, and this will change things drastically for them. Snow Lake and Thompson, of course, will be for the first time receiving outside TV I understand that the extension of further TV in the north, that is on a live basis, will probably now have to await the development of a Canadian satellite which could beam for the whole of the northern area. It's my understanding that CBC are working on this, and I'm very hopeful that before too too long we can have a further announcement that all of our populated areas will in fact be receiving by satellite regular live news and total TV coverage.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party)(Radisson): Mr. Speaker, if I may join in the expressions of appreciation that at long last there has been this area of co-operation between the Manitoba Telephone System and the federal authority in respect of the extension of television services to our friends in the north. I'm sure that they will appreciate this greatly and I think, Mr. Speaker, it would be only proper for me at this particular occasion in this field of co-operation of publicly-owned enterprises, to point out to some of my friends opposite, who are the great champions of free enterprise, to draw to their attention that if it was not for the fact that we have public enterprise in television and in telephone we would not be able to make this announcement today. Because of so well placed or put by my honourable friend the Member for Churchill that private enterprise has failed to provide the services for the people of the north and now public enterprises are stepping in, interfering, absolute interference with the free enterprise system so well supported by my friends across the Chamber - and there is considerable degree to those on my right - I'm sure the people of the north will welcome the enterprise which is possible when we have publicly-owned utilities.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I too would like to join in congratulating the government on providing this service for the people of Northern Manitoba. I think this is one of the election promises that has come true, for a change, and I am sure the people in the north will appreciate getting this service. However, I'd like to point out to the Leader of the New Democratic Party that it is the money coming from private enterprise that will eventually do the trick and bring about the means whereby this can be done.

MR. T. P. HILLHOUSE, Q.C. (Selkirk): Mr. Speaker, I wish to thank the Honourable Leader of the NDP for the splendid compliment that he paid to my desk-mate, the Honourable Member for Lakeside, because while the Honourable Member for Lakeside was premier of this province I don't think that any man did more towards bringing our utilities under public ownership than he did himself.

MR. PAULLEY: . . . that point, Mr. Speaker, was it not the grandfather of my honourable friend the First Leader of this Assembly, the Honourable Rodmond Roblin, if I remember correctly, who first introduced public ownership of the telephone system in Manitoba?

MR. SAUL M. CHERNIACK: Mr. Speaker, may I ask if Karl Marx hadn't suggested it to all of these people?

MR. NELSON SHOEMAKER (Gladstone): Mr. Speaker, before the Orders of the Day are proceeded with I would like to direct a question to my honourable friend the Minister of Industry and Commerce. On two different occasions I asked him about the finances of the FFF Farms. On two occasions he accepted the question and said he would advise the House at a later date, and I'm wondering if this is the date on which he might want to comment.

HON. SIDNEY SPIVAK, Q.C. (Minister of Industry and Commerce)(River Heights): Mr. Speaker, I'm sorry to disappoint the honourable member. I have taken the question as notice; I will be answering the question when I deal with my estimates.

While I'm on my feet I would like to lay on the table of the House the Annual Report of the Department of Industry and Commerce, the Manitoba Design Institute, the Manitoba Export Corporation, the Manitoba Research Council, the Manitoba Transportation Commission and the Manitoba Development Authority.

MR. PAULLEY: Mr. Speaker, if I may direct a question to the Honourable the Minister of Industry and Commerce, or possibly to the Honourable the Minister of Municipal Affairs. My honourable friend the Minister of Industry and Commerce yesterday with much gusto informed us that a \$10 million corporation was going to be built in the Gimli area. I note in reading the newspapers yesterday that this is contingent on a vote being taken by the ratepayers of the town

(MR. PAULLEY, cont'd) . . . . of Gimli. I would like to know from my honourable friend the Minister of Industry and Commerce why it is necessary for the ratepayers of the town of Gimli to have to take a vote in order that this great industry may locate in that area?

MR. SPIVAK: Mr. Speaker, may I just indicate one thing at the opening. We are dealing with the rural municipality of Gimli and not the town of Gimli. An arrangement has been arrived at between the council of the Rural Municipality of Gimli and the House of Seagrams representing Calvert of Canada, whereby this arrangement is subject to approval by the ratepayers. It deals with several items. The site on which the distillery is to be located is a 150- or 154-acre site. The Company will be placing on that site normal municipal services, water, sewer, road, lighting. The Company will also be taking care of fire protection and police protection, and they arrived at an arrangement whereby they will be paying the school taxes, the business tax, and have asked for a credit on the general levy, and this is the matter that must be subject to the approval of the ratepayers of the municipality.

MR. PAULLEY: . . . subsequent question to my honourable friend. I wonder if he might elaborate on what this huge, colossal enterprise hopes, the concessions that they are expecting back insofar as the last part of my honourable friend's statement.

MR. SPIVAK: Mr. Speaker, the concession as you refer to, or the incentive, deals with those matters which the Company will be handling themselves on the property. This they aggregate to be over \$300,000. They have asked for a concession over a period of ten years which will amount to \$300,000. But for the benefit of the Honourable Leader of the NDP party, I would like to indicate that in that ten-year period they will be paying by way of school and business tax, it is estimated, \$512,500. The present assessment on the property produces an annual tax revenue today of \$189.00.

MR. PAULLEY: One further supplemental question I believe I'm entitled to, Mr. Speaker. Then, in other words, what my honourable friend is suggesting, that the Rural Municipality of Gimli it is necessary for them to grant concessions, or give concessions even for a ten-year period to one of the wealthiest privately-owned corporations in the Dominion of Canada.

MR. SPIVAK: Mr. Speaker, the question is very simple. If the ratepayers of the rural municipality want the industry and the company is prepared to put the additional cost of the services in on the property themselves, the choice is theirs to determine whether they want the industry or they do not. If the ratepayers refuse to vote and pass the referendum, then of course the industry will not be located. This is their choice and their choice alone.

MR. RUSSELL DOERN (Elmwood): Mr. Speaker, before the Orders of the Day I would like to direct a question to either the Minister of Education or the Minister of Welfare - I'm not sure which department. I would like to know if there are special qualifications for people who work in nursery schools. Can you tell me if there are educational requirements etc. for people employed in nursery schools?

HON. GEORGE JOHNSON (Minister of Education)(Gimli): No Mr. Speaker, I would have to take that question as notice. All that comes to mind is that in the past year with the co-operation of the Community Welfare Planning Council we did put on a course for nursery school operators at our Manitoba Institute.

MR. DOERN: Should I submit an Order for Return or . . . .

MR. JOHNSON: I'll get you an answer.

MR. DOERN: Fine. Thank you.

MR. SAUL MILLER (Seven Oaks): Mr. Speaker, I wonder whether the Minister of Industry and Commerce could clarify some of the remarks he has made. Is he suggesting that the utilities that will be put into the Seagram's plant will in any way be of benefit to the town of Gimli itself, or the townspeople living in and around that 150-acre site, or will these utilities simply serve the plant itself? - the lighting etc. will be confined to the plant properties and not be of any value, I am wondering, to the townspeople or the community?

MR. SPIVAK: Mr. Speaker, if you want me, I can deal at length what this development will be to the rural municipality of Gimli and to the town of Gimli, but insofar as the actual services that are being undertaken they will be located on the 150-acre site. They will include street lighting, streets, sewer, water. These are services that normally would have to be applied for and obtained from the municipality for location and for development of an industrial site, and in lieu of this they have asked for the credit; they will be spending the money themselves.

MR. ELMAN GUTTORMSON (St. George): Mr. Speaker, I would like to direct a question to the Attorney-General. In view of the decisions handed down by Magistrate Rice with respect to the use of radar, does he contemplate any legislation to plug up what is described as a loop-hole in the Highway Traffic Act with respect to this device?

HON. STERLING R. LYON, Q. C. (Attorney-General) (Fort Garry): Mr. Speaker, I take it my honourable friend is referring to a decision of some months ago. I am not aware of the decision that was made in court yesterday. I'll have to take the question as notice.

MR. SHOEMAKER: Mr. Speaker, I would like to direct a question to the Minister of Public Utilities, inasmuch as all of the car dealers in Manitoba have presently been notified that in order to first obtain their licence plates, their dealer plates, they must file with the Department a \$5,000 bond for each partner and a \$1,000 bond for each salesman. Now I don't think that they are objecting to the principle, but what they certainly are objecting to is the shortness of time in which they had to obtain the bond, and I personally have been asked to get the ... It's a new venture here and even the bonding companies are concerned. I wonder if, in consideration of the fact that they must have their plates by the first of the month, would my honourable friend consider extending the period for a couple of weeks in order to give them time to file the bond that is required.

MR. McLEAN: Mr. Speaker, I am certain that we will be more than happy to co-operate with any dealer that wishes to communicate with us or with the Honourable the Member for Gladstone. If he will give us the name we will be happy to try and accommodate each case where there is any problem.

MR. PAULLEY: Mr. Speaker, I would like to direct a question to the Honourable the Minister of Municipal Affairs. Did the Department of Municipal Affairs approve the request for the vote of the ratepayers in respect of concessions to Seagrams of Canada, and is it policy of the Department of Municipal Affairs to permit or endorse the granting of concessions by municipal corporations in Manitoba?

HON. THELMA FORBES (Minister of Urban Development and Municipal Affairs)(Cypress): My Deputy was aware of it. It's in the Act and I'll take your question as notice and give you any further information on it.

MR. PAULLEY: Mr. Speaker, may I have a little clarification? "My Deputy was aware of it." Aware of what? The approval for the ratepayers? My question was: Did the Department have to give authority for the taking of the vote?

MRS. FORBES: I'll take it as notice.

MR. FROESE: Mr. Speaker, I would like to direct a question to the Minister of Education. Could he give us any further enlightenment as to when we can expect a bill in connection with the White Paper?

MR. JOHNSON: As soon as possible, Mr. Speaker.

MR. SHOEMAKER: Mr. Speaker, I would like to direct a question to my honourable friend the Minister of Health. On two or three different occasions I asked him whether or not the members of the House could be expected to get their teeth, natural or artificial ones, into the recommendations of the Dental Services Committee report, and he indicated that in due course he would bring in legislation. When can we expect to deal with this famous document?

HON. CHARLES H. WITNEY (Minister of Health)(Flin Flon): Mr. Speaker, soon.

HON. WALTER WEIR (Minister of Highways)(Minnedosa): Mr. Speaker, before the Orders of the Day may I lay on the table a nil report pursuant to the Land Drainage Arrangement Act.

MR. HILLHOUSE: Could the Honourable Minister of Health make it sooner than soon? My gums are getting chompy.

MR. SPEAKER: Order please.

MR. GUTTORMSON: Mr. Speaker, I would like to direct a question to the Minister of Public Utilities. I understand there is some concern over the safety of using re-grooved tires and that legislation is being sought through all provincial governments to make it illegal to use re-grooved tires on passenger cars. Has this government been approached and is it their intention to bring in legislation which would outlaw re-grooved tires for passenger cars?

MR. McLEAN: Mr. Speaker, I had not heard of this matter until the Honourable Member for St. George spoke. We have not received any communications or representations from any person on this matter.

MR. EARL DAWSON (Hamiota): Mr. Speaker, I would like to direct my question to the Minister of Public Utilities. On December 12th I placed an Order for Return regarding

(MR. DAWSON, cont'd) . . . .self-addressed envelopes and the cost per thousand. I wonder when I might get a reply to my question.

MR. McLEAN: Mr. Speaker, I think we indicated it might take a bit of time, but I know that they are working on that and I would hope to have the return soon.

MR. SHOEMAKER: Mr. Speaker, I on two different occasions enquired about the position of the power toboggans in relation to the highways, and inasmuch as each and every one of us will be required to purchase new plates for our vehicles shortly, surely some statement will be forthcoming from the government soon and before March 1st in respect to whether or not the power toboggans can legally travel on the highway or are they limited to their back yard only.

MR. McLEAN: Mr. Speaker, I was under the impression that I had answered that question before, but perhaps in view of the fact that it has been asked again I had better prepare a formal statement and present it as early as possible.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I would like to direct a question to the Honourable Minister of Labour. Will the Review Committee on Labour Legislation be reporting to the Legislature this session on ex parte injunctions?

HON. OBIE BAIZLEY (Minister of Labour)(Osborne): Mr. Speaker, I haven't any idea what the Review Committee on Labour Legislation will be reporting to the honourable members of the House and I expect to have their report tabled soon.

MR. PATRICK: A subsequent question, Mr. Speaker. Two years ago when we had the first report, the report stated that the next thing that the committee would be studying was ex parte injunctions and would be reporting. I wonder if there is any progress and when will the report be coming in?

MR. BAIZLEY: Like my honourable friend, Mr. Speaker, I look forward to their report.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I would like to address my question to the Honourable the Minister of Education. With respect to the single board vote meetings that are being held and will be held. Are the civil servants who are being asked to attend and answer questions, have they been instructed to answer all questions? I'm thinking now in particular to questions about taxation. I have had complaints from people who have said that they have asked questions about taxation and the civil servants who were answering questions at that particular meeting said they couldn't give that answer. Now have they been instructed to, and have they been briefed on all questions about taxation, and will they be giving the answers as asked at the meeting?

MR. JOHNSON: Mr. Speaker, civil servants attending the meetings - the inspectors, members of the department here, senior people in the department - they only know, of course, the White Paper the same as we do, and they are emphasizing the educational benefits. They have spoken to me about certain questions that are brought forward and they have just indicated that they're in no position to answer at this time. There are certain questions which -- we'll have to pass the act and be governed by regulations. There are a few areas yet that haven't been resolved. We haven't reviewed these with the people who are speaking. They haven't been given any specific instructions. They have been told -- as far as I am concerned I have said to them the financial recommendations are the responsibility of the government. If people ask you, you can explain what you know as per the White Paper, the method of pooling, the structuring of the school finance board and that sort of thing, but I don't believe any of them would get into trying to explain or any of the detail in that regard. Most of them indicate to me by far and large the majority of questions have been those of the one-room school or the smaller school and its status in the future, and matters offinance they I think have deferred to the government and that's why I think it's important that at key centers throughout that week members of the government get across to these regional meetings.

MR. GORDON E. JOHNSTON (Portage la Prairie): A supplementary question, Mr. Speaker. In view of the fact, Mr. Minister, because one of our members is going to be taking an active stand against the vote for the single school division, and the fact that he is dwelling on taxation, do you not think it advisable for your civil servants to have some of these answers?

MR. JOHNSON: I will certainly take that under consideration, Mr. Speaker.

MR. SPIVAK: Mr. Speaker, I would like to clarify one matter that I mentioned in case there is any misunderstanding by the House. With reference to the tax credit asked for by the House of Seagrams and arranged with the rural municipality of Gimli, I should like to point out that the amount of taxes estimated for school business and general levy would have been \$812,500 and that the credit of \$300,000 applies against that which will leave the municipality

(MR. SPIVAK, cont'd) . . . . over the ten-year period with \$512.00 on property that now is realizing \$189.00 annually.

MR. PAULLEY: . . . . ask a question on this. Then, in effect, what the Honourable the Minister of Industry and Commerce is saying that in effect the ratepayers of the rural municipality of Gimli are, in effect, paying for the services to the land unlike they do in any other municipality.

MR. SPIVAK: . . . . not correct, Mr. Speaker.

MR. CHERNIACK: May I direct a question to the Minister of Municipal Affairs? In the event that the by-law we have spoken of, this Gimli by-law is passed by the ratepayers, will it have to come to this Legislature for validation?

MRS. FORBES: Mr. Speaker, this is a legal question.

MR. MILLER: Mr. Speaker, I would like to address a question to the Minister of Municipal Affairs.

MR. SPEAKER: The Honourable Member for St. John's - do you wish to pursue that question?

MR. CHERNIACK: I just wanted to ask a supplementary question if I can. Possibly she could ascertain from the Minister of Industry and Commerce whether arrangements had been made whereby such a bill might be brought forward for that purpose.

MR. SPIVAK: The arrangements were arrived at between the Company and between the Council of the Rural Municipality of Gimli. I believe, but I may stand corrected, that that arrangement is approved by the ratepayers; the matter is completed. This is not new in Manitoba's experience and I suspect that this is what will have to happen. But you've asked me a question which I believe is a legal question and I'm not in a position to answer that.

MR. CHERNIACK: Well, Mr. Speaker, may I just -- the final supplementary question then to the Minister of Industry and Commerce. Is he aware that this question is not new to the extent that we had to deal with it in connection with The Pas and Churchill Forest Products where a bill was brought.

MR. SPIVAK: If I'm correct, Mr. Speaker, there was no ratepayers vote asked at that time.

MR. MILLER: Mr. Speaker, the Minister of Municipal Affairs, I wonder if she could answer this question. Isn't it normal procedure that where developments of utilities and sewers, roads are put into a site, a plant site, where there would be 10 acres, 150 acres, that this could be handled by creating a district sewer and water rental -- sewer and water district, and the charge levied against that district rather than doing it through the reduction of municipal taxes?

HON. DUFF ROBLIN (Premier): Mr. Speaker, may I . . . on a point of order that we're really getting out of the realm of questions here, that if members want a thoroughgoing discussion of this matter perhaps in the estimates that could take place but I'm afraid it's too difficult to deal with the matter this way. It's question time.

MR. PAULLEY: On the point of order, Mr. Speaker, I disagree with my honourable friend. I believe that the questions being asked are proper questions and are deserving of answers and if the honourable Ministers are not in possession of the facts they should simply say so. And the -- I beg your pardon? Are you the new Speaker? And I suggest, Mr. Speaker, that there is no point of order, and again I repeat that if the Ministers are not in possession of the facts or the information, they should simply state so and we will have to accept that.

MR. SPEAKER: The Honourable Member for Russell.

MR. RODNEY S. CLEMENT (Birtle-Russell): Mr. Speaker, I would like to direct a question to the Minister of Highways. As one who travels west on No. 1 Highway at least once or twice each week, I really appreciate the advantage of a four-lane highway. Does his department have any plans in the foreseeable future to extend the four-lane highway west of Portage la Prairie?

MR. WEIR: If the honourable member would read the Hansard of last year he would find out that it is planned to go as far as No. 4 Highway west of Portage la Prairie.

MR. SPEAKER: Orders of the Day.

MR. HILLHOUSE: Mr. Speaker, before the Orders of the Day are called, and pursuing the question that was asked by the Honourable Leader of the NDP, I wonder if the First Minister would agree to table a copy of the agreement between Seagrams and the Municipality of Gimli respecting this distillery. Due to the fact that it will not come into this House by way of a bill, if the referendum is put up to the ratepayers of the Municipality of Gimli and is

(MR. HILLHOUSE, cont'd) . . . . .carried, it is my understanding that the matter then goes to the municipal board and it approves. Now this House would not be made acquainted with any of the terms and conditions of the agreement and I think that perhaps the House should be given that information.

MR. ROBLIN: I'll investigate and see whether the matter is one in which we are officially seized. Frankly I don't believe it is, but if we are officially seized of it then we will table it.

MR. MOLGAT: Mr. Speaker, I wonder while the Minister is getting that information if he could clarify this one point as to who in fact is paying for the services, because judging from the questions asked it appears to me that while the company is paying for the services, they are getting a credit on their taxes. Well then if that is so in the final analysis it is the taxpayers who are paying for it. They're paying for it in a deferred way, true, but if this could be clarified for the House -- because the situation right now is not in my opinion at all clear.

#### ORDERS OF THE DAY

MR. SPEAKER: The adjourned debate on the proposed motion of the Honourable the Provincial Treasurer. The proposed motion of the Honourable Leader of the Opposition in amendment thereto, and the proposed motion of the Honourable Member for St. John's, sub-amendment thereto. The Honourable Leader of the Opposition.

MR. MOLGAT: Mr. Speaker, we were involved in a very pleasant discussion last evening which led me into some interesting dates for next summer for travels through the province with yourself and one of the Ministers across. In view of the situation regarding this particular debate, Mr. Speaker, I find that there is a little less than two hours still of debatable time, because as I read the rule book, at five o'clock this afternoon you must call the vote on the amendments. Now this is a temptation, Mr. Speaker, on an occasion such as this to take the example of my honourable friend the Leader of the House, and proceed to use up the two hours. This is a technique that he has enjoyed in the past and I could certainly bring out enough material to do so. I have many volumes here which I could read on to the record. I could go over the names of all the officials that write the Manitoba Economic Consultative Board Report, and I'm sure I would have no trouble at all in using up the two hours. However, Mr. Speaker, I think that the purposes of the House are not for stifling debate but rather for encouraging debate. It is not my intention to recover the ground that has been covered in the past and to use up the time of the House needlessly. I understand the First Minister wishes to speak; I know there are a number of my colleagues who would like to get into the debate; so I will not hold up the debate. I hope that when the First Minister does speak that he, too, will forego his past practices and allow for debate in the House.

So, Mr. Speaker, I want to come back to the speech that was made to us by the Honourable the Minister of Industry and Commerce last evening and the basic tenet that he held there that any time that the members on this side of the House made a statement that was not one of comfort to the government, that it was harmful to the Province of Manitoba. I deny that categorically, Mr. Speaker. I deny every inference in that statement. It is the very negation of our system of government. And I'd like to point out to him that the statements that have been made on this side of the House, both here in debate and outside of this House - speeches - have come from reliable sources, Mr. Speaker, sources, such as the Dominion Bureau of Statistics.

When we say, for example, that Manitoba has the lowest weekly wage west of the Maritime provinces, we are saying what the Dominion Bureau of Statistics tells us. We didn't dream that up - that's their information. When we say that the rate of growth of the City of Winnipeg, for example, does not compare with the rest of Canada, the other cities in this great country, we're not making that statement; this is what the Dominion Bureau of Statistics says. And I have here their figures. This is in March of 1966, population growth, various cities. I think there are twelve of them on this particular list or fourteen, and they compare population since 1961, in this case up to mid - 1965, and unfortunately and regrettably the one with the lowest rate of growth is Winnipeg with 2.9 percent. Calgary has 15.7; Edmonton 14.1; Toronto 13.2; and so on. Those are DBS figures, Mr. Speaker, not figures hatched up by either of the opposition groups.

When I pointed out in the past that the rate of development and growth in the province,

(MR. MOLGAT, cont'd) . . . . the proposed investment, was falling behind, the sources of my information were directly from the Federal Government, one of their publications entitled, "Private and Public Investment in Canada, Outlook 1966." This gives estimates for every province. Not figures that we have calculated, Mr. Speaker; figures from a Federal Government Board it's true, but certainly not figures intended to show any particular disfavour to any particular area but to give the facts, and the facts in this booklet - and that's the latest available; giving a breakdown by provinces - indicate that for the Province of Manitoba we were the one with the smallest proposed rate of increase in the year then under study, that is 1966 -- or rather between '64 and '66. We showed the least amount of proposed investment. Our percentage increase in that period was 15 percent while the Canadian national average was 27 percent. The next closest province was Newfoundland with 21 percent. Figures directly from the Federal Government, Mr. Speaker.

When we speak about incomes we say that regrettably the Province of Manitoba insofar as average income, falls behind the rest of Canada. Surely if I use statistics coming directly again from the Queen's Printer, this one in a report by the Taxation Division, Dominion Bureau of Statistics, surely these are reliable figures, and they show unfortunately that in 1964, the average income, Winnipeg was 49th on the list of Canadian cities. Brandon was 77th on the list and Portage la Prairie was 88th on the list, at the very bottom of the whole structure. Here in our three main cities in the southern part of the Province, again from an impartial source, Mr. Speaker. When we indicate that the total population of the Province of Manitoba has now started to drop whereas other provinces are increasing, this doesn't give any joy to this side of the House; it gives no joy to any Manitoban. But unfortunately it's true, and these are figures again from the Dominion Bureau of Statistics.

When we look at employment figures, the Minister when speaking said very much - and this is repeated frequently by my friends opposite - that we have the fastest growing rate of unemployment? Mr. Speaker, I quite well believe that's true. The west of Canada right now is enjoying very low unemployment, but unfortunately the reason for the low unemployment in Manitoba is not so much that the employment opportunities have increased but rather that we are losing population, that our people instead of staying in the Province of Manitoba are moving to other provinces, and one need only look at the population figures to see this.

I've been trying to get, Mr. Speaker, the figure which would show exactly what is happening in employment in this province, because this is the figure that concerns Manitobans. Are the hundreds of millions of dollars spent by this government truly producing progress? Well, the latest figure I've been able to get, Mr. Speaker, is a comparison of employment in other than agriculture. This is employment in forestry, in mines, in oil, manufacturing, construction, transportation, communications, real estate, insurance, service industries - all industries pretty well except agriculture. These again are Dominion Bureau of Statistics figures. These indicate that in the period of 1962 up to August of 1966 the Province of Manitoba showed an increase in that period from 177,000 employees to 210,000; that is, an increase of 32,000. During that same period of time the Province of Saskatchewan, starting with a much lower base, from 101,000 employees moved up to 129,000 for an increase of 27.9. The Province of Alberta starting off in 1962 with some 232,000 employees in this category increased to 296,000 for an increase of 64,000 employees.

Now the percentage increases, Mr. Speaker, are as follows: in that period 1962 to 1966 total employment other than agriculture for the Province of Manitoba advanced by 18 percent. The Province of Saskatchewan in the same period advanced by 26 percent; and the Province of Alberta in the same period advanced by 27 percent, and so we are not keeping pace, Mr. Speaker, with what is happening in those other provinces.

Now the Minister in a number of his speeches -- and I've been keeping track of them. Here's one where he was actually, I presume, giving a news release or statement to a press reporter; this is from the Globe and Mail, a report on business. The Minister is quoted as saying. "It's not low wages nor is it poor working conditions that hold us back. It's the fact that we don't have the people." This is what Manitoba Industry and Commerce Minister Sidney Spivak said. "We estimate that we will need at least 10,000 unskilled and semi-skilled workers in the immediate future, and we have shortages particularly severe in two of Manitoba's leading industries, the mining and the garment industry," and so on.

Mr. Speaker, he goes on to say that the Province of Manitoba realized this problem as a result of the COMEF Report. Mr. Speaker, my reading of the COMEF Report indicated that



(MR. MOLGAT, cont'd) . . . . the problem they saw was of getting jobs. They said we had to provide 75,000 jobs for Manitobans. Their concern was not that we wouldn't be able to get employees, their concern was jobs. And what's happened in the province unfortunately is that rather than getting those jobs filled by getting new industry, what's happened, in spite of the Minister's statement, is that low wages have in fact meant that our people are leaving. Now Mr. Speaker, this isn't what we're saying, this is what's said by my honourable friend's own experts, The Manitoba Economic Consultative Board.

Now I quite appreciate that my friends don't like us reading from this publication. I'm anxiously waiting for the next issue; the last one came unfortunately after I was able to present my budget reply last year, and I was unable to use it, but it contains some very revealing statements on the health of our economy, and I commend its reading very much to the New Minister of Industry and Commerce because I think here, when he reads this and reads of our problems, he may find some solutions. And Mr. Speaker, I'm hopeful that my honourable friend will, in fact, be able to do something about our problems in the province because I don't consider for one moment that they are unsurmountable, but I do say, Mr. Speaker, as long as he carries on the attitude that he gave us last night that all is well, that there are no problems whatever, then he's not going to tackle them and we're not going to get at the solutions.

My honourable friend recently has been speaking elsewhere about the problems of immigration. He appeared at Ottawa; spoke at that time about the need to lower our immigration standards so that we could fill the jobs in the Province of Manitoba. Mr. Speaker, a year ago in this same House I introduced a resolution with regard to the problems at San Antonio Gold Mine. One of the proposals I recommended then is that we make an approach to the federal government to see if we couldn't bring in miners, in particular, from Europe where I understand there was a surplus; bring these people in regardless of their particular education standards for this particular job in our mining industry.

I recommended another thing, however, Mr. Speaker, and that was the Province of Manitoba undertake with a group in this province who are underprivileged, who because of their background, because of their location, because of many factors, in fact are true underprivileged, the Indian and Metis people of this province; that we undertake with them a particular training program to make them prepared and acceptable in the mining industry. Mr. Speaker, I recognize fully the problems that this involves. I have no illusions that it's an easy thing to do. I realize that many of them are not adapted for this type of life and may not want to enter this type of life, but on the other hand, Mr. Speaker, we simply can't let them continue in their present situation which is not the situation that they want, not desirable from their standpoint nor from the Province of Manitoba's. And that pool of people is there, Mr. Speaker. Those people are there; we can do something with them if we take the necessary steps.

But I'd like to tell the Minister that his government voted against this resolution last year. They didn't think that this was a good idea. They weren't prepared at that time, Mr. Speaker, to approach the Federal Government to make a change in immigration laws, and they weren't prepared to take the steps to rehabilitate the San Antonio Gold Mine at that time. The problems of San Antonio have been prevalent in the other areas of the mining industry this year, Mr. Speaker. My authority for that is the Provincial Treasurer in his budget speech, when he said that our mining production did not advance because there wasn't labour. The same area, Mr. Speaker, roughly the Laurentian shield; the same problem. A year ago my honourable friends weren't prepared to take steps. Now the Minister of Industry and Commerce is out aggregating at least one half of what it was that we were then recommending.

So, Mr. Speaker, I say to the Minister: don't take the position that all is well and don't take the position that the suggestions that come from this side of the House are automatically bad suggestions that you have to oppose, and then bring back the following year under a new program. There's a job to be done in the Province of Manitoba. All of us are concerned about that job and, Mr. Speaker, I commend to the Minister this report. When this report tells us, for example, that the Manitoba economy did not display the same consistent strength that was shown in 1964, that the general major economic indicators show that 1965 rates of increase were lower than those of the previous year, that the lag in growth in Manitoba relative to the Canadian economy, which has been evident for some time, persisted in 1965, Mr. Speaker, these are the words of the Manitoba Economic Consultative Board - my honourable friends' own board, their board of experts, not the words from this side of the House. When it says that gains in capital investment, in personal income, in retail trade did not match those of previous years, are those not areas of concern for the Minister? When it says that housing

(MR. MÖLGAT, cont'd) . . . .starts and completions were down in 1965 and when we find again that they're down in 1966, or we find that in manufacturing, the best that can be said was that there was a modest over-all increase; when we find the following statement that over the period from 1961 to 1965, employment, the value of commodity production, investment and retail trade, all increased somewhat more slowly in Manitoba than in Canada as a whole - those are the statements of the Economic report, Mr. Speaker.

They go on then in the matter of population and they give us the figures indicating that in the past year, the one that they had under review, 1965, there was a net difference between the immigration and the emigration from Manitoba, a net loss of 12,300 people. Those are the figures, Mr. Speaker, that we are concerned about, and that is why my members and myself will persist in telling the people of Manitoba the truth, unpleasant as it may be, because it is only by realizing this that we can get something done about it in the province of Manitoba. All over the years, the Ministers across the way have been coming out annually with new blueprints. Here's 1966, Mr. Speaker. "Roblin blueprints a new Manitoba." And I can take you back year by year, Mr. Speaker. We have new blueprints but we're not getting results. We have new speeches but we're not getting more employment for our people. We've got great glowing statements from the Ministers but we're still losing population to the other provinces and this, Mr. Speaker, is what we have to correct in this province.

We've made a number of suggestions to the government before. I mentioned just one of them a few moments ago about San Antonio. I spoke some time ago about what happened in the New England states. My honourable friend last night laughed at it; said that we couldn't move to New England. Mr. Speaker, it's unfortunate that the Minister is not prepared to take more seriously some of the comments that come from this side because if he'd take the trouble to find out what the New England states did, if he'd take the trouble to find out that they were for a period of time in a depressed condition, that in the post-war period, because of the loss - particularly their textile industry - to other areas of the United States, they were in serious problems. They had problems of unemployment, problems of development, but they tackled those problems, Mr. Speaker, by new and imaginative approaches and they've developed in New England now a different type of economy, an economy which is paying off. And I've repeated this in this House on a number of occasions. The Minister scoffed at it and said, "We can't move to New England." No one ever suggested it and he knows it, and he ought to pay more attention, Mr. Speaker, to what is said by members who have the concern of the province at heart. One would think when we listened to the honourable members opposite that they are the only ones who are concerned about Manitoba; they have all the answers; that we're merely here to presumably approve of what they do.

Well, Mr. Speaker, there are many things that we can do in Manitoba including running a more efficient government. It came to my attention recently, Mr. Speaker, that a letter to the editor suggested that there were areas where this present government could be saving some money and one of them suggested was in the use of government cars. The statement there made was that the Saskatchewan government uses the motor pool system and has reduced the number of cars by a third. Well, I've heard the First Minister himself speak about this in past days but I haven't seen him doing it.

I checked with the Province of Saskatchewan, Mr. Speaker, to find out what their experience had been, and here's what I get as a reply: "While it is very difficult to present estimates of savings as a result of our vehicle pool, the inception of centralized vehicle management has contributed savings estimated at \$570,000.00." Over a half a million dollars, Mr. Speaker. "We have found it possible to reduce the car fleet by over 300 vehicles and have increased our average annual utilization. As you are probably aware, we are using a tender system for purchasing cars from dealers in the areas where they will be used and sell our vehicles through public auction by field tenders."

Just one suggestion, Mr. Speaker, just one. How many more like this could be employed in the Province of Manitoba if the government was truly concerned about these problems?

The Minister of Industry and Commerce, Mr. Speaker, recently when speaking at Portage la Prairie made some statements -- oh pardon me, this was in Winnipeg. It's reported in the Portage la Prairie paper, in the Daily Graphic of 20th December, 1966 -- was speaking about the new taxation imposed by Ottawa. The headline is "Tax Increases Now Unfortunate - Spivak." Now one would think that he might be speaking about the increases in Manitoba but no, Mr. Speaker, he was speaking about the so-called federal mini-budget. Now here's what the Minister said: "The Federal Government has created an unfortunate situation

(MR. MOLGAT, cont'd) . . . . by implementing tax increases when the report of the Carter Royal Commission on taxation may recommend new and dramatic changes in taxation methods, Sidney Spivak, Manitoba Industry and Commerce Minister said Monday night. He said the extra \$30.00 a month for needy pensioners would also contribute to further inflation." Those are the views, Mr. Speaker, about the increases in taxation in Ottawa by the Minister of Industry and Commerce on the 20th of December, 1966. I ask him, what are his views on taxation increases in Manitoba on the 10th of February, 1967, some two months later? What are his views as to the effects of the taxation on the Province of Manitoba? What are his views as to the results of the taxation insofar as development in this province? What are his views on the effects on construction here in the City of Winnipeg, for example, of apartment blocks and commercial properties in the light of the figures which I gave the other day in the Budget? What is the Province of Manitoba doing? What analysis have they made of taxation measures? And why, if two months ago it was wrong for the Federal Government to proceed with tax increases because the Carter Commission was coming along, why is it right two months later for the Manitoba Government to proceed with tax increases, still with the Carter Commission ahead of us?

And so, Mr. Speaker, I would hope that we would have from the Minister of Industry and Commerce and his colleagues a clearer statement as to what it is that the Province of Manitoba is going to do about development, of what our taxation policies are, rather than the statement that we get criticizing the opposition for bringing to the fore the problems that face this province.

MR. SPEAKER: The Honourable the Provincial Treasurer.

HON GURNEY EVANS (Provincial Treasurer) (Fort Rouge): Mr. Speaker, even with the familiar sound of the title Minister of Industry and Commerce ringing in my ears I must deny myself the pleasure of getting into the economic debate. I've listened to that familiar song by the Leader of the Opposition again with interest. It's a very familiar song and I will not at this time enter into that discussion because I want to deal with the budget part of the budget and discuss some of the suggestions that have suggestions that have been made from the other side of the House with respect to our financial matters and to provide some information that I was asked to provide, and provide some comments on the general make-up of the budget. I think there are three main points in the Leader of the Opposition's presentation the other day; that we don't need the sales tax; that we didn't give the facts to Ottawa about our situation here; and that we failed to acknowledge or appreciate the financial assistance that is being provided by Ottawa. And then my honourable friend from St. John's rose and pointed out quite correctly that the Leader of the Opposition had provided no plan; he hadn't substantiated any of the statements that he had made, but he, the Member for St. John's, had a new finance plan for the province and he would make a definite suggestion. He said raise the other taxes, certainly have no sales tax, and go ahead and spend — he didn't really advocate any restriction of spending in any considerable degree, but if we are short of money just borrow it, and that is the New Democratic Party finance plan that is recommended to the people of Manitoba. So those are the main points that I wish to discuss this afternoon and to deal with them one at a time.

We are told that we don't need the sales tax, but nobody put forward an alternative plan. It's easy enough to be against something but a lot harder to try to figure out what to do than to criticize somebody else for bringing forward a plan. Nobody said what taxes or what rates or what exemptions should be allowed or how much money would be raised in any of these ways. It's far easier from the other side of the House to be glib than practical, and the remarks we have had from across the other side of the House, particularly in the Liberal corner, have been glib and facile but completely impractical, not substantiated at any stage. It's the general policy of "tax the other fellow." Unfortunately they didn't tell us what other fellows, how many there are of them, what resources they have to be taxed. In other words, there was no practical element to it at all and, in fact, there aren't enough other fellows. When everybody's favorite class of people is exempted from taxation or reduced in taxation there turns out to be no other fellows at all to be taxed and unfortunately I have to be practical about the matter.

There is a general attitude on the other side of the House, "Soak the rich. Let's take the people of high incomes and get it out of them." And this falls within the pattern of what I have just said: let's see who they are, how many there are, what assets have they got, what taxable sources are there in that class of people. I was very interested to find that we have

(MR. EVANS, cont'd) . . . . got 330,000 income-tax payers in the Province of Manitoba, and of the 330,000 how many do you think have gross incomes of \$10,000 or more? Just 10,000 people, gross income before allowing any exemptions, that is, according to the Income Tax Act. Just 3.3% of the people in the province have incomes of that size or more. These are the rich that are to be soaked and any additional income tax that could be extracted from those people would be so small as to be hardly countable in the total.

The New Democratic Party apparently has a policy of "Tax now and wait for the ability to pay to catch up." Somehow or another, if you impose the taxes now, and under some general scheme or other that he didn't outline arrange for everybody's wages to be raised, the ability to pay will be there later --(Interjection)-- Well, it's not within government control - and if the way of attracting "ability to pay" to the province is not to overtax the people who are here now, discouraging others to come in, indeed encouraging those of ability and capacity and energy to leave, and in those circumstances try to attract more ability-to-pay, well it's an airy-fairy scheme that has no element of practicality to it. You'd drive out the able and the prosperous, the very people that we have got to count on to build up the province and to encourage and bring forward this ability to pay that my honourable friend talks about.

Well, my honourable friend says, "Let's raise the resource taxes," and the main element there is that we want to attract resource development here, and we are in very severe competition with other provinces and in other areas in not only this country but in other countries as well, and if we get out of line or very far out of line with the tax rates that are charged elsewhere, we will simply not attract the development to our province, and will by that much deter the future ability-to-pay that my honourable friend spoke about. Certainly we want to develop the ability-to-pay, but to do it by punitive taxes of this kind, taxes of a character which will keep the development out of this province, which will divert it elsewhere so that other people will get the ability to pay, is not the way to do it. It's all very well to be a theoretician in these matters but you've got to be in the practical world of business to understand that when attractions are even marginally different in another province, or marginally better, or in another area or in another state of the union or in another country of the world, that is where the ability-to-pay developments are attracted and we miss them, and we are in very severe competition here.

I was invited to consider the question of a combination of taxes that might yield the necessary money, \$33 million, if we denied ourselves a sales tax. I had drawn to the attention of the House that to raise the same amount of money we would have to double the personal income tax or treble the corporation income tax or raise the gasoline tax from 17 cents to 43 cents, and somebody said, well what about a combination of them, and that's a pretty fair question. We have done a good deal of figuring on this and I mentioned at the time I presented my budget that I could find, with the help of a good many experts, no acceptable combination.

As a matter of fact, the part of the personal income tax that comes within our control is the surtax and we do have a surtax on the income tax now. To raise the amount of money in that case, we would have had to multiply that surtax five times over. We are higher than most of the rest of Canada now and we are feeling the effect of that when people consider these ability-to-pay developments that we all hope for, and we find some mention of this fact when we are attracting developments to the province. We think it is high enough now, a little higher than the rest, but we would have to multiply that particular surtax five times over.

Take the corporation income tax - the surtax part of it - we would have to multiply that 21 times over to get the amount of money, and of course the gasoline tax is all ours and so we wouldn't have any particular portion of that.

But what about a combination of these things? It's a very reasonable question. We had worked over many of these combinations to see what might be possible to raise \$33 million. It could be done by adding between 25 and 30% to the total personal income taxes charged now, and bear in mind that 85% of the personal income tax in Manitoba is paid by people of very modest means, Sir. The numbers of people in the \$10,000 a year taxable income bracket or \$10,000 a year income of which a smaller portion is taxable are only 3.3% of the people, but if we added 25 to 30%, somewhere between one-quarter and one-third to the gross amount now being taxed in personal income tax; and if we added 65 to 70% to the rates of corporation income tax; and if we added another 50% to the gasoline tax - that's one combination - spread it evenly over those three, the only three taxes capable of raising money of this size, that's one calculation that I went through to see whether it was practical. I decided it was not practical

(MR. EVANS, cont'd) . . . . and I think my honourable friends will see that sharp rises of that kind are also not practical if we want to develop this province.

I was asked to consider the capital gains tax. We did as much figuring on this as we could with the information we have. We might get 2 or \$3 million a year from a capital gains tax under present conditions in Manitoba; we need 33. I was asked whether I would consider taxes on co-operatives. I decided not to. I decided that there are difficult matters constitutionally and practically with respect to that and I gave no further consideration to it on a number of grounds, but in any event, if you were able to consider the amounts of money that could be raised by taxes on the co-operatives it would not be a large amount in Manitoba, particularly if the grain handling co-operatives were excluded from this particular arrangement.

So we did consider combinations of taxes and other taxes and came to the conclusion, and I won't disguise from the House, came to the conclusion, reluctantly, that we must become the ninth province or really the tenth province to use a sales tax in Canada. It is generally forgotten that Alberta had a sales tax a long time ago, and if we were fortunate enough to have Alberta's oil, I daresay we would not have it now. If we find Alberta's oil in the near future, I daresay we might follow their pattern, but faced with the grim necessity of being practical about this and getting the money that we require for developing the province and for carrying on the services, we came to the conclusion that we could no longer avoid - after a very considerable effort I might say at avoiding - the sales tax and I proposed it to you in my budget.

MR. LAURENT DESJARDINS (St. Boniface): Would the Honourable Minister permit a question?

MR. EVANS: Not at this stage. Then I am asked to consider cutting expenses. The Leader of the Opposition said something about cutting expenses - we might well be able to do that. The principle point he mentioned was appointing an auditor-general. Well I don't think he knows what an auditor-general is. An auditor-general's responsibility is to see that the government spends the money in the way that the Legislature instructed them to do. He is not an efficiency expert; he is not a cost cutter. He is not intended for that purpose. He is to see that the legal authority granted to us to spend the money was not exceeded and that the money was spent for the purposes for which it was voted.

Well, where would cuts take place - in what items? What kinds of expenditure is my honourable friend putting forward of such magnitude that we could do without a sales tax? Is he talking about education and the university? I don't believe so, not from the tenor of the remarks from all quarters of the House. What about health services and hospitals? Not from what I have heard of the discussion that has been going on so far. And what about Welfare? Not that I've heard. That's two-thirds of our budget, and if you add to that highways and the cost of money, you come to \$300 million out of a total of \$350 million. We have \$50 million to go around all the rest of the departments, and somewhere in here I am told that we are able to find reductions of \$33 million this year and \$45 million in an ordinary year out of 50 - ridiculous.

Well we have heard this subject in the House before and I won't dwell at length, but last year or the year before, and certainly not this year, have I heard a single motion from the opposition to reduce these classes of expenditures anywhere. I have heard the subject brought up in connection with Minister's salaries, but the total available there is not sufficient to yield \$33 million. Nevertheless, I have listened and heard no single suggestion from any quarter that substantial cuts could be made in any of these classes of expenditures that I have just mentioned, the only ones that could possibly yield sums of the size that we are talking about.

Well everybody has said, "Let's spend more and collect less." Well, I wish that could be a practical policy; I would adopt it myself. I hear about greater transfers even than those proposed from the municipal taxpayers. I hear about reduced commercial and industrial tax rates for education purposes. I hear don't tax building materials. I hear spend more on education, spend more on hospitals, spend more for northern roads - northern roads - an item there of \$45 million, just an item, and I hear a good deal more about increasing other classes of expenditures. I hear a good deal about putting a lot more money into public housing; then making expenditures, not of a specified kind, or developing the potential of the province, - I think they mean industrial development - or the creation of further ability-to-pay in the future, and my quesstimate, if you want that word, of the cost of what has been proposed that I have heard so far would be another \$150 million for the items that I've heard discussed in the House this year. That can only be a guess because I haven't had a chance to work out the figures and

(MR. EVANS, cont'd) . . . . I really don't know what they're asking for. Nevertheless, the things that have been asked for could total up to something in the neighbourhood of \$150 million, and some saving is proposed of some portion of \$50 million to take off that, and this is supposed to enable us to without a sales tax, a \$33 million sales tax.

Well my honourable friend from St. John's says that he has no difficulty with this situation at all. You just go ahead and spend, and there have been very few proposals for reducing expenditures anywhere. The thing was avowed over here -- no, I think there was no such statement over from the NDP. They say go ahead and spend - very little limit on the spending. And how are you going to find the money? Well, that was the new contribution that was put into the discussion by my honourable friend from St. John's - oh yes it was. He said that as far as the Leader of the Opposition was concerned he had offered no concrete suggestion, nothing to support his plan, and of course he was correct. But he had a plan. His plan is to borrow it - dreamer. Well even for current expenses he's quite willing to borrow - and I see the Leader of the New Democratic Party has nodded every time I have repeated what turns out to be the Member for St. John's plan. The Leader of the New Democratic Party has put in the word "temporarily", and if I failed to mention that or if I failed to do justice to the way the Member for St. John's stated his case, I'll include the word "temporarily". I don't know what it means. We get laughed at every time we say something is "soon" over here or "in due course" or "temporarily", and I think that the Leader of the New Democratic Party will allow me to chuckle at him when he says temporarily because that's got just about as much concrete idea behind it as some of the other ideas that have been put over from that corner of the House.

But there's a joker in the plan. If you're going to borrow, somebody has got to lend; and if you're going to lend to people who behave in that kind of a way, who is going to do it and what price would they demand for the money if you're going to spend it in an irresponsible way like that. Money doesn't grow on trees my honourable friends. Money is saved up mostly by people of very modest means, ordinary people, and they pay for it in their premiums in life insurance and they pay for it by their contributions into pension plans and they accumulate it in savings accounts and all the various apparatus of savings in the country, and those things come into the hands of people who stand in the situation of trustees for the investment of that money and these are responsible people and they will not put that kind of money into investments that turn out to be made on behalf of irresponsible people. To administer the affairs of any large operation, and a province of Canada is certainly a responsible operation, and if you're going to maintain your credit standing and get money at all or get it at a reasonable rate, you've got to be responsible and not behave in the ways that are being suggested by the Socialist Party over there. Well money comes from hard saving, mostly from small savers, and mostly they are interested in safety if not as a first consideration then certainly well up toward the top of the list. Well then, the New Democratic Party's program is don't tax, borrow "temporarily"? Is that a fair statement-putting down the question mark to indicate that nobody has indicated what temporarily is or how long temporarily may last. Well I don't know any -- I'm sorry I didn't hear.

MR. DOUGLAS CAMPBELL (Lakeside): . . . . whether anybody will lend.

MR. EVANS: Whether anybody will lend. The small people with their smaller savings, able to accumulate them and depending on them for comforts and for their own security. Well I don't know anything that would be a better guarantee of inflation. This would be almost a sure guarantee of inflation, to borrow money for current expenses without knowing how the mischief you're ever going to pay it back. The experience of the economic world to this point has been that that kind of behavior results inevitably in run-away prices. It brings financial disaster and social catastrophe and it's doing it in today's world. If my honourable friends would keep in touch with developments in the economic world they would know what's happening in Egypt and North Africa and Latin America, and they know that in these countries that kind of run-away inflation, that kind of irresponsible borrowing to pay current bills is resulting in economic stagnation; people are starving; and when matters reach a certain pitch, as they have done and are doing these days, there are riots and violence and that's the kind of thing that can follow from financial irresponsibility and I will have none of it. Costs are bad enough now without that kind of inflationary pressure. We've raised the rates of the Civil Service due to competition. We've provided increases for other expenses including food and maintenance in institutions, and our costs are growing substantially as it is now without these increased kinds of inflationary pressure.

(MR. EVANS, cont'd) . . . .

We have, as I think my honourable friend from St. John's pointed out, the potentials for development in this province but we won't develop those potentials if we mortgage them, as some of the other countries I've mentioned have mortgaged them. Egypt has mortgaged its cotton crop for decades ahead. Some of the sugar countries, some of the South African countries - or is it North African - have mortgaged their sugar crops for decades ahead. These are the assets that are going to be required for the prosperity of the future generations, not for the people who are here now, and they're mortgaged for decades into the future. Well it's easy to say borrow, but I have to be responsible. I have to raise the money. Development and progress take money and I have to find it.

The Leader of the Opposition then turns to the question -- he said, "The new money from Ottawa should be enough to let you do without a sales tax." He took certain figures and added them up and showed that there was a sum of \$36 million that appeared to be available from increases from Ottawa under the tax collections, the gross education deal and the increase in shared-cost services. There is something I'd like to have the House understand and that is with regard to the Tax Collection Agreement. This is often referred to as "money from Ottawa". Nonsense. It's money from Manitoba. This is money levied on Manitoba people and corporations and the money that they earn and are taxed on in Manitoba. This is Manitoba's own money that is taxed and levied. Then it gets down to Ottawa and what do we get back? A third of it. It should be far more truthful to say that in Ottawa they're taking two-thirds of it and calling it Manitoba's generosity to Ottawa. They got two-thirds of the money that's levied on our citizens. This income tax and the corporation profits tax is not anything but money that originates here in Manitoba and is taxed away to Ottawa and then they turn around and send a third of it back to us. I think we should keep that in mind when we're talking about the justice of our case when we present it to Ottawa for a greater share of this our own taxation money. There's a further element of equalization that comes in later, but that does not come into the definition that I am giving now.

You have heard of the gross educational deal and then the Leader of the Opposition immediately said of course he recognized that that was now being reduced by \$5 million because the university and college grants are being cut off from Ottawa, and he talked about an increased share in the shared-cost programs. Well let's take a look at these shared-cost programs. Let's take a look at any increase in money that we get from shared-cost programs. Any increase we get calls on us to spend twice as much before we get it back, and when you're looking at income you have to look at out-go as well and take the difference between the two, and it is not a net gain in assets to this province when you get a dollar and have to spend two dollars to earn it.

Well, the money from Ottawa. All these facts and some rather complicated ones are summarized in the estimates that are before the members. You have the estimates of expenditure and the estimates of revenue, and the budget has taken the two and subtracted them off. The budget has included an estimate for a sales tax of \$33 million and that's in the revenue estimates, and when you come down to the difference between the two there is still a deficit of \$1-1/2 million. They're all there. The mathematics are there and there's nothing magical about them.

But I'd like to come back to one particular figure in the revenue estimates, back to the gross educational deal, so-called. The Leader of the Opposition said that we could come up with some clearer figures, and I'm not sure that I understand what he means when he's got all the estimates in front of him, but he did ask about this amount of \$16.9 million that's coming to us and how I arrived at it. I told him there were so many elements of doubt in this thing that I was not able to provide a definite estimate or one that you could rely on, but at the last moment I was faced with putting in an educated guess, if you like, and with all the advice that I could get from some pretty expert people I came down on the figure of \$16.9 million. But is it definite? No, it's not, and I'm going to share with the House some of the difficulties, some of the problems that I have to face in trying to manage this year's budget because of that \$16.9 million and the many doubts that exist as to whether that is a correct figure or not.

Let's take the new educational deal and the promise from Ottawa, or the statement as repeated by the Leader of the Opposition that we are getting 50 percent of the operating costs of post secondary education. I only wish we were. We are not. We certainly did make every effort to put an accurate estimate into the budget and we spent a lot of hours trying to do it. The Leader of the Opposition has said the best figure that I could arrive at was \$16.9 million. But why do I say there is some doubt about this figure. I say that that \$16.9 million is now

(MR. EVANS, cont'd) . . . .first of all called on to make good with respect to the \$5 million that used to go direct to the university and that is now no longer going direct to the university. The expenses keep up. We have to find all the expenses that were formerly shared to the extent of \$5,090,000. The money is not coming in but we still have the expenses. So I think the advantage of the \$16.9 million is abated to that extent. Then there is \$875,000 more that Ottawa used to provide for technology training. That now has to be met out of the \$16.9 million. That cuts us down to about \$10 million at the moment, but I'm not through yet.

Let's look at what is shareable under the 50 percent, so called, of operating expenses at the universities. Students have to be housed, residences cannot be included. Students have to be fed, the expenses with respect to cafeterias and other feeding arrangements cannot be shared, nor can expenses in connection with book stores. Students must have books. Recreational facilities, not mere amusements but things like gymnasias and things that are necessary for physical training and physical well-being and matters of that kind, they're not shareable and we can't get any help with what is truly an operating expense, and that's interest and depreciation on the money, because when facilities wear out they have to be replaced and the money has to be found somewhere for that, but no interest and certainly no depreciation. We get no capital share. There was some kind of a sophistry built in down there where they said we're giving you 50 percent but somehow or another you ought to be able to bust it up into 30 and 20. We're still giving you -- some part of that can be applied to capital. But if we're going to stick to the definition of 50 percent of anything --(Recording failure) --- without capital. Nor do we know to this moment any definite basis upon which they're going to split the expenses of such things as heating or maintenance or repairs or matters of that kind. So my honourable friend will see some of the elements of doubt that have already come into my mind as to how we stand with regard to the 16.9 million dollars. Those are some of the things I've had to make estimates about and include and come out to this figure.

.....continued on next page



(MR. EVANS cont'd)....

But what about the rest of the post-secondary package? There are further elements of doubt in this. Well first of all there isn't any new money for technical-vocational training capital. The period over which we can use it has been stretched out, but there is no new money in that; that money was made available before, it's still there, the time has been stretched out. And I remind again we still have to find our share, we still have to find our 50 percent when these amounts are being discussed.

But let's get back to that nice clear statement about Ottawa providing 50 percent of the operating costs of post-secondary education, let's have a look at that again. In calculating my 16.9 million dollars I have made the assumption that we're going to get credit for the Grade 12 students, but so far nobody will confirm that fact. It's my best guess - we have no agreement on it - and yet I've had to make commitments in a budget, we had no agreement on it, nor have we had a clear-cut offer or definition from Ottawa as to what is going to be considered a Grade 12 standing and what is not. There's an element of doubt and a very large one. I think our costs in that connection are nearly \$8 million and the amounts that I took into the 16.9 million dollars are something of the order of 3.7 million. A sizeable chunk of doubt in my 16.9 figure at this point.

Then we come into another very large field in which we have no firm ground to stand on, and that's in the technical-vocational training, with respect to provincial trade schools such as the one at The Pas and Brandon and the technical-vocational high school in Winnipeg. The doubt arises as to the standing of students in those organizations and whether they will count for assistance or not, because the new rule at Ottawa says that unless they have been out of ordinary school for one year, they don't count for assistance. That means that if anyone went straight from high school or went straight from elementary school into a technical training school and continued his education there, it seems doubtful to me that we are going to get assistance with respect to those students and a very large number of them. That is the course that I would like to see students follow; finish whatever level of education they are at and move immediately into their technical training; take their technical training and move on out. But there's doubt in mind whether we get assistance for that class of students.

Then we get another class of students, and these are the ones who have interrupted their education sometime before graduating from high school and have gone to work. Up to now if they had been out of the education system by one year, they could be taken into a technical vocational training course and their expenses in that connection shared. Now the term has been increased to three years and it has not been possible, first of all to get the complete information about our present student body and even more difficult to try to estimate the composition of the student body in these institutions in the years to come. Another very considerable element of doubt and a situation to which a responsible financial authority, a provincial authority, should not have been put by an arrangement of this kind by a senior government. Well the sort of budget figures that my honourable friend over there so glibly puts in front of us, says you've got \$36 million dollars from Ottawa, have added a couple or three things together, you've got lots of money, you could do without sales tax, just shows I think his sense of responsibility in these matters. It's very easy to be glib, it's very easy to be slick, but somehow or another when you take over and have the responsibility - he simply takes certain figures and moves them around, he counts some of them two or three times, and thank Ottawa, and presto our troubles are supposed to be over. Well that's very comforting except that I still need \$33 million and that is to be provided out of the sales tax.

Well my honourable friend talked to us about an hour the other day -- an hour and 15 minutes it was -- and in the course of that address he did not mention the Tax Structure Committee. He accuses us of not supplying information to Ottawa telling them our situation. I took it from him that all we had to do was give Ottawa the facts and go down and ask politely and we'd have the money. I wish it were that simple; I wish he knew the situation better than he apparently does. He ignores the Tax Structure Committee, although I made extended reference to it. He ignores the Tax Structure Committee although the conclusions from that committee, the main conclusions as reported in the report of the secretary of that body, were attached to the budget speech which he had as soon as I had finished speaking in the House. He ignores them completely. He's illustrating I think some lack of responsibility in approaching these financial matters.

Well I'm going to tell him and tell the House about the Tax Structure Committee because I think it's a very important matter. I think it's a turning point in the financial relations

(MR. EVANS cont'd) . . . . between governments in Canada and I think we should know more about it than we do. Well it was a massive investigation of the financial affairs of eleven governments, the federal government and the ten provinces, looking forward to and including the fiscal year 1971 - '72. It involved the top people in those eleven governments. The policy of the Tax Structure Committee was guided by the finance ministers of the provinces, in many cases the Premiers, and by three additional cabinet ministers of the Ottawa government. These people guided the policy and guided the work of the committee. The officials who carried out the work were in fact the Deputy Ministers of Finance, including a man of equal standing at Ottawa, and all of the provinces gave top priority with regard to taking staff and putting them at the service of the Tax Structure Committee. They employed the leading consultants of the country, and in addition to that employed the services of the Bank of Canada and the Economic Consultative Board of Canada under Dr. Deutsch. A pretty high powered outfit, and they worked for two years. There were numerous meetings of the policy group throughout the period and there were dozens and dozens of meetings of these officials to carry out their responsibilities.

This investigation ranks with the Rowell Sirois Commission in its profound investigation of the financial affairs of Canada and the main difference in that respect was that the other was a Royal Commission and this was an inter-government, an . . . government investigation at Ottawa. The then Minister of Finance, Mr. Gordon, described it in these words as "an unprecedented study in debt," certainly indicating no disapproval with the findings. Well the fact remains that no single government - and I was at the conferences in question - has questioned any of the findings of that committee. Ottawa didn't question them. As far as I'm aware no province has seriously questioned any of the findings of the committee, and so probably Mr. Gordon's opinion was a good one. The Leader of the Opposition wanted us to give our facts to Ottawa, to make Ottawa known? Wasn't he aware of this kind of investigation that was going on? As a leading official in the province, as a leading public man surely he knew something of what was going on in the province. Well I say then if he didn't know about it, let him read the Premier's statement to the Plenary Conference, let him read the secretary's report -- they're both attached to copies of my budget address that are in his possession -- and let him profit by the reading.

Well here are the main facts coming out of this investigation: That by the year 1971-72 the provinces taken together will be in a deficit position by two to two and a half billion dollars per year, per year. I imagine that if we take Manitoba as being a twentieth of Canada, we could say Manitoba's share, that will be \$100 million a year in proportion to our population. What's happened to the federal government in this time, what will their position be by projecting their revenues and projecting their announced policies, what will the difference be? I've said what the figure will be for the provinces - 2,000 to 2,500 million dollars per year by that time from that projection - and Ottawa? They'll have a nice little surplus. Is this justification for Ottawa to take from us two-thirds of the tax money raised from Manitoba taxpayers here within the province? I think not.

Well those are the conclusions that arise from the Tax Structure Committee. I referred to it. The Honourable Leader of the Opposition doesn't like it. I don't blame him. His Ottawa friends don't like it either. They ignored these conclusions completely in coming to the arrangement that we have now. They don't like it and I don't blame them for not wanting to refer to it unduly, I don't blame the Leader of the Opposition from trying to evade mention of the tax structure committee, it's too embarrassing.

We had some discussion - my honourable friend from Rhineland always comes out with his credo, and he said it so punchily that last time that I couldn't help admiring, he said "I am against debt period," - categorical, forthright and unmistakable. And he has said so for so many years and he has the right to his opinion, I don't agree with him, but he's certainly nailed his colours to that mast.

The Leader of the Opposition tried to point some kind of a figure across at me and say why don't you add things together. I think he was referring to \$175 million or so with regard to direct debt and was it some \$490 with respect to indirect? - and he said why don't you add them together. Well I did, and I came to the total of \$665 million. And these are liabilities -- mostly contingent I must say, some of them direct, but there you are, that's the liabilities. But if my honourable friend knew anything about business or how to conduct affairs of this kind, you know if you're going to assume the liabilities, you got a right to the assets. If we were called on to make good on our guarantees, we could seize the assets couldn't we? Well among

(MR. EVANS cont'd)..... the assets we got are a telephone company and a power company and according to the financial statements of those companies, even at book value, they're worth \$635 million - enough, if we sold those things at book value, to wipe off the entire debt of the province -- utility debts and the direct debt and the other figures my honourable friend mentioned.

MR. PAULLEY: I hope you're not figuring on selling them.

MR. EVANS: No, we're not. But I'm just giving an illustration of the valuable assets that we have. --(Interjection)-- It's a good deal more valuable than that my friend because if that's book value, my guess is that they're worth twice that if somebody come along and plunked cash on the desk, they would, --(Interjection)-- oh you don't need to worry about that; and you don't need to worry either about us putting those assets to work for the people of Manitoba to keep the rates at the lowest, in each case, of any place in North America. And it's safe in our hands as an asset..... But if we're going to take the liabilities we want the assets too and I would think that anybody who knew anything about bookkeeping or who's going to give a responsible statement -- if my honourable friend from St. Boniface would stop chattering away over there I would appreciate it.

MR. LAURENT DESJARDINS (St. Boniface): Would you permit a question now, then.

MR. EVANS: No, I will not.

MR. DESJARDINS: No I didn't think you would. Don't make no silly statements then.

MR. EVANS: Well I should think if the bad tempered resident from St. Boniface would sit down I'll go on with my address. Well with all the help we've had so far from the other side of the House I think we have probably arrived at increased suggestions from expenditure to which he has contributed very largely of something in the order of \$100 or \$150 million dollars. Of course if we took the Leader of the Opposition's point of view we'd cut services, charge more, tax more, exempt more and do more for less. That's a dandy program.

MR. DESJARDINS: That's what you promised us.

MR. EVANS: That's just dandy. I adopt this and all I got to do now is to work it out in cash. Well that's one of the luxuries of being a critic. You don't have to be responsible, just talkative. You can be slick and smooth and glib - but you don't have to work it out - and my job is to work it out.

So let me say to my friends opposite, Manitoba is moving forward. We're paying our way. It isn't easy. There are no easy solutions and we won't engage in any fiscal fancies but we will pay the bills. We will do what has to be done and the reward for effort in Manitoba is an immensely favourable opportunity in front of us.

MR. SPEAKER: The Honourable Member for Burrows.

MR. DOERN: .... order?

MR. SPEAKER: You can speak to the Minister. Would the Minister answer a question? The Honourable Member for Burrows.

MR. MOLGAT: .... but he indicated during his speech he didn't want to answer them then. Is he prepared now?

MR. SPEAKER: He didn't show any indication of answering any questions. The Honourable Member for Burrows.

MR. BEN HANUSCHAK (Burrows): Mr. Speaker, I was rather intrigued listening to some of the comments made by the Honourable the Provincial Treasurer. As a matter of fact, toward the latter portion of his speech he began to sound somewhat like a Socialist, when he speaks, when he condemns Ottawa for taking two-thirds and not sharing what is justly due with us. This is one of the principles, Mr. Speaker, that we have attempted to impress upon this House, and that is, to share and share equally, to share in a manner wherein each and every one of us, each and every government body carries its just share of the tax load, of the financial burden in making the necessary provision for services of this country, of this province.

It was also rather interesting to hear the Honourable the Provincial Treasurer refer to sales tax, because until today this tax was named Education Tax - the name was changed today and it has finally become a sales tax. I regret, I regret Mr. Speaker that the Honourable the Provincial Treasurer missed a very very vital point.

MR. SPEAKER: .... newspaper being read in the Chamber.

MR. JOHNSTON: Mr. Speaker, I was just looking up the remarks of my honourable friend during the election campaign. I was going to quote them back to him.

MR. HANUSCHAK: The Honourable the Provincial Treasurer missed a very important point made in this debate by the Honourable Member for St. John's. When the Honourable

(MR HANUSCHAK cont'd). . . . Member for St. John's spoke of borrowing money, he did not say, as the Provincial Treasurer would have us believe that he said, "Let's just go ahead and borrow and borrow indiscriminately." The Honourable Member for St. John's did indicate that we borrow on the strength and the security of the manpower resources that we have in this province; that we borrow on the strength and on the security of the potential that the manpower in this province has; that by borrowing whatever funds we need to borrow that we provide them with the necessary educational services to develop that manpower to enable it to put itself to productive use for the benefit of the people of Manitoba. There was a very vital and important portion of the honourable member's statement that the Honourable the Provincial Treasurer omitted.

The Honourable Minister also very conveniently forgot that we mentioned the fact that this be only a temporary measure and, as has been admitted by the government, that the Carter Commission report is to be handed down shortly, at which time we could take a second and a closer look at the matter of government financing.

It's very convenient, Mr. Speaker, to talk around percentage rates. When the Honourable Minister speaks of having to increase the corporation tax by 57% in order to yield the \$33 million he did not indicate of what is that 57%, and I think that if the Honourable Minister were to spell this matter out, just what figure is it that we are speaking of, what amount of money are we basing this percentage on, and what original percentage rates are we basing this on insofar as income tax is concerned, I am sure, Mr. Speaker, we would find that this figure of 57% would not sound nearly as frightening as the Honourable Minister would wish to make it sound.

In the last Manitoba Economic Consultative Board report, on Page 84, there is a statement there: "A short term crash program should in general be avoided where far-reaching and lasting consequences follows," and I suggest to you, Mr. Speaker, that the sales tax program that the government proposes to introduce is nothing more than a short term crash program. They find themselves in need; they find themselves in need of \$33 million. What easier way is there of raising \$33 million? "Let's introduce a sales tax." But, as they have in the past they have demonstrated this again, that they are not in the slightest concerned about the program for the Province of Manitoba next year or the second year or ten years from now. "Let's arrange our financial affairs in such a manner, in such a way, as to cover them now and let tomorrow take care of itself."

Yesterday, we were treated to a very interesting dissertation by the Honourable the Minister of Industry and Commerce, and he made reference to many previous statements that have been made by the government side in this House. He spoke of a buoyant economy. He read to us a couple of pages of the Companies Register which was found in the Provincial Secretary's office, recited names of corporations that had incorporated themselves to operate within the Province of Manitoba during the past year, which by the way, Mr. Speaker, is a tune that we had heard sung in this House so frequently by the government. We've heard a dissertation on the outstanding qualifications of the members of the Board of Directors of the Manitoba Development Fund; we've heard names recited of corporations that have incorporated in Manitoba during the past year; and today we heard again a chapter read from the Who's Who book on the inter-provincial tax structure committee and the personnel of that committee; and we heard the same yesterday. We heard from the Minister of Industry and Commerce that a new industry proposes to locate itself in the town of Gimli. We heard that this industry is going to provide employment for 65 people. My only hope is, Mr. Speaker, that the employment that is being provided through the auspices of the Manitoba Development Fund is not going to set the pace and set the trend for the wages that will be paid up at Gimli.

I note in the Development Fund report a statement that over 3,500 jobs have been created in Manitoba through the auspices of the Fund, yielding an annual payroll of approximately \$12 million. Twelve million dollars sounds like a very impressive figure, but you work that out to an hourly rate for 3,500 men and the figure works out to something considerably less than the average wage in industry in Manitoba right today. Now if the new industry that we are attracting by various means, whether it be via loans from the Development Fund or whether it be via tax concessions or whether it be via any other concessions that the government feels it must offer, and if the only result of that is that it is going to tend to depress the wages, depress the income level of the people of Manitoba, then certainly, Mr. Speaker, this is no contribution towards the building up of a buoyant economy.

The Honourable Minister of Municipal Affairs speaking yesterday spoke of travelling around the Province of Manitoba and seeing nothing but happy people. I would suggest to you,

(MR. HANUSCHAK cont'd) . . . . Mr. Speaker, that perhaps the Honourable Minister of Municipal Affairs had by mistake taken the pair of rose-coloured glasses that the First Minister speaks that he wears, because all the Honourable Minister ought to read is read the budget speech presented by this government wherein this government states, or at least pays lip-service to its concern about the agricultural community in this province, and in that speech it is mentioned that of the 40,000 farmers in Manitoba - of the 40,000 farmers in Manitoba there are only 6,000 farmers who earn a net annual income exceeding \$4,000. This is right in the government's budget speech, Mr. Speaker, and we have heard - we have heard from committees of this government, we have heard from committees of other governments, we have heard from experts in this field that \$4,000 isn't very far from the dividing line between starvation and survival. It's practically right on the borderline between those two areas and 34,000 farmers in Manitoba are forced to live on an income of less than \$4,000 a year - 34,000 farm units - and on these farm units, Mr. Speaker, on most of them there are at least two people working there, the husband and the wife. In other words, if we are thinking in terms of the labour force involved in farming operations, we can think in terms of at least two people per farm. In other words, the labours of two people produce an annual net income of less than \$4,000 - an annual net income of less than \$2,000 per person - an annual net income of less than the minimum wage of which this government boasts, if you were to compare the income of the farmer with the income of the person working on an hourly basis in industry.

Then, Mr. Speaker, this government has the audacity in scurrying around for a source of revenue to pull a sales tax out of a hat and slap a sales tax on these very people, on the 34,000 farmers, the 34,000 farm families living on an income of less than \$4,000 a year; on those thousands of families who are the responsibility of the Honourable Minister of Welfare; on the thousands of old age pensioners in this province, some who may be in receipt of additional assistance from provincial funds and others who are too proud to accept and would rather struggle on their own; on the thousands of university students at the University of Manitoba, at the MIT, or perhaps it's the thinking of the Government that this makes a better student, the more burdens you impose upon him the better graduate he'll turn out to be. I'd hate to see this government grow vegetables. I suppose that they believe that if you deny a vegetable heat, light, food and water and trample on it it will grow up to be a tougher and a stronger vegetable. And this is exactly, Mr. Speaker, what this government is doing to the people of this province.

Yesterday the Honourable Minister of Industry and Commerce made reference to a two and a half percent unemployed in the province. Two and a half percent of the population of Manitoba is probably somewhere in the vicinity of 25,000 people. But the number of people affected by this state of unemployment of 25,000 is far greater than 25,000, Mr. Speaker, because there are in many cases the wives of the unemployed and their children. So it's quite conceivable that that figure approximately equals the population of a farming community in Manitoba or at least it wouldn't be very far from it. And these, Mr. Speaker, are the people who are to pay the five percent sales tax, because as the Honourable the Provincial Treasurer said this afternoon, we cannot impose too heavy burdens on the corporations whom we wish to interest in establishing themselves in Manitoba, because if we impose too high taxes they may lose their interest or desire to locate themselves here and they may go elsewhere. So what does the government do? The government imposes a tax on that person who cannot get out of this province because they can't afford - they haven't got the money to.

This government's own report states that the income in the Province of Manitoba from agricultural production exceeds \$507 million - \$507 million. They didn't give the average income of the farmer in Manitoba. It must be a figure somewhat less than \$4,000 per year. It must be, because, as the government itself stated, that only 6,000 farmers out of 40,000, that is only 15 percent of the farmers, enjoy a net income in excess of \$4,000. So the average must be somewhere in the vicinity of \$3,000 per year or perhaps even less. In other words, Mr. Speaker, \$507 million is the worth of the toils of the farming community. That's the worth of the products or the produce that they market; the grain, the vegetables, beef, what have you, dairy products. The farmers in Manitoba net a figure probably around on the basis of \$3,000 a year - and I'm sure that I'm over-estimating the average income - but even on that basis they're netting \$120 million. Wouldn't it make more sense, Mr. Speaker, to go after the difference between the \$507 million and \$120 million. The difference there is far greater than going after the \$120 million that remains in the pocket of the farmer. And as I said a moment ago, I doubt very much if he even has that \$120 million in his pocket. The difference between those two figures didn't evaporate. It's in this country somewhere. It's

(MR. HANUSCHAK cont'd)..... shown on the books of some corporation or another somewhere along the way. But those are the people that you negotiate tax concessions with. Those are not the people to whom you come and you say, that you are going to pay a five percent tax. You negotiate with them; you sit down at the bargaining table with them and you ask them, and you ask them what's the maximum that you feel you can afford to pay and still be interested in coming into our province? What's the maximum that the eight American board members of Seagrams will be prepared to pay and still be interested in opening another distillery in Canada?

But when it comes to the one million people living in this province, the one million people who have built this province, you don't consult with them. You tell them that from here on in you're going to pay a five percent sales tax. And it's strange, Mr. Speaker, it's the position that the government takes that really is illogical because if it were that industry did find it difficult to take root in Manitoba, did find it difficult to make any progress in Manitoba, then perhaps the government could be justified for extending various concessions to industry to help it along because after all we are dependent on industry in the maintenance, the expansion and development of our economy. But at no time during the four or five weeks that this House has been in Session did we hear anybody from the government announce that there's a rash of bankruptcies in Manitoba. We don't hear the Hudson Bay Mining and Smelting is going bankrupt or International Nickel or any of the meat packing plants. We hear nothing of that.

I suggest to you, Mr. Speaker, that there are factors of more concern to industry than just the tax factor as a determining factor in deciding whether or not an industry is going to locate itself in any particular country or province or not. There are other factors: the availability of labour, the proximity to market and so forth -- and many others. I have not heard, and I'm sure that the government hasn't heard of any industry threatening to move out of the province because it may have been rumored that the government is going to increase its tax responsibility. I have not heard of any industry, and I'm sure that the government hasn't, of any industry being reluctant to locate itself in Manitoba because the taxes are too high; and by the same token I have not heard the government announce that there is industry breaking down the doors of the office of the Department of Industry and Commerce wishing to locate itself here because of the tremendous tax benefit that they may enjoy here, even though no doubt they do. So obviously, Mr. Speaker, there are factors other than the matter of taxation that are of concern to industry in choosing a location for their development.

Next week, Mr. Speaker, this House is going to recess for a week. This House is going to recess to allow the government time to sell its single division board program to the people of Manitoba. True, your assignment is going to be to deal with the merits of a single division board system and I wish you well. It's high time that we did put our education program on a level whereat it could operate more efficiently. But I'd be very interested, Mr. Speaker, to know how the backbenchers in the government are going to answer any question on sales tax. How will you be able to justify sales tax to the people that you'll be speaking to by and large in rural Manitoba? To the 40,000 farmers, 85 percent of whom live on a starvation wage, and you're going to go to them and tell them that we have a topnotch education program to present to you, but we're going to dig down in your pockets and take five cents of every dollar you spend -- of every dollar that you have to maintain a bare existence, we're going to take five cents of it. We're going to take five cents of that dollar. And you'll be able to tell the people of Manitoba that story? You will have to. People are going to ask you that. If you don't hear from them next week I can assure you that there will be a time when you will hear from them. You know the million people in Manitoba, they're not quite that silent. You see you talk about industry, that you can't ruffle their fur negotiating with them, you've got to handle them with kid gloves. You can't impose too high taxes on them and that sort of thing because they'll run off to another province, another country. You've got to give them concessions. But the million people in Manitoba aren't quite that silent. There's a piece of legislation that states that the government must return to the people from time to time, and very silently, very silently, with a series of X's, they'll be able to indicate what their thoughts are of the sales tax that this government has imposed upon them. No doubt there is, in some cases there could be merit for a sales tax, but I say to you, and I repeat, that Manitoba is not the province that should be victimized by that type of tax. If you have an affluent society, if you have a community wherein there is no poverty, if the responsibility for the provision of services that a government ought to provide are shared by all who should bear that responsibility, and if all other resources are exhausted and the community then feels that this is the only other alternative, well then fine. But in a poverty stricken province such as ours, in a poverty stricken province

(MR. HANUSCHAK cont'd)... such as ours where you in your own report say that 34,000 farmers live on an annual income of less than \$4,000 a year - and they can afford to pay you five percent sales tax? And you can justify that to 34,000 farmers in Manitoba? You can justify that? --(Interjection)-- A dollar an hour? It's less than a dollar an hour.

MR. PAULLEY: What guarantee have we that this is the end at five percent? None.

HON. J. B. CARROLL (Minister of Welfare) (The Pas): You had better keep him going, Russ.

MR. HANUSCHAK: I mentioned this the other day in discussing the estimates of the Department of Welfare. I suggested at that time that there is need for greater liaison amongst the various departments to enable them to co-ordinate their activities, to co-ordinate their programs. The budget speech that we have heard, that was presented to this House, Mr. Chairman, is conclusive proof of the fact that there is no such liaison. The various departments are there fending for themselves the best way they can. The Department of Education says we need so many millions of dollars, the Department of Welfare says we need so many millions of dollars and they hand these figures into the Provincial Treasurer, the Provincial Treasurer totals them up and says this is the amount of money that we need. This is the amount of money that we need; how are we going to raise it? Well never mind the most equitable method of raising funds, let's find the easiest way. Let's find the path of least resistance. Let's find the path of least resistance. Joe Borowski is back in Thompson, it's rather cold now, he may not be back for awhile, so let's try a sales tax; let's try a sales tax and see how it works.

Mr. Chairman, I suggest to you that the sales tax or the education tax, as the government likes to call it, is an unjust tax, it's unjustifiable, it's immoral, it's cruel, it's insulting, it's callous and it's irresponsible. It's irresponsible, Mr. Speaker, because it's the act of a government without concern for where this province would be five years from today, a decade from now, two decades from now. There is no evidence of any regard for any of the reports that this government has received. Its own committee, The Manitoba Consultative Board, has stressed time and time again the importance and the value and the emphasis that should be laid upon education. That education is an investment and that education increases the earning power of the individual and that money spent on education will pay dividends in the end. Money in education will pay dividends in the end. However, all the government does is impose a five percent sales tax to take care of the \$33 million deficit, the \$33 million that it needs today -- and then they'll wait for the Carter Commission Report. It's the act of a callous government, it's the act - it's an unjustifiable act, Mr. Speaker. It's an act of a government having no regard, having absolutely no regard whatsoever for the welfare of the people within its domain. --(Interjection) Maybe we should charge a little bit more to the future, provided we make a wise plan for the future which I have yet to see this government come up with. --(Interjection)--

Mr. Speaker, here we are on the threshold of the second century of Canada's existence. I think we have been playing this game long enough of taking money out of the right pocket one year of the residents of Manitoba to pay government expenses, the next year we take some money out of his left pocket, the third year we take a bit out of his right, the fourth year we take a good fistful out of his right and put a few coins back in his left as the government have been doing for the past few years.

I suggest to you, Mr. Speaker, that it is high time, that it is high time that the government do give serious thought and consideration, study, to the matter of financing government operations -- which this government has not done, which this government has not done. There are sources of revenue which this government deliberately steers clear of. It steers clear of those sources of revenue by tossing out at us percentage figures that, oh, if we impose a tax on that, if we wish to yield the necessary revenue from corporation tax we have got to increase it by 57 percent, we'll have to increase it by 35 and so on and so forth. But the government never tells us what that 57 percent is of or what the 35 percent is of. And I suggest to you, Mr. Speaker, I suggest to you, Mr. Speaker that some of these sources of revenue should be looked at, some of these sources of revenue should be looked at very closely. --(Interjection)-- You negotiate with those people, you negotiate with those people; you impose taxes on your own people, you impose taxes on them.

I notice that the statement by the Premier of Manitoba to the 1966 Federal-Provincial Plenary Conference, October 27th 1966 -- the Honourable the First Minister makes this statement. He is speaking of priorities, and he says, "That regional development...."

MR. SPEAKER: I hate to interrupt the honourable gentleman, but I would tell him that he has five minutes left.

MR. HANUSCHAK: Thank you, Mr. Speaker. Thank you.

The Honourable the First Minister states, "That regional development must be our second priority. We must equalize economic and social opportunity across the nation. This as much as anything else will strengthen the basic unity of the nation. It will give added meaning to being a Canadian. Regional development will also expand our economy and increase our wealth. It will aid us to make better use of our natural resources, and our investments and transportation facilities and other capital holdings." A very very interesting statement made by the First Minister within this paragraph, "We must equalize economic and social opportunity across the nation" - and he goes on to say that this as much as anything else will strengthen the basic unity of the nation.

I would like to believe, Mr. Speaker, that when the Honourable the First Minister spoke of economic and social opportunity that he was speaking of economic and social opportunity of the people of the Province of Manitoba and of the people of the Dominion of Canada, that he was not speaking of the economic opportunity of a handful of corporations, that he was not speaking of the economic opportunity of a handful of foreign owned corporations. I would hope that he was more concerned about the one million people of Manitoba than he was concerned about the investor that we have in our Forest Product industry in the north. I would hope that it's the people of Manitoba that rank No. 1 on his list of priorities. It just makes us wonder, it just makes us wonder who the First Minister is talking about when he makes no reference about health. Obviously he's not concerned about health, because most of those people who he is concerned about don't live in Canada anyway. All you need do, Mr. Speaker -- there's a fairly reliable book written by a man by the name of Mr. Porter entitled "The Vertical Mosaic" and the back 15-20 pages of it lists hundreds of corporations, show the make-up of their directorate, show the country of residence of their directors, and you will be able to see for yourself, Mr. Speaker, and so will the government, where the directors of many of our larger corporations of Canada come from.

The Honourable the First Minister goes to Ottawa and he speaks there to the people whom the Provincial Treasurer had mentioned sometime ago, in speaking to them he talks about economic and social opportunity, but he is very careful and not adding another word or two by stating economic and social opportunity of whom. It's very nice to talk in broad general terms of economic and social opportunity particularly when you make a statement that cannot be pinned down to mean that you were in effect referring to the people of the Province of Manitoba. And he says that this will strengthen the basic unity of the nation. This will expand our economy and increase our wealth. And in speaking of wealth, I have heard the government mention time and time again, look at the gross national product, it's increasing. The gross national product is higher this year than it was last year and it's continuing to increase. Mr. Speaker, the gross national product can double, can triple, can quadruple itself but that in itself does not necessarily mean that that would put more dollars into the pockets of the people of Manitoba.

If the bulk of the wealth that goes into the making up of the gross national product is concentrated into the hands of a few, if it's concentrated into the hands of a few who in the majority of cases do not even reside in the Province of Manitoba, then I suggest to you, Mr. Speaker, that the increase in the gross national product has not benefitted the people of Manitoba one iota.

MR. SPEAKER: Order please, I believe the time has arrived for us, in accordance with the rules, to proceed with these resolutions.

I believe we are dealing now with the proposed motion of the Honourable Member for St. John's, in amendment to the amendment of the main motion. Are you ready for the question?

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

MR. PAULLEY: Yeas and Nays please, Mr. Speaker.

MR. SPEAKER: Call in the members. Would the Sargeant-at-Arms please close that door.

A standing vote was taken the result being as follows:

YEAS: Messrs. Barkman, Campbell, Clement, Dawson, Desjardins, Dow, Doern, Fox, Froese, Green, Guttormson, Hanuschak, Harris, Hillhouse, Johnston, Kawchuk, Miller, Molgat, Paulley, Petursson, Shoemaker, Tanchak, Uskiw and Vielfaure.

NAYS: Messrs. Baizley, Bjornson, Carroll, Cowan, Craik, Einarson, Enns, Evans, Hamilton, Jeannotte, Johnson, Klym, Lissaman, Lyon, McGregor, McKellar, McKenzie, McLean, Masniuk, Roblin, Shewman, Spivak, Stanes, Steen, Watt, Weir, Witney, Mrs. Forbes and Mrs. Morrison.



MR. CLERK: Yeas 24; Nays 29.

MR. SPEAKER: I declare the amendment lost.

MR. SPEAKER: We're dealing with the motion of the Leader of the Opposition in amendment to the main motion.

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

MR. MOLGAT: Yeas and Nays, Mr. Speaker.

MR. SPEAKER: Call in the members.

MR. LYON: Would it meet the satisfaction of the honourable members opposite if we recorded the same division?

MR. PAULLEY: I don't know about the Honourable Member for Rhineland but it's okay by me.

MR. MOLGAT: I'm ever hopeful, Mr. Speaker, that we will find some people on the far side who....

MR. ROBLIN: ... "Hope disappointed maketh the heart sick."

MR. FROESE: Mr. Speaker, I intend to support the amendment.

MR. SPEAKER: Those in favour of the amendment, please rise.

YEAS: Messrs. Barkman, Campbell, Clement, Dawson, Desjardins, Dow, Doern, Fox, Froese, Green, Guttormson, Hanuschak, Harris, Hillhouse, Johnston, Kawchuk, Miller, Molgat, Paulley, Petursson, Shoemaker, Tanchak, Uskiw, and Vielfaure.

NAYS: Messrs. Baizley, Bjornson, Carroll, Cowan, Craik, Einarson, Enns, Evans, Hamilton, Jeannotte, Johnson, Klym, Lissaman, Lyon, McGregor, McKellar, McKenzie, McLean, Masniuk, Roblin, Shewman, Spivak, Stanes, Steen, Watt, Weir, Witney, Mrs. Forbes and Mrs. Morrison.

MR. CLERK: Yeas 24; Nays 29.

MR. SPEAKER: I declare the amendment lost.

MR. CLEMENT: Mr. Speaker, on a point of order, I notice by looking around that the Honourable Member for Churchill, the Honourable Member from Assiniboia, the Honourable Member for St. John's are not in their seats and I think that you neglected to call in the members. The bell did not ring. Perhaps one or two of the gentlemen might be sitting in the lobby and they would have been entitled to vote and they were not given the opportunity. On the second occasion yes.

MR. SPEAKER: This I deeply regret. I realize I am at fault. We can go through the vote again if it is the desire of the House, I don't know....

MR. ROBLIN: Probably the point is well taken, Mr. Speaker, but I doubt it would be the desire of the members to take the vote officially again though I would be guided by what I hear from the Opposition.

MR. MOLGAT: No, we wouldn't request, Mr. Speaker, that it be done. I think the important thing is that the bells do ring when divisions are called but I don't think it would change the vote on this occasion. There are two members on this side absent and one on the other side. We would still be unable to defeat the government. We're still going to work on them though.

MR. PAULLEY: I might say, Mr. Speaker, my colleagues were within distance of hearing the bell had it rung, although I think that the honourable member who spoke of the bell is perfectly correct.

MR. ROBLIN: I think I should point out, Sir, that the honourable member should have raised his point of order immediately it occurred and not later. That's one of the rules of the House.

MR. DOUGLAS CAMPBELL (Lakeside): Mr. Speaker, on the point of order, the honourable member is not allowed to speak once the division is called. The honourable member did the proper thing by waiting until it was announced and then he raised his point of order at the proper time and the proper point of order.

MR. LYON: Mr. Speaker, speaking on a point of order, a point of order is in order at any time.

MR. CAMPBELL: Mr. Speaker, the rule says that once the division is called that no member can speak.

MR. SPEAKER: I regret very much this has occurred and I recognize the opinion given and I appreciate the thoughts expressed by the several members and will do better the next time I hope. Now the proposed motion of the Honourable the Provincial Treasurer.

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

(MR. SPEAKER cont'd)..... the House resolved itself into a Committee of Ways and Means, with the Honourable Member for Arthur in the Chair.

COMMITTEE OF WAYS AND MEANS

MR. CHAIRMAN: Resolved THAT towards making good the sums of money granted to Her Majesty for the public service of the Province for the fiscal year ending the 31st day of March, 1968, the sum of \$399, 213, 530 be granted out of the Consolidated Fund. Are you ready for the question?

MR. CAMPBELL: Mr. Chairman, I don't suppose that the government intends to pass this motion at this time, do they? Because surely it's not intended to pass the motion providing all of the money before the estimates have been at least reasonably well considered. I think it's quite in order to give notice of the motion and even to have it read on to the record but surely it's not the intention of the government to press this motion to a vote at this time.

MR. ROBLIN: Mr. Chairman, we are really in no hurry about it but I do inform the committee that this is the procedure that is followed, that we do pass it now, regardless of the fact that the estimates themselves have not been voted in toto. This has been done on previous occasions and I don't see any reason why we shouldn't do it now. It is that it be recognized I think one of the formalities that we follow.

MR. CAMPBELL: Mr. Chairman, although that has been the practice in the past it has also been the fact that in the past that the estimates have been either completed or very well advanced at that time - and just as a matter of logic and common sense, Mr. Chairman, it does seem unseemly that we should pass a resolution providing for \$350 million out of the public purse when we have completed, I would say, about one-third of the departments. So I would say to the Honourable the Leader of the House for goodness sake pay some attention to the feelings of the members of the House and do not press this motion for a vote at this time because there'll be lots of occasions later on where we can go back into the Committee of Supply.

The motion has been read by the Chairman. It's on the record. I would suggest that Mr. Chairman report progress and ask leave to sit again in Ways and Means.

MR. ROBLIN: Mr. Chairman, I'm rather puzzled by my honourable friend's attitude. After all what does he suppose we've been debating for the last eight days if it was not for the resolution to go into Ways and Means and to appropriate the money. This is the appropriation Bill that we are passing now. And I remind him that we have followed this procedure for the past three years and on neither of those occasions have we been as far advanced in dealing with the estimates of Supply as we are at the present time. So I am at a loss to understand why this concerns him and I don't see any reason why we shouldn't proceed with it.

MR. CAMPBELL: I doubt my honourable friend's information in that regard, Mr. Chairman, that we have proceeded further now than we have in the -- Is that correct? I would doubt that. I have always taken the position, Mr. Chairman, since the more recent procedure was adopted that I think it is so obviously wrong that we ought to revert to the system that we had before, because it seems so logical to me that in the Committee of Supply we are sitting to determine the needs of the various departments and services and having determined those needs after going through the estimates as to what is required for the public service then we used to go into the Committee of Ways and Means for the purpose of raising the money to meet those needs. To go first into raising the money before you have determined the needs seems to me to be putting the cart before the horse. However, that's the method that we have adopted the last two years, but certainly my recollection is not that we passed the final motion appropriating all of the money until later in the stage than this.

MR. ROBLIN: Mr. Chairman, if I may speak again on this subject, let me say that the policy of bringing down the budget before the supply estimates are concluded is almost universal; everybody does it. Now it doesn't appeal to my honourable friend and it never has, let's give him the credit for that, but to my mind it's always seemed rather odd that we don't consider expenditure and income at the same time. My goodness, that's the way in practical affairs one does it, one considers both at the same time, and I want to say as far as the Executive Branch of the government is concerned, we certainly have to do that in preparing this material for the House.

But I don't see any reason why I should be particularly stubborn about this. I will be quite willing to say to my honourable friend, we'll leave it in committee, but I do this - and I want to say this deliberately - I do this out of respect for him. I don't think he's right and I

(MR. ROBLIN cont'd).... don't want it to be established as a precedent or a statement of government view on this thing, and even though I really didn't get a chance to tell my honourable friend all the things I'd like to have told him about the budget this afternoon, I think that on this occasion I don't see any reason why we should have to quarrel about it, it's really not that important. If he really feels, if it will make him feel any better, then I for one will say let's rise and report progress because we can certainly deal with this the next time the Committee of Ways and Means meets. But I would not like him to think that I am departing from my own opinion on the matter nor that I'm giving him any undertaking as to when it should be put through the Committee of Ways and Means. But he obviously feel strongly about this and I'm not prepared to be stubborn about it, so I'm going to say that we'll adopt his suggestion.

MR. CAMPBELL: I simply want to say to my honourable friend that much as I appreciate his courtesy and his respect for my grey hairs, I would still say that I don't want the procedure of this House to be determined on the basis of my feelings in the matter. If this does not appeal to my honourable friends on the government side as being a logical argument, then I'm asking no special favours. Go ahead and push the motion through, that's all right with me. Don't change your policy, if you think it's right, in sympathy for me.

My honourable friend the First Minister says that the executive in preparing the estimates has to take into account the money that they have with which to supply the needs. Of course this is certainly true and it's assumed that the government has discharged that responsibility, but we folks in the opposition want to have the opportunity of hearing what the various Ministers have to say in defence of the money that they're asking us to vote before we blanketly hand them \$354 million.

Now it's all very well for my honourable friends to say that everybody else does it. Mr. Chairman, I'm sick and tired of hearing the argument that everybody else does it. I don't care if every Legislative Assembly in Canada does it this way; I don't care if the Federal Government does it this way; we have a right in opposition to hear the various Ministers of the government tell us why they need this money before we vote the full amount, and I don't ask my honourable friend to do it because I say so or out of respect for me. I'm not entitled to any more respect than anybody else in here, but I am entitled as a member of the opposition to ask the various Ministers as the time comes to defend the sums that they're asking us to approve of, and until they do that I don't want to support the motion that \$354 million be voted in one lump sum.

MR. PAULLEY: Mr. Chairman, if I may, I think a different line of approach for this year should be one that could be given consideration. I appreciate very much the stand taken by the Honourable Member for Lakeside. We have had changes in the rules in the last two or three years which do not follow what was previously tradition in this Assembly.

But I think there's another or even more valid reason, Mr. Chairman, as to why we should not rush into these estimates and I'm basing my remarks on the statements of the Honourable First Minister and also the Honourable the Provincial Treasurer, because both of these distinguished members of the House have told us from time to time that they're not sure of the amounts of money that they are going to receive in shared finances from the federal authority. They've pointed this out from time to time during their discussions in the House, that try as they may have they weren't able to pinpoint Ottawa insofar as the monies are concerned, and to establish this point, Mr. Chairman, may I suggest to members that they read of the debates which took place before the Christmas adjournment on the money resolution or the bill authorizing the tax collection agreement with Ottawa. Members of my group at that particular time endeavoured to extract, and rather a painful extraction which never really bore fruit, we tried to extract from the honourable the Provincial Treasurer how he arrived at the figures and he intimated to us at that particular time that he wasn't assured or wasn't sure of the amounts of money that we were going to receive from Ottawa, and I trust and hope that in the interim the Honourable the Provincial Treasurer has endeavoured to clarify this particular point with Ottawa. I don't know if my friend has or not -- he nods his head but I don't know whether he's nodding it because he hasn't or because he has, maybe he could just on this particular point answer me now.

MR. EVANS: With every resource that I have.

MR. ROBLIN: By the way, I should tell my honourable friend that I have written to the federal Prime Minister asking for the conference to be reconvened to consider this one point, and the Ministers of Education across the country have also through their own organizations beseeched the Federal Government to meet again because I don't know when we're going to get the answers to these things and they're quite important. So we're very concerned about it but

(MR. ROBLIN cont'd)... we're quite unable to get any information beyond what we already have.

MR. PAULLEY: I'm most happy, Mr. Chairman, that the Honourable the Provincial Treasurer and the First Minister now are supporting my more logical than ever suggestion that we should not unduly consider of the ways and means of the finances to be granted to Her Majesty. Now my honourable friend the First Minister just said that he's anxious, that he's asked the Prime Minister of Canada to call a conference in this respect; my honourable friend the Provincial Treasurer also has turned around just now and said that he too has tried to receive the answer as to the amounts of revenue; the Honourable the First Minister said that the Ministers of Education of the various provinces want to meet with the federal authorities to see exactly how much money they will receive from federal sources this year. Now is it not conceivable, Mr. Chairman...

MR. LYON: I wonder if my honourable friend would permit me to interrupt him and tell him that while he perhaps hasn't convinced us on this side, the clock has. I would propose to move that the committee rise.

MR. PAULLEY: It'll only take me a half a minute to complete what I have to say if that's agreeable by the House. All I want to say, Mr. Chairman, is that we're imposing a five percent sales tax on the taxpayers of Manitoba in the absence of firm commitments from Ottawa as to their share of revenues to go into the treasury of the Province of Manitoba. Now surely, Mr. Chairman, we on this side of the House are justified in suggesting that we do not adopt this particular estimate of revenues from the government of Manitoba in the absence of firm commitments or without having proper information as to the amounts of money.

Now my honourable friend the Provincial Treasurer has indicated by this estimate of revenue that we're going to be in a deficit position in the province of some million-odd dollars. It could conceivably be that additional sources of money could be forthcoming from Ottawa, so that even if my friends are determined, now that they've made their mind up to have a sales tax, that that sales tax could be reduced to one percent or two percent or some other percentage that the Province of Manitoba would not be in a deficit position for this year. So I suggest, Mr. Chairman, that apart from the point raised by my honourable friend the member for Lakeside that it is a valid reason, the one that I am stating at the present time, the lack of knowledge of revenues forthcoming from the other place, that we should not rush to adopt a deficit budget for Manitoba and I'm sure in this I'd have the support of my friend from Rhineland.

MR. FROESE: Mr. Chairman, just one question before the motion is put here...

MR. LYON: I'm afraid we're out of time, Mr. Chairman...

MR. FROESE: I would like to know where Mr. Chairman got the resolution from, nowhere can I find the resolution on the Order Paper, neither in the estimates. There's no...

MR. LYON: Mr. Chairman, I move the committee rise.

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

Mr. Speaker, the Committee of Ways and Means have directed me to report progress and ask leave to sit again.

#### IN SESSION

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, I beg to move, seconded by the Honourable Member from Springfield, that the report of the committee be received.

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

MR. LYON: The usual arrangement tomorrow, whereby there has been general agreement on all sides of the House that the House will sit at 10:00 in the morning, and I think I should also add the fact that the Member for Rhineland has indicated that he would like the discussion of the third reading of Bills to be proceeded with in the afternoon rather than in the morning and that is agreeable to our side of the House, or Monday - at some later date when he is present, he has no objection then to the House sitting in the morning. I would move that the House do now adjourn and stand adjourned until 10:00 tomorrow morning by unanimous consent, seconded by the Honourable the Provincial Treasurer.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House adjourned until 10:00 o'clock Thursday morning.