

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Monday, June 19, 1972

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I should like to direct the attention of the honourable members to my gallery where we have 50 ladies whose husbands are attending the Convention of the Canadian Association of Provincial Liquor Commissioners.

We also have 25 students of St. John's High School. These students are under the direction of Mr. Sanders. This school is located in the constituency of the Honourable Member for Inkster.

On behalf of all the honourable members I welcome you here today.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills.

A MEMBER: Could the Member for Portage . . . stand?

MR. SPEAKER: (Stand) The Honourable Member for Ste. Rose.

MR. PETER ADAM (Ste. Rose) introduced Bill No. 95, The Veterinary Medical Association of Manitoba Act.

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

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East) introduced Bill No. 93, The Clean Environment Act.

MR. SPEAKER: Oral Questions. The Honourable Leader of the Opposition.

ORAL QUESTION PERIOD

MR. SIDNEY SPIVAK, Q.C. (Leader of the Opposition) (River Heights): Mr. Speaker, my question is for the First Minister. I wonder if he can indicate to the House Manitoba's official position on the question of ownership of offshore oil and gas resources.

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, if the Honourable Leader of the Opposition is asking for a statement of official position, I'd be prepared to do that but in a more formal way with a written statement.

MR. SPIVAK: Has Manitoba's position been communicated to the Federal Government?

MR. SCHREYER: Yes.

MR. SPIVAK: I wonder if the First Minister could indicate on what occasion it's been officially communicated, and in a general way what the position is.

MR. SCHREYER: Mr. Speaker, the Honourable Leader of the Opposition is coming back now to his first point of enquiry. I have undertaken, and I will do so soon, very soon, to provide a Ministerial Statement on the matter.

MR. SPIVAK: Mr. Speaker, I have another question for the First Minister. I wonder whether he can indicate whether the province will be prepared to yield jurisdictional and royalty rights to the Federal Government in respect of any possible discoveries in the Hudson Bay.

MR. SCHREYER: Mr. Speaker, the Honourable Leader of the Opposition asked if the province would agree to yield rights. The province has not taken the position where it is indicated it is prepared to yield rights. It's a question of agreeing to definition, more precise definition, as to what can reasonably constitute the rights as far as the Crown and the right of the Federal Government is concerned and the Crown and right of the province.

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

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I have a question for the Honourable Minister of Industry and Commerce. I wonder if he can report to the House if it's correct that Flyer Coach Industries have purchased a luxurious lodge in the Lac Du Bonnet area.

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

MR. EVANS: This is not correct, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I direct a question to the Minister of Education. Could he indicate to this House whether he has signed the building program for the Tiger Hill School Division to date?

MR. SPEAKER: The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education) (Burrows): Yes, Mr. Chairman.

MR. SPEAKER: The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Mr. Chairman, my question is for the Minister of Municipal Affairs. Are people who are totally on welfare going to be eligible for the Educational Tax refund?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs)(Selkirk): I'd like to take that question as notice, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: I have a question for the Minister of Industry and Commerce. Does the government own a lodge at Bakers Narrows?

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

MR. EVANS: Well that's a very general question. Does the government own a lodge at Bakers Narrows. I wonder if the honourable member could be more specific. I would -- the answer I would say is no, but . . .

MR. PATRICK: . . . or MDC, Manitoba Development Corporation?

MR. EVANS: Not to my knowledge, Mr. Speaker.

MR. PATRICK: A supplementary. Would the government take it as notice and give me the answer for it.

MR. EVANS: Well I think I've pretty well given the answer but I'll look into the matter. I'm pretty sure I'm correct.

MR. PATRICK: Mr. Speaker, perhaps I could direct my question to the Minister of Tourism and Recreation. Can he report to the House if the government owns a lodge at Bakers Narrows?

MR. SPEAKER: The Honourable Minister of Tourism and Recreation.

HON. LAURENT L. DESJARDINS (Minister of Tourism and Recreation)(St. Boniface): Mr. Speaker, if I may, it's true that a lodge refers back to the Manitoba Development Fund and they have advertised to see if there's anybody interested in developing such, and I think that they should hear something very soon. There's been some people that have expressed interest.

MR. PATRICK: A supplementary. Is the lodge presently open and is it being in operation, and what is it used for?

MR. DESJARDINS: Mr. Speaker, yes our department has made arrangements for a gentleman from Flin Flon to operate it for this year to give service to the people of the area.

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

MR. HARRY J. ENNS (Lakeside): Mr. Speaker, I direct a question to the Honourable the Attorney-General. I wonder, Mr. Speaker, whether the Attorney-General could indicate to the House whether or not it is the government's intention to reinstitute the lawsuit hearings that were rejected by the courts this morning on the basis that faulty legislation, or the wrong legislation was being used in the suit of the province.

MR. SPEAKER: The Honourable Attorney-General.

HON. A. H. MACKLING, Q. C. (Attorney-General)(St. James): The decision that was handed down in the Court of Queen's Bench will be studied by officials of my department and in due course further proceedings may or may not be taken.

MR. ENNS: A supplementary question, Mr. Speaker. Is appeal to the standing decision being considered by the government, by the Attorney-General?

MR. MACKLING: All considerations will be given, Mr. Speaker.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I have a question for the Minister of Municipal Affairs. In view of the representations made by the Winnipeg Tenants Association and the Winnipeg Council Self-Help groups to the new group on Manitoba's . . . poverty with respect to low rental housing. Is it the intention of the government to alter and change its policy.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Speaker, the question relates to one of policy and I think that the honourable member knows full well that any such announcements are made at the appropriate time in that regard.

MR. SPIVAK: Well, Mr. Speaker, a supplementary question. I wonder if the Minister can indicate whether the groups have made representations to himself or to the government.

MR. PAWLEY: Yes.

MR. SPIVAK: I wonder if the Minister would now indicate whether the government is considering the representations and may alter its policy.

MR. PAWLEY: Mr. Speaker, this government is always ready to listen to representations and it's always ready to consider existing policies in light of circumstances to ascertain whether there warrants a change in policy any time.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, my question is to the Minister of Labour. Does the Minister of Labour still intend to introduce labour code legislation during this session?

MR. SPEAKER: The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): If my honourable friend was aware of some of the statements that I've made he would be well aware of the answer. The answer is definitely yes because, Mr. Speaker, I did indicate that the legislation that has been forwarded is in connection with present legislation and it's my hope that after the passage of that legislation there will be a consolidation of that into a labour code.

MR. PATRICK: A supplementary. Will there be another bill tabled in the House dealing with automation and hours of work week?

MR. PAULLEY: Mr. Speaker, I do believe that I indicated to my honourable friend some time ago in connection with a resolution standing in his name that that was my intention. I made a commitment, and I am one of those types of individuals that likes to fulfill the commitments made.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Speaker, a few moments ago I took as notice a question relating to the School Tax Rebate Program. I should first mention to the Honourable Member for Pembina that all such questions relating to the School Tax Rebate Program should be referred to the Department of Finance. The number is 775-4564 and all inquiries are answered there. But in regard to the specific question, those in receipt of social assistance will not receive the rebate if the province is paying the rent itself directly or the municipality. On the other hand if the rent is paid as part of the allowance which the social recipient is receiving, the part of the welfare allowance and part of it allocated towards rent, and then the recipient pays the rent him or herself, then in that case, the recipient would receive the rebate.

MR. SPEAKER: Orders of the . . . The Honourable Member for Churchill.

MR. GORDON W. BEARD (Churchill): I'd like to direct a question to the Minister of Municipal Affairs. Is it not correct that it's government policy to use both local labour and local suppliers of material on a preferential basis for tenders on Churchill supplies on the Redevelopment Project?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: It is encouraged, Mr. Speaker, but first and foremost in any consideration of any bidding or tendering the main consideration has to be to the lowest price tendered or bid, and as long as that main premise or criteria is met, then every encouragement is given to the use of local materials but it is generally by tendering process with the lowest bid being the one approved.

MR. BEARD: Is the Minister aware that local wholesalers in Winnipeg are refusing to quote prices to the retailers in the Churchill area or supplying manpower with the supplies for the Churchill Consortium?

MR. PAWLEY: Mr. Speaker, I would be pleased to take that question as notice, discuss it further with the Honourable Member for Churchill and attempt to obtain as much information as possible in respect to the question.

MR. SPEAKER: The Honourable Member for Pembina.

MR. HENDERSON: Mr. Speaker, I have a further question for the Minister of Municipal Affairs. Is it not so, that practically all people on welfare receive their cheques and then pay their landlords. So in essence you're really saying that they will receive the supplement?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: The answer to that, I understand, Mr. Speaker, is no, that that is not the case.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the First Minister, relates to a statement that was made in Southern Indian Lake to the Indian community. I wonder if he can confirm to the House that the government will provide legal counsel for the community.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, it was indicated to the House on a previous occasion, at least on one previous occasion, I believe more, that monies would be made available to the community council for the retaining of legal services that would be needed for the preparation of briefs and claims relative to adjustment, relocation, additional community services, where and if required, etc.

MR. SPIVAK: A supplementary question. I wonder whether he can confirm that the government has also placed restrictions on the freedom of the lawyer to represent the community.

MR. SPEAKER: Order, please. The question is argumentative in that context. The honourable member rephrase it.

MR. SPIVAK: Mr. Speaker, I'll rephrase it. Are there any conditions on the money that is being given to the community with respect to the manner in which the Legal Counsel can represent them?

MR. SCHREYER: Well, Mr. Speaker, those who hire legal services can hire legal service for any purpose they wish. But insofar as the government is concerned, insofar as the Crown is concerned, we indicated a policy-decision that monies would be made available for the hiring of legal services that would be required relative to the submission of claims and other matters pertaining to the community's needs.

MR. SPIVAK: Mr. Speaker, a supplementary question then to the First Minister. If the community decides to fight the proposal that the government has . . .

MR. SPEAKER: Order, please. Order, please. The question is hypothetical -- (Interjection) -- the question is hypothetical. The Honourable Member for Fort Garry.

MR. L.R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, my question is to the Honourable the Minister of Colleges and Universities. Can he now give an approximate date to the House when it may expect the White Paper, the government's White Paper on medical services and policies.

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

HON. SAUL A. MILLER (Minister of Colleges and Universities)(Seven Oaks): I wish I could be precise and forecast the exact date but I can assure the member it will be in his hands before he leaves this House.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well Mr. . . .

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: A supplementary question, Mr. Speaker. Would that be before I leave this House as a Legislature or as a session?

MR. SPEAKER: The Honourable Minister.

MR. MILLER: Of course I don't know. The honourable member may be thinking of resigning but if he doesn't, it'll be this session.

MR. SHERMAN: Just for clarification, Mr. Speaker, I missed the last three words of the Minister's statement. Did he say before the end of this Session?

MR. MILLER: I explained that if the member wished to resign I couldn't assure him that it would be this session. But if he's going to be here during the entire session it'll be in his hands.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I'm not certain if it is in order but I'd like to indicate that in the reply I gave to the question put by the Leader of the Opposition relative to South Indian Lake that in part my answer was based on what I believe to be a fact, that during the course of the last year that the Honourable Leader of the Opposition, and others, have indicated in their opposition to Lake Winnipeg regulation that they would opt for Churchill River diversion and they would proceed to carry it out, period, as an alternative to Lake Winnipeg regulation. Having that in mind if the Leader of the Opposition feels that his position is being misconstrued he should please advise me. But having that impression in mind, that that was his position, they would proceed if they were in a position of authority that they would proceed to carry out Churchill River Diversion instead of Lake Winnipeg Regulation, on that basis I gave my reply.

MR. SPEAKER: Order, please. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, it's a point of order, rather a point of privilege. I have no

(MR. SPIVAK cont'd) objection to the First Minister making any statement he wants, or debating, or being argumentative, but surely, Mr. Speaker, if he cannot be assumed to have answered a question in the last few statements that he's made. In fact he's been argumentative and has entered a debate, and I am quite prepared to debate him, and debate whether the government is being fair to the Indian community or not, but surely this is not the appropriate way. We have asked for information; it's obvious the government . . .

MR. SPEAKER: Order, please. Order, please. I was under the impression that -- Order, please. I was under the impression the Honourable First Minister was clarifying his original answer. The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I would like to address my question to the First Minister. Does the government intend to extend the session, or do they anticipate that the session will be extended to such a time that the new member for Wolseley, Mr. Asper, will be able to, will be able to take his seat during this session?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Is the Honourable Member for Rhineland referring to the Independent Social Credit candidate, or whom?

MR. SPEAKER: The Honourable Member for Thompson.

MR. JOSEPH P. BOROWSKI (Thompson): Mr. Speaker, I wonder if the First Minister could indicate that in the event that the new leader of the opposition takes the seat will he get a full salary as an MLA and leader, will it be based on the few days that he will be sitting?

MR. SPEAKER: Order, please. The answer is in the Election Act. The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. My question is for the . . .

MR. SPEAKER: Order, please. The Honourable Member for Thompson have a point of order?

MR. BOROWSKI: Mr. Speaker, I didn't hear your statement.

MR. SPEAKER: I indicated the answer was available to all in the Election Act. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Thank you, Mr. Speaker. My question is for the Minister of Colleges and Universities. Can the Minister indicate to the House how many high school students have indicated an intention to seek employment through the Student Employment Office?

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

MR. MILLER: Mr. Speaker, I cannot verify the intentions of anyone.

MR. SPEAKER: The Honourable First Minister.

MOTION OF CONDOLENCE

MR. SCHREYER: Mr. Speaker, I believe that this is the appropriate occasion on the Order Paper to present a motion of condolence to this House. I refer to the passing approximately a week ago, of a former member of this Legislature, Dr. Dwight Johnson, M.D. who passed away at the age of 74 in Vancouver, British Columbia, after a long illness. I don't think that anyone in this Chamber sat as a contemporary of Dr. Johnson while he was MLA here from 1945 to 1949.

Dr. Johnson was born and educated at Rapid City, Manitoba, and served during World War I with the 226th Infantry Battalion. Upon return from active service in the Armed Forces he entered the University of Manitoba, graduating in Medicine in 1926. My information is that following that he spent five years as Superintendent of a hospital in the Philippine Islands, following which he returned to Manitoba and established medical practice in the City of Brandon where he practised medicine from 1932, in the heart of the depression, to 1959. He was elected first into this House in a by-election actually in 1943 and served as a member here then for the remainder of that term and for the regular term of office 1945 to 1949. He left Manitoba in 1959 to establish residence and medical practice in British Columbia where he lived for the last 11 years of his life. He is survived by his wife, also still living in British Columbia, by a daughter, Mrs. Stone, living in Burlington, Ontario, a son, also practising medicine, in Prince George, British Columbia; and is survived by brothers living in Alberta and here in the City of Winnipeg.

So I would like to move, Mr. Speaker, seconded by the Honourable the Member for Brandon West, that this House convey to the family of the late Dwight Lyman Johnson, M.D.,

(MR. SCHREYER cont'd) who served as a Member of the Legislative Assembly of Manitoba, its sincere sympathy in their bereavement and its appreciation of his devotion to duty in the useful life of active community and public service, and that Mr. Speaker be requested to forward a copy of this Resolution to the family.

MR. SPEAKER presented the motion. The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): I wish to thank the Honourable the First Minister for the privilege of joining him and his government in this expression of sympathy to the family of the late Dr. Dwight L. Johnson. Dr. Johnson was a resident of Brandon for 27 years and represented the constituency of Brandon before it was divided. He did live in what is now the constituency of Brandon West, and while I did not know him personally he was a neighbor a few doors removed during the early period of his residence in Brandon.

Mr. Speaker, he is remembered by his medical colleagues as a man extremely competent in his profession. He was a dedicated general practitioner and his years in the Philippines as a medical missionary attest to his dedication to his art. He was also known by many of the residents of Brandon, who remember him well as a man of deep political and sociological convictions, and he did not hesitate when the occasion demanded it to stand up firmly even though he might have been standing alone.

Mr. Speaker, I know I speak for all of the members of our group when I say that we wish to support this message of sympathy that is being proposed by this House to the family of the late Dr. Dwight L. Johnson.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. LEONARD A. BARKMAN (La Verendrye): Mr. Speaker, while the present Liberal members did not know Dr. Johnson personally we would like to associate ourselves with the First Minister's motion of condolence.

MR. SPEAKER: In agreeing to the motion of condolence will the honourable members please stand.

ORDERS OF THE DAY - GOVERNMENT BILLS

MR. SPEAKER: The Honourable House Leader.

MR. PAULLEY: Mr. Speaker, I am given to understand that the subject matter of the Order for Return standing in the name of the Honourable the Member for Charleswood has not been resolved, so therefore, Mr. Speaker, would you mind calling Bill No. 55, the adjournment standing in the name of the Honourable Member for Lakeside.

MR. SPEAKER: Proposed motion of the Honourable Minister of Finance. The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Thank you, Mr. Speaker. A great deal has been said with respect to Bill 55. It's not my intention to belabour the matter unduly long, however a few things are worthwhile repeating or summing up. In all likelihood I'll be speaking finally for our group.

Mr. Speaker, really there are only two positions to be taken in this kind of a debate when you are dealing with taxation measures. Essentially how the government of the day proposes to tax and how we sitting in Opposition benches suggest one ought to tax or ought not to tax. Tax we all must of course to provide necessary services provided for modern day government.

Mr. Speaker, it's also, you know, worth mentioning that this government, the NDP government, is quite at home and feels quite comfortable with most taxation measures that have been passed and put forward by previous administrations. You know, I say that because sometimes that is lost in the shuffle of debate. It's quite true, Mr. Speaker, that the initiating administration very often continues to be saddled with a great deal of the responsibility for having introduced a measure of taxation but it always surprises me with what agility, and with what ease, and with what comfort, other administrations . . . administrations are happy to follow along in the same rut. Which of course leads to the saying, of the layman saying, there's nothing surer than taxation and death, they just carry on. I refer specifically to such taxation measures, fairly prominent in our living memory, such as the sales tax which was introduced by previous administration, Progressive Conservative administration, but is there any suggestion, Mr. Speaker, that the present government is not prepared to further that method or that means of taxation? None at all, Mr. Speaker, and I raise it only in passing, not even seriously to suggest that they would. In fact, Mr. Speaker, we have companion legislation in this Session which indicates how and what measures they intend to broaden it and

(MR. ENNS cont'd) amplify that sales tax piece of legislation.

Mr. Speaker, on such fundamental taxation measures such as whether it's the personal income tax, the corporation tax, this socialist government, this NDP government is no different than previous Liberal administration or Conservative administrations that have sought out these measures of taxation to provide the necessary funds with which to operate a government on.

Mr. Speaker, I say this only in this introductory opening way to indicate to you that this government is quite prepared to in the first instance accept past taxation techniques and measures. Really then it is a question of how they are applied, what modifications, what innovations, are brought to them, and in the final analysis taxation generally becomes a question of degree.

Mr. Speaker, this government of course would have us to believe that this is the first government that is dedicated to the principle of ability to pay within their tax measures. And, Mr. Speaker, I've said so on other occasions, I'm sure that if I don't repeat myself again right now that that'll be one of the first things to be mentioned as already has been whispered across, or mumbled across by the Minister of Finance, Medicare spoken. And, Mr. Speaker, I think I've at least on several occasions indicated my willingness to accept that this application, or this modification, or this change of taxing, of a taxing principle or taxing technique, certainly recognized the ability-to-pay-principle for which the government quite correctly is taking full credits for and will continue to take full credits for.

Mr. Speaker, to suggest however that because of that particular step that the ability-to-pay-principle was somehow defended by our friends the socialist or in particular the NDP government is of course patent nonsense. The ability-to-pay-principle has been written into our personal income tax since day one, has been written into many other forms of, well not many others but certainly in some of the less well identified taxation measures such as the import custom duties, luxury items and so forth, where obviously at least the intent, if not always a practice, has been to inject some form of the ability-to-pay for principle into even those kind of custom duties, or import or luxury taxation measures, which though as a rule seek out to exempt those items which are either considered base necessities of life or commodities that are considered essential to modern day living and do not classify, or do not come that easily within the realm of luxury items. So I just mention that as another area where that ability has been recognized by past or previous administrations. So, Mr. Speaker, I reject again the concept that the NDP government has brought a new principle, has brought a new innovation to taxation measures, or it's their application. They have, as would any government, as do all governments, constantly looked to modifications, changes in our social structures, to recognition of need within a country. Certainly the present Liberal government in Ottawa in some of its reform measures with our personal income tax has to some degree recognized this. So Mr. Speaker, it comes back to the initial position of how this government chooses to raise taxes and of course inherent in Bill 55 is to dispense revenue so raised by taxes through a school rebate system and how, Sir, we would, had we had the opportunity and the responsibility of doing the same, how we would raise and dispense with public funds. Mr. Speaker, it's in that context that it should be noted the remarks of some of the honourable gentlemen opposite at the time that the previous administration did indeed try this specific kind of tax approach, namely the school tax rebate system.

The Member for Brokenhead, now the First Minister, called a similar kind of piece of legislation "outrageous gimmick" says Schreyer on August 25th in the Free Press, 1964. The Brokenhead member also criticized the government scheme to increase miscellaneous taxes while simultaneously offering a \$50.00 provincial grant to school taxpayers. He said the scheme is based on the treadmill principle. You walk and walk only to end up in the same place. What is the point of offering \$50.00 to a person who will be paying out about 48 in new taxes? Mr. Schreyer said people will have to stomp, stamp and sweat a way to a pain in the neck rebate of a few dollars. This government is just using gimmickry and the people will soon see what mischief is going on. That, Mr. Speaker, was the First Minister, not really that many years ago, on the subject matter of school tax rebates. These new taxes are not going to fool anyone, said the First Minister, as the government would like to fool the people.

Well, Mr. Speaker, I'm aware and I'm sure that the honourable members opposite really don't intend for me to go -- (Interjection) -- August 24th, 1964. I am aware, Mr. Speaker, that it is some interest to note that sitting on the opposite side of the House at the

(MR. ENNS cont'd) House at the moment who voted and spoke vigorously against a similar bill was none other than the Honourable Minister of Tourism and Recreation, Mr. Desjardins, pardon me, the Honourable Member for St. Boniface, Minister of Tourism and Recreation. I believe the Honourable Minister of Finance, the Honourable the First Minister, the Honourable the House Leader, Mr. Paulley, all are on the roster of those who found it expedient, who found it expedient to vote against this kind of measure.

Mr. Speaker, just one other quote from yesterday's pages of the media which, of course, always make interesting reading. I suppose that those of us present legislators don't go through the back files often enough -- when we are sometimes under the current fire of the media we are uncomfortable with their appraisals of our performances from time to time but it's amazing how in hindsight when one looks through the pages of yesteryear, how factual the reporting in fact is, particularly when I want to use it for this kind of an occasion. And when it looks so good, and so true, and such obviously enlightened reports. "Tax rebate plan under fire again" -- this time it's the Tribune of March 24th, 1965. So we come down here to the -- (Interjection) -- to Mr. Paulley, that's right, the former Leader of the New Democratic Party, the present House Leader. "We maintain this is not a tax rebate but just a gimmick to give back to the citizens a mere pittance to what the government has taken away from them in the first place." That was Mr. Paulley on March 24th, 1965. -- (Interjection) -- There's my honourable friend the House Leader presiding in the loge, but I'm sure he'll remember, as he remembers so well, so many of the things that he has said. Well, Mr. Speaker, the files are full, the files are full of the position taken. Usually, Mr. Speaker, when one has that opportunity of going back seven or eight years into the records with today's mortality rate of politicians, you don't often have the privilege of being able to speak to the same persons that have uttered those remarks face to face, but I do have that privilege this afternoon, Mr. Speaker, and without rubbing it in I just thought it was worthwhile. It was worthwhile drawing to their collective attention the schizophrenic approach that they, despite their disciplined and doctrinaire socialist mind, can take from time to time when it is expedient for them to do so.

Mr. Speaker, the Honourable the Minister of -- or the soon to be Minister of -- well I rather suspect he's probably going to be the Attorney-General, but it's not my intention now to announce the new Cabinet shuffle, but at any rate the former Minister, the former House Leader, the Member for Inkster, he told us on Friday that he would be very unsatisfied, and very unhappy, if his government and his party did not ensure that we in Manitoba will continue to at all times have the highest personal income tax, and didn't at all times have the highest corporation tax and, Mr. Speaker, the honourable member was of course speaking with feeling and with a degree of truism which is not too often exhibited, but certainly more than often from him. I believe it is a tenet of the New Democratic Party program which they cannot avoid, which if they are true to their principles and to their beliefs and to their ideology, then surely that will be the fate forever for all Manitobans, that we will have that unique distinction that unique privilege of being the highest personal income tax, the highest corporate tax, and, Mr. Speaker, it doesn't take too much when you consider the natural bureaucratic bent of all socialist regimes that we would find all services costing us more than anywhere else, costing us more than anywhere else, and if we already have the avowed aim of having the highest personal income taxes and corporation taxes then, Mr. Speaker, it's very elementary and childish arithmetic to come to that conclusion which those of us on our side know, those of us on our side know that the socialist approach to government just simply means taxes, taxes, and more taxes. On the other side of the scale because of the, as I've already indicated their bent for centralization, their bent for denial of freedom of choice, their amalgamation of services and power into one massive central bureaucratic system, those of us also believe that on the other end of the stick the level of services decreases, and the arrogance of people handing out services increases, and our services conversely go down as our taxes go up.

Mr. Speaker, we object to Bill 55, and it is our intention to vote against the bill because we have attempted, Mr. Speaker, to indicate to the Minister of Finance that in the first instance one cannot deal with taxation measures in bits and pieces. We are suggesting that even as we are debating these questions in this Chamber changes are taking place inside of Canada that have relevancy and bearing on what we decide here; changes are taking place which we forecasted, and we told the Minister of Finance about, are taking place now in British Columbia in another area of taxation, namely, estates and succession duties. We are

(MR. ENNS cont'd) suggesting to you now, and we'll suggest to you again, that further changes are going to take place in an area of far greater importance to us economically, but these suggestions and these predictions have fallen on deaf ears. We're suggesting, Mr. Speaker, that we can't ignore as we have been ignoring the kind of taxation moves and measures that have been taken by our sister provinces, by our Federal Government, totally ignored by this government, and continue to hope that we somehow will be able to live in a dream world safe from any of the economic pressures that unquestionably will be exercised upon us.

It's quite all right, Mr. Speaker, for the members opposite or the Member for Inkster to argue about whether or not our personal income tax has gone up or not. The fact of the matter is that in major or significant areas of this province, helped by the Federal Government, reduction of personal income taxes were brought about, and these reductions in personal income tax were accelerated by provincial authorities in some instances, and that, Mr. Speaker, even while not accusing the government of raising its personal tax level, has the same effect, has the same economic effect.

Mr. Speaker, we have suggested, we have indicated to the Minister of Finance that there is a crying need for a realization that we have at least at this stage of our ability as a province, our ability as a grouping of people of somewhat less than a million people, we are at a level of taxation, we are at a level of government costs which, if it isn't already, is very dangerously close to being prohibitive to the further development of this province. Now that's an opinion that we expressed, it's an opinion that will be borne out by facts, not necessarily today, facts that are borne out only as time progresses and as we move forward and along our road of economic development in this province.

We suggest, Mr. Speaker, that this government being the recipient of reasonably good tax revenues which I with unabashed modesty take some credit for as a member of the previous administration that was concerned, that fueled and that propelled an economic development within this province which is still bearing fruits in terms of revenue to the government of the day. My concern, Mr. Speaker, is will this government, or will this Minister of Finance, pay sufficient attention and concern about seeing that the province as a whole is in a position to do likewise for the next three or four, five or six years.

We have suggested, Mr. Speaker, and for this reason reject what is essentially a tax rise, shifted about in whatever way the members opposite like to explain to us. Mr. Speaker we suggest that at a time when the government was in a position to bring about some actual tax reductions, they chose instead to follow a most complicated, and laterally to be proven, not really all that successful and acceptable scheme that was tried some seven years ago, albeit with some modifications, but the modifications, Mr. Speaker, to a great extent don't all rest on the plus side. Mr. Speaker, I don't have that income tax form with me that I had at the time that I spoke on the Budget. The fact that this has been tied together with the greatly increased and greatly more complicated income tax form is not a small matter, despite the fact the Minister of Finance says that all the old age pensioner or marginal farmer has to do is check that 15 or 16 page form and find the right line where it says that he doesn't have to fill out most of these 14 or 15 or 16 pages, just flip over to Page 16 (b) at the bottom of Side (c), and he's got the French section mixed up with the English section, and he goes back over again to the instruction form, and that's where he has to finally fill out his form for his \$40.00, or for his \$80.00, or for his \$140.00.

Mr. Speaker, I come from a constituency where we have a significant number of people that have never filed an income tax form to this date, 1972. I have to say for my constituents that many of them have no intention of beginning to file income tax forms, income tax forms in 1973 to reclaim this benefit. -- (Interjection) -- Well, Mr. Speaker, for me to take the time to explain that to the Honourable Minister of Finance, you know, is another question of considerable ideological, you know, importance and difference. Well, Mr. Speaker, the Honourable Minister of Finance you know to this extent shows, and somewhat surprises me, there are people, significant numbers of our people, who have an innate fear or concern of getting themselves involved with filling out files and forms, particularly, and of course only when they have little or no reason to report. The Minister of Finance shakes his head, the Minister of Finance shakes his head. I would be interested to hear the statistics that -- I would be interested to hear the statistics that I'm sure the Minister could lay his hands on as to how high the percentage is of family heads in Manitoba that have never filled out an income tax form. I don't know that; I don't profess to know that; but I know that there are a considerable number

(MR. ENNS cont'd) of people. I'm not prepared to suggest to you whether it's that percentage figure, or it's that percentage figure. I also don't know precisely what the implications of that are with respect to the tax rebate scheme that you have chosen to bring about in this complicated manner. All I can say, Mr. Speaker, is that their actions alone some seven or eight years ago perhaps speak more loudly and more clearly than anything I can say. They found it to be a complicated and unsatisfactory system. We recognized it as being such and now this Progressive New Democratic Party bereft of newer ideas, I suppose, find themselves digging back into the pages of yesteryear to come up with modern progressive taxation measures. Mr. Speaker, we reject the bill on the basis that the purpose, the intent that's contained within the bill, mainly to give tax relief to property owners, a program, the proposal that we have been very clear on and very loud on and our approval of, we suggest that the removal of the education tax load part or all of, leaving to the government of the day the degree that they feel they can do -- we feel it can be removed in total. Mr. Speaker, we say we suggest that it can be done without a hocus-pocus arrangement. It can be done simply to do two things, not simply the recognition of the ability-to-pay-principle as such but the unfairness in terms of loading up property, loading up productive farmland, loading up land that for one reason or another in our complex society finds itself zoned, or rezoned, and zoned half a dozen times into near impossible situations, farmlands within the perimeter, Greater Unicity area. Well one solution certainly is to recognize that taxation, or the raising of taxation for educational purposes is no longer an acceptable and a fair approach.

Mr. Speaker, we suggest, and the Conservative Party suggests, that that recognition could have been realized had this government the courage to tighten its belt in a few places, to have to deny themselves that priority, or that luxury, of continually handing out money where in some instances it was certainly politically expedient to do so. It means not always being all that popular but it means, in our judgment, doing the right thing and straightening out a situation that has grown progressively worse. Mr. Speaker, those are the reasons that we in the Conservative Party are rejecting the proposals as laid down in Bill 55.

I know, Mr. Speaker, that in voting against this measure that the government will make as much political to-do about that fact. Indeed, Mr. Speaker, I would not be at all surprised that although perhaps the level of the advertisements that were placed in the media, in the air, prior to that occasion that we had last Friday, might drop off somewhat because after all the necessity of enlightening the public may not be quite so great at the present time. But however, I would suspect that it will continue because after all another election will be in the offing soon to come, and I wouldn't be surprised, Mr. Speaker, that they would use public money and insert into that kind of enlightenment of the public the facts that we on this side, or at least the Progressive Conservative Party, did not support, or chose not to support the bill as it now stands. Mr. Speaker, we do not shy away from that possibility. We suggest, as we have suggested, that a great deal more can be done in this matter, that the taxation burdens of the -- the levels of taxation with respect to education can and indeed should be removed from the real property and that it should not be confused with trying to sort out priorities in half a dozen other social programs at the same time.

Mr. Speaker, this government has done precious little to assure that the levels of taxation in this province will not continue to rise progressively and as I stated at the outset that when you have a government that is dedicated to maintaining the highest personal income tax in the country, the highest corporate tax in the country, not by necessity but by design, by principle, that this government can hardly be expected to play any kind of an effective watchdog role on the other kinds of taxations, kinds of fees for service, so many that have already been expressed, mentioned in this House. Virtually everything we do in this province today, small things that we do, whether it's going fishing, whether it's going hunting, whether it's having to do with the Land Titles Branch, whether it's having to do to pull your trailer to a provincial park, whether it's getting married, or anything else, I don't want catalogue, list that catalogue . . . but all of these things, Sir, have cost appreciably more, not by a few percentage points but by several hundred percentage points. To date, Mr. Speaker, the grand exception of course is the Medicare premiums which were substantial, and which were important, and which were, I am sure, applauded by most Manitobans. But, Mr. Speaker, I give the Minister of Finance warning and the First Minister warning today, I forget the figures but that \$88.00 of savings, or that \$96.00 of savings per average family looking for some help -- I don't know the precise figures -- those figures, whatever they were in that area, have

(MR. ENNS cont'd) passed and indeed have been used up, have been used up, and this government is bent on destroying that credit that in my judgment it rightly deserved in this one modification of a taxation program.

Mr. Speaker, we reject the program, we will vote against Bill 55, because we believe that the education tax can be removed from property without the complicated Tax Rebate System that is before us. Mr. Speaker, we'd be in a great deal of difficulty if we voted for the Tax Rebate System -- after all we tried that route in 1964. We had to come to the realization some short years later that it was not a satisfactory way of dealing with the situation. So Mr. Speaker, with those remarks, I thank you and the honourable members for your attention.

MR. SPEAKER: The Honourable Minister of Finance will be closing debate. The Honourable Minister of Finance.

MR. SAUL CHERNICKAK, Q.C. (Minister of Finance) (St. Johns): Mr. Speaker, we have been treated to mental acrobatics that exceed many debates that I recall hearing in the number of years that I've been present. The agility with which the Member for Lakeside has been jumping, hopping, from one bar to another bar in an attempt to in some way explain and rationalize the actions which for the first time today we have learned the Progressive Conservative Party is about to take, is one which impresses me only as I would be impressed by any other acrobat that one can see put on a performance.

The Member has also displayed a colossal loss of memory or possible -- I guess he wasn't here in 1964 so that his historical knowledge is very poorly founded, very poorly based. I look about me -- I know that other members were present in 64 who may have a memory that serves better and it's been an interesting display but one which still leaves me completely baffled in trying to understand the rationale of what they're doing. I certainly agree with him it's not a politically justifiable position, nor is it a logical one, and is one which of course runs in the face of the statement by the Member for Fort Garry who, as I recall, has said that it is essential -- oh I had it here somewhere. He made the statement that it was essential that this Act be passed and I guess the Honourable Member for Lakeside did not hear him. The Member for Fort Garry said, "It is a necessary measure to bail out the government of its spending measures." -- (Interjection) -- a necessary measure. Now the Conservatives have a better measure. And I can't know what that measure is unless it's one that relates to the kind of people that they want to serve as compared to the kind of people we want to serve. It just astounds me to hear some sort of rationale proposed of people who will not apply for \$140.00 of monies which are rebate on education tax because for some peculiar reason there is some principle involved in their minds. It is a fantastic suggestion and one which I have to reject that people who know that they are entitled to a rebate of their education tax through an income tax reduction or, in their case, through an application form which is handled by the Federal Income Tax people, that they would not do it. And it's one that I hope he can explain in such a way that people will understand him better than I have the ability to do because I have certainly not found it possible.

He also referred to the advertising campaign we've conducted, which is a good opportunity for me to inform members of the House that during the last week, the five days of last week, we received 857 recorded calls by people who were interested in knowing exactly how the present tax develops. The reason I mention that is that it is essential that people understand it. It is even essential that the Member for Lakeside, who was the final speaker on behalf of his party, still needs to understand better how the present system works, that is the one that is taking effect now. The half of education cost up to \$50.00 and indeed how the one that is being proposed in Bill 55 works, or indeed how the 1964 Act worked.

Let me tell the member something that happened in 64, aside from the clippings that he read. At that time the Provincial Government let by Mr. Roblin brought in taxation, and I have the Act here and the taxation included, electricity, and natural and manufactured gas used as fuel, and coal and derivatives thereof, and steam or hot water for the purpose of heating buildings, that kind of taxation was brought in by Mr. Roblin who was then the Minister of Finance. And at that time there was not the slightest suggestion that the monies that were being raised in order to justify the payment of the then \$50.00 rebate brought in by Roblin was a replacement for ability-to-pay-taxation. Rather it was a tax on individuals and, as the Roblin administration learned itself, it was a repressive tax and it indeed proceeded to remove the infamous taxation on the heat of homes.

Also, Mr. Speaker, and I'm really telling him, the Member for Lakeside, because he

(MR. CHERNIACK cont'd) . . . obviously didn't know it, that rebate was directed to owners of land and indiscriminately related to all owners of land regardless of their ability to pay regardless of the impact on their family lives. It did not help a tenant one bit. Tenants were not involved. An apartment owner received a \$50.00 rebate, although his taxes may have been two to 10,000 dollars. He was not instructed to pass that tax on to the tenants. It had nothing to do with people. It had to do with land ownership. That's what that tax was all about, and that's what that rebate was for. At that time as a lawyer I remember going through the exercise of splitting up parcels of land for wealthy people to make sure that they had more and more parcels of land so that each parcel could qualify for the \$50.00 rebate. That's the kind of tax and rebate that was brought, and that was the result of the nature of it so as to induce people to actually spend money in order to be able to benefit from that kind of rebate. Taxes rebated direct to owners unrelated in any way to their incomes, unrelated to the burden that was being placed on them, because that very apartment block owner was not indeed paying the taxes for that property they were being paid by his tenants. Nothing was given to the tenants. There indeed was no income tax rebate or involvement in the legislation which was opposed by many of us on the other side of the House, and to that extent the honourable member cannot appreciate obviously the difference between what is proposed in Bill 55 and what was debated in '64.

One other very interesting feature. When that bill came in and I -- I'm hazy in my recollection of figures but I'm pretty sure that at that time Mr. Roblin in announcing the tax said, "We are replacing taxation and reduction. Not a penny of this additional taxation that we are proposing will be used for the provincial coffers. It will be used as a reduction rebate, reduction of education property taxation." And he made that statement and then I started to study the following years, and when we came around to about two years later, I extracted what I could from the speeches that Mr. Roblin had made at that time and I came to an outstanding calculation for me, it showed me that the revenue from this new kind of taxation was about \$24 million, and the expenditure for this kind of a shift was some \$19 million. And I got up in the House and with great deal of temerity because I respected Mr. Roblin's ability to understand his figures in his Budget, and I said quietly, and as I say with temerity, it appears to me as if according to my figures, and I gave the accounting of it, there was \$24 million collected, \$19 million paid out, the other 5 million must have fallen into General Revenues and therefore it was a net gain to the province. Mr. Roblin said, no. So I then said -- I went back to my books and I looked at them again and I came out and I said, "I still don't see that. Could you rationalize them?" Mr. Roblin said, "Wait, it'll come up in the Estimates." And then I started to practice and I grew more and more certain of myself as I received less and less answers, and every department that came up during Estimates I stood up during the Minister's salary and I said, "What part of the \$5 million have you got?" Because according to my figures the province benefitted by \$5 million and each time the Minister would reply, "I'm not aware of any part of that 5 million." And when I got to the Minister, the First Minister, and said to him, "What part of the 5 million had he got, or am I wrong" -- and by that time I found another million and a half which made it \$6 1/2 million. And he said, "We'll deal with that in due course."

Well we never did deal with it in this House, and as far as I'm concerned that government which claimed that they were taxing in order to remove education tax was making a profit on the deal. That is not the case in Bill 55 in the figures presented. We have calculated that our tax imposition for this year comes to on a 12-month basis to some \$19 million. We have calculated that with the increase in the Foundation Levy, participation by the province, and in this rebate in Bill 55, that there is some \$32 million. A difference of \$13 million approximately at the cost of the general revenues of the province. A complete reverse of the Roblin deal.

Now the Leader of the Opposition has made his own calculations and has said well it won't be 28 million, you're way off. We have to be far far off, Mr. Speaker, to pull a Roblin deal, and to make money on this transaction. Far far off. And if we are we will be the first to be able to say let's raise the 140, let's adjust it so we can do more for the people who are in the greatest need. That is what the Member for Lakeside overlooked, and that is what he is dragging his members along to, to oppose a measure which is designed to return to people taxation, education taxation, but not generally, and not with a blunderbus effect, but rather based on their incomes, their taxable incomes, which means their dependencies as well. That

(MR. CHERNIACK cont'd) is what those people opposite are going to refuse to agree to. They will not be prepared to do what is the next step in the ability-to-pay-principle and that is to recognize that the people who carry the burden of taxation should carry it on the basis of what they have and what they can do in order to contribute to the general support of the educational system, or whatever the services are. That is what the Progressive Conservative party is opposed to. They would rather see a slashing across the board, a slashing of 3 percent, a slashing of 10 percent, I think they said. And who benefits from that slashing? Those with the highest incomes. Probably those of us in this room would really benefit from that but that is not why we on this side were elected. Not to represent ourselves, not to represent necessarily our own income, and I'm now including people who don't think that they earn that much, but I earn a good deal. I'm being paid by taxpayers' money, and I'm being paid quite a substantial sum of money. We were not elected here to benefit me by tax reductions. We were elected here to benefit those who are in the lower income groups, and the Progressive Conservative party is not supporting this bill, in spite of the statement by the Member for Fort Garry, who I think made the only logical presentation. He said we attack all your taxation, we attack all you do, but he said, and I wrote it down as he said it, and I suppose it can be found in Hansard, "this bill is a necessary measure" from his standpoint, and from my standpoint. But now we don't know how he'll vote. I'm sure he will at least have the courage to vote and be present and be counted at the time he follows the Whip, or leaves the Whip, in order to express his point of view.

But the ability-to-pay-taxation, it's not a new principle; of course related to the centuries and centuries of life, it's a new principle. And it's one that many people of the conservative type have never accepted but were forced to accept because the needs required that they recognize it. Well, now we know how they stand. The Honourable Member for Lakeside suggested that we were quite satisfied with the tax position and the tax principles of the previous government. Well what was the first thing we did when we came here. He mentioned it. He'll never forget it. As a matter of fact he would never reverse the decision that we made I'm sure. I think that most of the Members of the Conservative party recognized how right we were when we substituted flat rate Medicare premiums for income tax. And the only thing they're happy about is that we went one point over the highest so they could talk the way they have and attack us the way they did. Well we didn't do it unknowingly. We knew that we were in the right direction and the acceptable one, and we did exactly what they're sorry they didn't do a year before the election took place.

And we were not satisfied with the Mining and Royalty Tax situation, and when we brought in a measure to bring us level to the major taxing provinces Ontario, Quebec, B.C., who opposed us? They did, Mr. Speaker, so surely the Member for Lakeside will recognize that we were not in agreement on certain aspects of taxation. And when we brought in sales taxation in this very year, who opposed it? They opposed it. So how can you say that we are in agreement with them. Because we sought out measures whereby we could carry forward the ability-to-pay-principle and they were dragging us back and trying to hold us back from carrying forward the ability-to-pay-principle. And who was it that brought in the few exemptions that we did bring in in the sales tax, exemptions that we felt were advisable, we brought them in. And that changed the structure somewhat.

So, Mr. Speaker, I'm glad that they are recognizing that ability to pay is the important principle, at least the Member for Lakeside recognizes it. I still don't know how some of the people behind him think about the ability-to-pay-principle because every time we have espoused it and tried to carry out a measure in that direction, they fought us, -- (Interjection) -- and they fought us. And when you talk about estate taxation and gift taxation, that is ability-to-pay-taxes, and we know how they stand, and we know how they voted, and we know how they will continue to vote, because in the desire to push the economy of Manitoba, they will sacrifice. They will sacrifice people in order to build, to build for the sake of building. Now we are not prepared to do that. So we are still prepared to recognize a difference between us no matter how much the Member for Lakeside would like us to appear similar in carrying forward the kind of taxation that they have carried forward.

It's been interesting to listen to him. We lived through the Roblin era where Manitoba was going to burgeon and grow and develop. We lived through the Weir era where Manitoba said we've gone far enough, let's hold back, let's stop, let's go backwards. And then we

(MR. CHERNIACK cont'd) lived through the Spivak era, and we're still in it. I don't know at what stage we are in that era, and with him we never know. The fact is he spoke, the Member for Fort Garry spoke, a number of people spoke on this bill. We never could find out how they were going to vote on it until today. Today is the day of the voting, so now we know and now that's the leadership we've received from them in debating the principles of this bill and the manner in which they would like to deal with it. Well it's a good thing we now know because if the Member for Lakeside hadn't announced it, then there are members in his caucus who may not have known how to vote when the vote comes up.

May I inform the House, Mr. Speaker, that when we consider this bill in Committee there will be an amendment brought in which will be of a technical nature, but it's one to ensure, because some doubt was raised in the minds of some, in order to ensure that the repayment to people in filing their tax return will guarantee that if they don't have to pay income tax they will still get the money. Seems to have been some doubt raised that the reduction that we are proposing in this measure will only be in reduction of income tax payable. And because there are people apparently in Lakeside constituency who don't want to file income tax returns we will be bringing in an amendment to make it abundantly clear that in their case that tax return will be an application for rebate of education taxes paid at the municipal level. And then of course they will not hesitate I'm sure to file an application form showing their entitlement to a cheque by way of refund of taxes paid. Then it won't be an income tax return. Of course it will be on the same form, but it won't be all the 16 pages that the Member for Lakeside had occasion to describe the other day, which included all the instructions and all the corporate returns in triplicate, as I recall it, if not quadruplicate. But surely when they know that they will be entitled to \$140.00 of monies which are not a present but a recognition of the need to reduce their education tax on the real property, they will fill out that application form even if it's called an estate tax, an income tax return. So that we will be bringing in that kind of amendment when we deal with it in Committee.

Now the Member for Fort Garry who spent some time talking about our defensiveness then embarked on a whole defensive course on their approach to personal and corporate taxation and did what the Member for Inkster showed was such a peculiar attack on us where he talked about the revenue statements showing a large return, a much larger, increasingly larger, return in income tax dollars to Manitoba from previous years, and seemed to imply that all of that was due to an increased rate. And all he had to do was simple arithmetic to realize that the economy of the province has grown to such an extent that the same rate brings in greater returns because people are earning more. You only pay more if you earn more, and that's really the arithmetic he should have done rather than just assuming that we are getting more money, and that is a bad sign. And that itself, as the Member for Inkster pointed out, and I think the Honourable Member for Fort Garry was not present when the Member for Inkster spoke. He should read that speech. I urge him to look up Hansard and read what the Member for Inkster said in pointing out to him that his basic assumption was wrong because his basic assumption did not recognize what the figures actually show, and that is a developing and growing economy where we know that our provincial product has increased tremendously. And all that brings with it is additional revenue to people and therefore additional taxes to them.

Now he was disputing our fiscal policies and saying that they were not acceptable to him. You know, Mr. Speaker, I've never been able even to this day to know what is the philosophy of the Progressive Conservative party other than to get in as fast as they can because they'd rather run the province than someone else do it. But for basic philosophy, basic tax philosophy, I've yet to believe that I've heard it enunciated in such a way as to understand it. But they've heard us enough to understand it, and they can debate it. I always have trouble debating their philosophy with them, because I really accuse them of not having any, not having any. And if you go across the scene of the 20 members of the Conservative Party and try and measure each man's philosophy, you'll find such a divergence that I can just picture the -- (Interjection) -- pardon? I didn't hear you. They're so indoctrinated that they really don't know that they have a philosophy, and the fact is they don't. So I have trouble debating it, but it's becoming more and more clear they do not want to recognize that which we are doing as being an acceptable philosophy. The ability-to-pay-principle which the Member for Lakeside said is an old one is one that they really don't accept. They really don't. -- (Interjection) -- The pragmatic approach by the members opposite is that if they can get away

(MR. CHERNIACK cont'd) with it and continue to maintain the support they have from their supporters, is sufficient for them to justify their existence. It isn't for us, Mr. Speaker, it isn't for us.

May I refer to statements made by the Honourable Member for Birtle-Russell. He states that Bill 55, a bill to reduce the school property taxes of people in Manitoba, including his constituency, he said it's merely a tax shift. Mr. Speaker, if it's a tax shift, what's wrong with a tax shift? I never got that clear from him. Maybe what's wrong is that it shifts the burden from those who can pay and shifts that money over to those who can't. Maybe that's what's wrong. But he never told us what was wrong, he just said it's a tax shift. The fact is it's much more than a tax shift. But if it were only a tax shift, what was wrong? I never heard him say that. He apparently is against giving a better and more equitable tax deal to those on lower income and getting the benefit to those who need it most, the farmers and the pensioners, and he has succeeded, with the help of others I suppose, in persuading his caucus that that is not what they really want, that is not what they really want.

Mr. Speaker, we expected about 66 percent of Manitoba farmers who normally file tax returns will enjoy the maximum credit amount of \$140.00. He doesn't want that, the Member from Birtle-Russell. We're saying that another 30 percent will have school tax credits of between \$100.00 and \$140.00. The Member for Birtle-Russell doesn't want that. When we say 96 percent of eligible farmers will be receiving benefits in excess of \$100.00, he doesn't want that. The Member for Fort Garry made sense. He said I don't like the way you're raising the money but once you're raising it, you've gotta give it back in some measure. But the caucus has decided differently. They don't want it. That's a principle for you, Mr. Speaker.

The Member for Lakeside mentioned something about how many filed returns - I don't have all the figures here because he didn't warn me what he was going to be asking - but we're told there are approximately 36,800 farms in the province. There are some 29,746 tax returns filed by those who file as farmers. So that there are some 7,000 farmers who do not file tax returns. The only reason I can think of is that they don't have incomes which justify their filing tax returns. And no matter what they have, Mr. Speaker, if they don't file tax returns, if they don't file tax returns -- (Interjection)-- but if they don't they're entitled to \$140.00. And if they do and they are earning enough to be taxable, surely they file tax returns. Surely the Member for Lakeside would not think that any constituent of his who has a taxable income doesn't file tax returns. Sure they do. So if they don't they'll be entitled to \$140.00, and there are some 7,000, out of close to 37,000 farmers, who do not file tax returns that will now be able to get \$140.00 by filing an application form.

As the honourable member - I'm still dealing with the Honourable Member for Birtle-Russell - he knows there are numerous other economic and social benefits to be gained from the fair and equitable tax treatment that we are dealing with here.

The Carter Commission on Taxation stated: "A social and political system cannot be strong and enduring when a people becomes convinced that its tax structure does not distribute the tax burden fairly among all citizens." And we are striving towards that goal. Fair and equitable distribution of tax burden, and this Bill 55 is a step in that direction but the Conservatives don't want to do it. They don't agree with it.

The honourable member says that there are great increases in taxes and we're merely giving with one hand and taking back with another, yet most of the revenue increase was obtained from the result of increased prosperity of the province, natural growth, and not with new taxes, and I've already given those figures.

Contrary to his thinking, in my Budget Speech I stated that the government programs signify a major tax decrease. The tax changes that were brought in, as I've indicated, show a tax cut of some \$34 million in overall of all the shifts and reductions we have brought about, but an overall tax cut of some 34 million, 6 million on school foundation levy, 28 million estimated on those rebates in Bill 55, and a shift, a change of 19.3 million, thus leaving a tax cut of 14.7 million, and those figures can only be challenged on the basis that our Estimates are on, that's the only way. But if they are wrong, it's a shift, and what is wrong with that, the Honourable Member for Birtle-Russell? What is wrong with that? Unless you don't like to see a more equitable redistribution. I filed previously, and I won't repeat, the breakdown of that \$14.7 million of tax cuts, and I would invite members to read the Budget Speech and see the breakdown of the figures. No matter how much the members of the Conservative Party want to deny it the fact is there and the only argument can be, what is the extent of the tax cut?

(MR. CHERNIACK cont'd) The honourable member was inquiring why this tax change was called the education tax credit. Why was it called education tax credit? Maybe he didn't read the bill either, because the only credit you're getting there is on the basis of the education tax you pay. Is that a good reason for calling it education tax cut? I don't know another reason that would make more sense unless you want to go back to the Roblin era when he brought in sales taxation of an amount which was sufficient to finance his program for years to come afterwards. He wanted to call it education tax but he did have to back away from that because that was a phony title. But this is an education tax cut for the simple reason that it is related directly to education taxes paid. I don't know why he cannot see that our tax credit plan will indeed reduce taxes to the people of Manitoba. --(Interjection)-- Because he doesn't want to see, and he says no relief for the municipalities. He thinks of a municipality as a thing. It's a corporate entity relating to the people it serves and the people who provide the money for it. And those are the people who are getting this reduction. But he doesn't understand that. I don't know why he doesn't but that's his problem and that of his colleagues who no doubt pay attention to what he has to advise them in caucus. --(Interjection)-- If you're eligible for \$140.00 credit as 66 percent of the farmers are, you'll pay your regular property tax bill and when it comes time to file your tax return you will claim this \$140.00 credit, which if you are fully paid up in income tax, or don't pay income tax, you will get in a cheque and that's \$140.00 given by way of education tax cut. So that - well I needn't dwell any more on the problem of the honourable member, he's already complaining about the time lag. He's going to vote against it anyway so what right does he have to complain about the time lag. He doesn't think it should be paid at all, because he's going to vote against it.

Now there was a question made about consolidation of lands, and I want to answer that question because no doubt he'll be explaining this rebate to the people in his constituency, because the farmers will be treated more advantageously than he expected. In general the farmer will be able to consolidate his Manitoba holdings in order to have his school taxes paid, add up to \$140.00. And I think I already had occasion to tell him that. In the question of two occupied farm residences on the same piece of property - he raised that question - if the second house is occupied by let's say the farmer's son, and if the son pays rent, either in cash or services in lieu of cash, and he is 16 years of age or over, he will qualify on 10 percent of his rent up to \$140.00. But if the son doesn't pay rent, then obviously he doesn't pay school taxes, then he's not entitled to that kind of a rebate. If a person in the second house is the farmer's hired hand then the hired hand will qualify if he pays rent either in cash or in services in lieu of cash. So that two homes on the same property where the taxes amount, school taxes, to \$280.00, they can be split and each can get his full \$140.00 back if he's not taxable but the assumption of course has to be that the second home is a rent-producing home and therefore rent is charged. In all cases it will be necessary to have receipts for it, which will mean of course that services in lieu will have to be valued and a receipt issued. And of course if the owner has rent receipts then this becomes income in his hands and must be reported. So it's not as the honourable member suggested. The credit can be more than the school taxes paid, indeed they can be more if the income is not there because each will be able to pay the -- each will be able to apply, that is the tenant on the basis of ten percent of his rent. So I hope it will help him if I've cleared it up. If he needs more information I'll be glad to provide it so that he gets it. Obviously though he did say that this was not meaningful to him and therefore he will not be able to see that his people in his constituency will have much benefit. I suppose he hopes that he's right because he's going to vote against it, but that's again his problem and one that he will have to cope with.

The Member for Emerson who is absent made some comments. He wanted a progressive decrease in property taxes. He says rebating is not the answer, and the Member for Lakeside implied the same. The fact is last year we increased our contribution to the foundation levy five percent, for next year we're increasing it by another five percent. We are stepping towards the ultimate, which was a part of the platform of the New Democratic Party but never a part of the platform of the Conservative Party to my recollection, but this has been our principle for many years, and we are working towards it, and we are still trying it with incomes and with ability to pay, which is something they refuse to recognize as being worthwhile, and so they're going to vote against this bill. I'm kind of glad because it makes it clear to people just where we stand, each of us in relation to ability-to-pay-taxation through progressive versus regressive taxation. I'm glad that the Conservative Party is - I don't

(MR. CHERNIACK cont'd) understand them, but I'm glad that they understand themselves enough to vote against a progressive measure.

The one point -- and I'm sorry the Member for Emerson is not present because -- and I'll just put it on the record in case he's interested in reading my comments -- he wants that the general levy be increased across the province added into the foundation levy, decrease that special levy -- before he knows it he will have the Provincial Government in charge of education in Manitoba, and I want to know whether that's what he wants because I have a feeling it isn't. I have a feeling that he is not prepared for the Provincial Government to take over and control the entire sources of revenue which are used for education taxation, and I forecast that as we make steps towards controlling costs of education he will be one of the first to scream and to attack us for doing that very thing.

Now I'd like to turn very briefly to the comments of the Member for Rhineland. May I ask, Mr. Speaker, how much time I have? --(Interjection)-- No limits? Thank you. I was pleased by his acceptance of the principle of the bill. I gather he's going to vote in favour along with members of the Liberal Party, and so indicated. I can't fathom his reservations. He stated that the legislation favours the urban dweller over the farmer -- he's wrong. He assumed that an urban dweller will obtain relief on all his property whereas the farmer will only be receiving relief on a portion of his real estate and his property tax for the support of schools. Well under the provisions of Bill 55 a farmer and an urban dweller are eligible for the same level of relief if their school taxes and taxable incomes are the same. This rule always applies and since farmers have lower incomes on average than urban dwellers, farmers will be eligible for greater credits. As well of course he conveniently overlooked that farm residence buildings are exempt from property taxation, and all the municipal taxes not just the school taxes, paid by the farmers are a deductible expense in the computation of taxable income for purposes of income taxation. He overlooked the fact that both, they are a deductible expense and at the same time there will be a rebate payable to them on the basis of this bill. I'm confident that the average urban dweller would be pleased to receive the exemption accorded to farmers and forgo any benefits of the education property tax in many cases. But to suggest that the urban dweller is unduly benefitted as a result of this legislation is to me incomprehensible except that the Honourable Member for Rhineland has never been able to be able to say that all Manitobans are indeed Manitobans. To him they are split in several ways. One split is urban-rural, another split is Social Credit--the whole world. He has really clearly defined separations as between his side and the other.

He questioned the cost estimates and referred to British Columbia. He stated that they give benefits to homeowners of up to \$185.00 in property tax relief at an estimated cost of \$72.6 million. On the basis of the B.C. experience he estimated that the Manitoba plan would cost only 24.9 million in this province. Certainly such a program would be on the basis of population and taking into account the lower maximum benefits available in Manitoba, it cost about \$25 million here. However this overlooks the provincial homeowner grant supplied in British Columbia to non-school municipal levies of some 6.9 million which increases the total costs of the British Columbia program to 79.4 million. You take Manitoba's smaller maximum into account, the cost of the Manitoba plan would be \$27.3 million. As well there are certain factors that tend to increase this estimated cost. British Columbia makes benefits available to homeowners and selected renters, whereas all homeowners and renters in Manitoba are eligible. As well under the Manitoba plan roomers are eligible. I suppose we should thank the Honourable Member for Rhineland for bringing up the question of the British Columbia example, since it serves by comparison again to give me confidence in the 28 million dollar figure my department estimated. But it would be nice if relief of the scale contemplated could be provided at a lesser cost. And if it proves the case, it'll prove possible for this government to provide even greater relief in future years.

Now, Mr. Speaker, I've left to the end my comments on the speech made by the Leader of the Opposition, and I have a little difficulty recognizing him lately because for the last month or so he has disappeared just as soon as the question period is over, and I suppose he's back in Wolseley constituency now, and I'm sorry I'm unable to address my remarks to him. But as I say I've begun to recognize that green . . . in front. The Leader of the Opposition, the person from whom I might have expected some contribution, he proved rather inept in my estimation. He criticized our plan to provide school tax relief related to ability to pay on the basis--why? That our estimate of cost is too high. It's too high, therefore it's wrong. But

(MR. CHERNIACK cont'd) we've been through this before. The fact is that the Ontario Government, and the B.C. Government, yield surprisingly similar results to our \$28 million estimate based on the latest available income tax information and property tax information. So need I say more? Yet if relief of the magnitude envisaged by us can be at lower cost, as I have said, it will I hope be an incentive to us to increase the benefits in future years.

The Member from River Heights agrees with us that cool-headed, intelligent financial administration is required and that is exactly what this government has given the people of Manitoba after a decade of Conservative mismanagement. The Leader of the Opposition has suggested a five-point program. Control the costs of government; exempt from lands, farm-lands, from school property taxation; exempt senior citizens from the first \$300.00 of taxes; increase the allocation of funds to the Public Schools Finance Board to cover losses from lifting the tax on farms and elderly persons at a cost of 19 to 20 million dollars; reduce income taxes by ten percent; remove sales tax on production machinery and liquor at a total cost of 26 million or more, or further increase the allocation to the Public Schools Finance Board. Mr. Speaker, nowhere in his remarks does he suggest where the government might obtain the 46 million, which this adds up to, to implement his idea of tax relief. But the answer is simple. If past experience is a reasonable guide, and it is to a good Conservative, he'd probably reintroduce some form of poll taxation, like Medicare premiums with which he is familiar, which he supported, to raise the necessary funds. And, Mr. Speaker, the ten percent income tax cut -- and that was implied I believe in what the Member for Lakeside said would be something that they would support - would yield nothing to those Manitobans who lack sufficient income to be taxable, because all they're saying is those who pay tax let's give them a reduction, but those who don't pay tax they'll get -- Mr. Speaker, why should it be necessary for me to raise my voice in order to control that uncontrollable . . .

MR. SPEAKER: Order please. Order please. Order please. Order please. Would the honourable member contain himself. It the climate is too hot, it may be cooler outside. The Honourable Minister of Finance.

MR. CHERNIACK: Yes, Mr. Speaker, that's well put. It's cool outside and -- (Interjection)-- Now what, Mr. Speaker, what . . .

MR. SPEAKER: Order.

MR. CHERNIACK: What, Mr. Speaker, provoked the honourable member? Because I said that the ten percent income tax cut would yield nothing, absolutely nothing, to those Manitobans who lack sufficient incomes to be taxable, not one thing. For a married taxpayer with two dependents under 16 and a gross income of \$4,000 ten percent would reduce his income taxes by \$2.38. That's what they are proposing. The government plan would save this very same taxpayer \$137.00. That's the difference. For a taxpayer who earns \$100,000 the government plan is worth \$50.00; the Conservative plan is worth over \$165.00. That's the way their thinking is and these figures speak for themselves.

The Leader of the Opposition referred to this proposal, as did the Member for Lakeside, as a gimmick, a gimmick to win votes. That's pretty faint criticism, Mr. Speaker. If the Member from River Heights admits that Manitobans will support this kind of a program by supporting this party, then I don't see how he can say that this is a blunder, or a monstrous deception, or incompetence. Well by all means let him and his group vote against the bill and by doing so they'll be voting against their party's future, but so they should, because, Mr. Speaker, by the performance we've seen on this debate alone in this House they indeed do not deserve the support of the vast majority of Manitobans, people in this province; they deserve the support of a very few and no doubt that support will continue to be shown to them, and they will have the satisfaction of knowing that they have served well, those few people in Manitoba who feel that they have a future in this province based on the attitudes and principles and ideals and philosophies of the Conservative Party. For the people in Manitoba who are in need, for the people of Manitoba of low incomes, for the people of Manitoba who indeed do not pay income tax but do pay education property tax, this bill will be a tremendous benefit based on the ability-to-pay principle - which the Member for Lakeside espouses but which he will deny in just a few minutes when he votes against this bill.

MR. SPEAKER put the question.

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

MR. SPEAKER: I didn't hear the honourable member.

In my opinion the Yeas have it and I declare the motion carried.

MR. CHERNIACK: Mr. Speaker, yeas and nays, please.

MR. SPEAKER: Call in the members. Order please. The motion before the House is Bill 55.

A STANDING VOTE was taken the results being as follows:

YEAS: Messrs. Adam, Allard, Barkman, Barrow, Beard, Borowski, Boyce, Cherniack, Desjardins, Doern, Evans, Froese, Gonick, Gottfried, Green, Hanuschak, Jenkins, Johansson, G. Johnston, McBryde, Mackling, Malinowski, Miller, Patrick, Paulley, Pawley, Petursson, Schreyer, Shafransky, Turnbull, Uskiw, Uruski and Walding.

NAYS: Messrs. Bilton, Blake, Einarson, Enns, Ferguson, Graham, Henderson, F. Johnston, Jorgenson, McGill, McKellar, McKenzie, Sherman and Spivak.

MR. CLERK: Yeas, 33; Nays, 14.

MR. SPEAKER: In my opinion the yeas have it, and I declare the motion carried.
The Honourable Minister of Finance.

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

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

MR. SPEAKER: The Honourable Member for Rhineland.

MATTER OF GRIEVANCE

MR. FROESE: Yes, Mr. Speaker, I'd like to speak on a matter of grievance.

MR. SPEAKER: Order please.

MR. FROESE: Well, the Minister of Agriculture . . . impossible just after having this vote and agreement with the government. You can agree but we can also disagree.

Mr. Speaker, the purpose of my grievance is how this government's program of centralization and government in business is causing conflict of interest and hurting business, private enterprise and rural communities. It took me quite some time to really come to the point in bringing this in as a matter of grievance, but the time for grievances is running out and therefore I feel it very timely to do this.

I have taken exception throughout the several sessions that we've had this government against centralization and the practices of this government bringing about various programs, centralizing governmental activities and also the matter of having so much of government in business today. And the conflict of interest that we see coming about as a result. We know for a fact that there is a list of growth centres in this province, that this government has such a list. I was informed about this by a member of the Development Corporation and I think also who was at one time working on some commission or another for the government. As a result of this list of growth centres, we find ourselves today in rural Manitoba especially that certain centres, are getting the goodies and others are getting nothing or hardly anything. They're being shafted and this is hurting the smaller communities in Manitoba. I think from what I have heard and what I have been told that none of the centres in my riding come under the program or are on the list of growth centres. So what does this mean? This means that the people in my riding are second class citizens. They will not get the attention that other centres in this province are getting. In my opinion certain towns in this province are getting the lion's share when it comes to government offices; when it comes to government setting up businesses even, or investment - and I feel that this very improper, this just accelerates what is already going on in this province, and especially in rural areas. And I take great exception to this.

We see also that the cost of this government's setting up of Crown corporations, and we have had a number of them at this last session where the Development Corporation first initially borrowed money to certain companies. Later they found themselves in trouble, and as a result the government had to advance more money; and before doing so, they took equity - or by doing so, took equity in these companies and a number of them have become Crown corporations as a result, because the government has now got majority control in these companies. And we have heard from other members in this House. Just the other day, one of the members was complaining in connection with the Telephones, a Crown corporation; and Hydro, where they were reducing the substations - and this takes out people from the smaller rural communities.

We know for a fact the Purchasing Bureau that has been set up by this government. What does that do? We find that they're no longer accepting the lowest bids, and this is purely a conflict of interest again. Because of the government having equity in these corporations, they find themselves in the position where they break the law and where they accept the higher bids because of having invested money in a certain corporation and wanting it to keep going and keeping it alive. And this is unfair competition for private enterprise. This is unfair competition for people in business on their own in this province and I am sure that this will increase as time goes on. Because with this Central Purchasing Bureau we know about the buses but it'll go further. We find already that they're making inquiries in connection with school supplies, and

(MR. FROESE cont'd.) within a short matter of time school divisions won't be able to buy supplies from the local community stores. This will be done by a Central Purchasing Agency, and as a result we see business taken out of the local community and centralizing it in Greater Winnipeg and in Crown corporations. --(Interjection)--

Yes, I could go on on many more items and comparisons in this regard. What do we see with the technical schools? Again, these are located in the larger areas, and those that are not getting them - surely enough if centralized schools, larger schools are being built, this means that the population will move toward these centres. And what, what did we see in Carman? They've built a big new school in Carman and there is a lot of conflict in that community right now, because this means the closing of other secondary schools and the people object to this very strongly. But it's because of government policy that this happened because the financing of schools now is strictly with the province, with the government of this province, and they more or less dictate because schools cannot be built unless the government accepts the financing of them, and the locations and so on. So here is another area where we see greater centralization taking place, and this means that many of our smaller communities that have been in existence today will be closed down in a matter of years.

What about the Fish Marketing Plant that was supposed to go to Selkirk and had to come to Winnipeg? I would like to hear the Minister of Municipal Affairs some day tell us about that. I'm sure he was interested in getting it to his area - and it had to go to Greater Winnipeg.

There are other areas that I could list. What about the welfare situation in this province? What do we find in rural Manitoba? If they advocate at the present time that if a certain party needs assistance, well come to town, move to town and then rent a property and we'll pay your rent. This is what is happening so often, that the poorer people who need assistance are advised to move to larger centres and then the government has to pay the rent. And these are not phonies; these are examples that I could give you, that I could name you; and these are things of actual happening. Just last night I visited one party who has been in trouble, they need assistance; they were flooded out two years ago - and this province has had in past years some assistance programs, but they would never give him assistance to fix up his basement which had been partially caved in as a result of the flooding that took place. And he had a car accident a few years ago; he is partially disabled, he cannot do the amount of work that he used to do - and therefore he does not have the income. And so this is the situation today. He needs help in the worst way - but again, I think if he lived in town assistance would be provided. But he's out on the farm and therefore the assistance is not being provided.

Again here - and this time I would like to have the Minister of Agriculture listen because he may have to say something afterwards; and I'd appreciate if at some time, not immediately, but at some later date that he could reply to this. A certain community, a smaller community is interested in getting a home for the aged set up and apparently the community has water but they don't have a central system of sewage - and apparently this is the deterrent now, that they are not getting the home for the aged. And the ladies group out there has gathered certain monies so that they see no difficulty in getting the necessary funds, the 10 percent that is required to set up such a home. The rest is being financed by government, and I think in different ways - sometimes through Central Mortgage and Housing, and probably in other ways as well. But here again the small community again suffers.

Now, the Minister announced the other day a new program of sewage and water; and I hope that this will provide the necessary thing, the necessary assistance so that this community can get that home for the aged. But because of the programs; because of the centralization; and because of certain stipulations; that smaller communities because they haven't got the wealth, they cannot expand and they cannot get the facilities.

I feel that as time goes on we see this government going into more and more business. After all that seems to be their program. Look at the marketing boards that are being set up. More and more control is being exercised by government over business, and now we find that they're going to build; not going only into business on a smaller scale, but we'll have a whole town, Leaf Rapids, government owned. --(Interjection)-- The Minister says it's democracy. Well I think if it was democracy people would have the right to purchase a home, to have their own home if they so desired. And apparently this is being denied at Leaf Rapids. That it will be not company owned, not privately owned; but a government owned town, and that private individuals will not be able to own their own homes.

Mr. Speaker, this is the exception, the strong exception that I take to this government.

(MR. FROESE cont'd.) The centralization program that is being furthered and increased; the conflict of interest that is growing day by day. We see it happening in so many cases; I just mentioned a few of them, but I know many more where we have conflict of interest arising because of government being in business. And this is another area that I take very strong exception to, and certainly I think we are entitled to bring this forward really as a matter of grievance - because this province was built by individuals, by people in business and private business, free and competitive enterprise. When I say free competitive enterprise, I'm sure that there will be replies later on about the large corporations - I realize that - I take exception to some of the large corporations as well. But at the same time I don't feel that we should proceed the way we are doing and establishing whole towns, townsites and mining businesses and so on as a government where the people bear the responsibility for all the indebtedness and yet have no real voice in the matter. And, Mr. Speaker, this is my grievance, this is why I had to bring this to the attention of members and I feel that it is one thing that is worthwhile mentioning because we are getting too much of it..

MR. SPEAKER: The Honourable Member for Logan.

COMMITTEE OF SUPPLY

MR. PAULLEY: Mr. Chairman, if I may, on Friday afternoon we were in the Committee of Supply considering the Estimates for the Department of Health and Social Development. We did not quite finish, and I have discussed with the Honourable the Member for Morris, the House Leader of the Conservative party, that due to the fact that the Honourable the Minister of Health and Social Development is attending a meeting in either Regina or Saskatoon, that it would be agreeable that if any honourable member wished to make any further comment on the Department of Health and Social Development they would for the record and then we would proceed, if agreeable, to go into the Department of Municipal Affairs. I'm sure all honourable members are aware of the fact that we only have approximately 55 minutes left of the 90 hours to complete consideration of the Estimates. It had been thought that we might have completed the Estimates by 5:30, so it would be our intention now and I inform the members of the Committee accordingly that you, Sir, the Chairman of Supply would be requested to leave your Chair at approximately 5:30, at which time I would move the adjournment of the House for this sitting until 8:00 o'clock this evening - at which time we would go into a separate sitting. So I inform the House of this procedure, Mr. Chairman, and it is again my understanding that there was agreement with the House Leader of the Official Opposition that this would be a course of action in respect of Health and Social Development.

MR. CHAIRMAN: The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Mr. Chairman, I'm cognizant of the discussion between the House Leader and the House Leader on our side, and I believe the feeling is so far as we are concerned that we would move into Municipal Affairs and use what time is left for that purpose. Of course if there is anyone wishes to speak on Health and Welfare there's no reason in the world why they shouldn't, but so far as we're concerned we can move into Municipal Affairs at the convenience of the House.

MR. CHAIRMAN: The Honourable Member for Thompson.

MR. BOROWSKI: I wonder if the House Leader can indicate if we are going to sit to after 10 tonight?

MR. PAULLEY: Well, Mr. Speaker, as my honourable friend the Member for Thompson is well aware, that after the adoption of the resolution on Friday the 10 o'clock closing is no longer a law of the Assembly for the balance of the Session. I do want to say to my honourable friend that I will be as reasonable as I can.

MR. CHAIRMAN: Anyone wishing to speak on the Department of Health and Social Development? If not we'll proceed with Municipal Affairs.

MR. PAULLEY: Well, Mr. Chairman, I wonder just for the convenience of the record whether we could just wipe out those two or three resolutions on Health. Would that be the proper procedure? - without discussions - and then go into Municipal Affairs.

MR. CHAIRMAN: Is that agreed? (Agreed) (Resolutions 63 to 67 were read and passed).

The Honourable Member for Rhineland.

MR. FROESE: I didn't participate in debate on any of the special items. I had some questions but I will bring them in in the concurrence motion and I hope I get some replies to them after on concurrence.

MR. CHAIRMAN: Resolution 68 in the amount of \$70,750,000 - -

MR. FROESE: You passed that item, Mr. Chairman. I had one question and I'd better put it on the record now so that I will get an answer. When the Federal Government made an agreement with the Provincial Government in connection with Medicare, it was for a certain specific time period and I think that time period is just about up. Maybe it has another year to go, I'm not quite sure. Have we any assurance from the Federal Government that the assistance or the contributions by the Federal Government will continue beyond 1973, and to what extent are they going to be depreciating their contribution or will it remain the same? Have we any, has the government any indication at this time to give to the House?

MR. PAULLEY: If I may, Mr. Chairman, to the Honourable Member for Rhineland - and I think he has a very valid question - it is my understanding - and I not speaking as the Minister, of course, of Health and Social Development - but negotiations are going on. In every likelihood it will be a similar agreement following the one that we have at the present time. As my honourable friend I'm sure is also aware that the government of the Province of Manitoba is making every effort to have the provisions under the joint Medicare scheme and Hospitalization as well extended to take into as a joint undertaking nursing homes and extended treatment care centres, ambulance provision and the likes. But those negotiations are going on at the present time, Mr. Chairman, and I believe that I can say without equivocation that - or hesitation - that at the next session we should have more precise information as to exactly the future. All I can say to my honourable friend, I'm sure there will be no less an arrangement than we have at the present time.

MR. CHAIRMAN: I would refer honourable members to Page 36, Resolution 95 (a) - - passed; (b) - passed; (c) - - passed; (e) - - passed. - The Honourable Member for Thompson.

MR. BOROWSKI: I take it we're on the salary of the Minister. I'd just like to ask a couple of questions. Are we on Municipal Affairs?

MR. CHAIRMAN: Resolution 95 (a) . . .

MR. BOROWSKI: Yes, I would like to ask the Minister a couple of questions. I believe I've asked one of them before and I don't think we received an answer. It has to do with the housing situation in Thompson, where there had been plans to build more houses in Thompson, low cost housing because there was a need. But since those plans were made and machinery put into motion we've had a cut-back in production at the plant, which means that today there's approximately 522 units that are empty; this includes houses and apartments. The result is that some of the businessmen that have put in a great deal of money into blocks are on the verge of bankruptcy. There are many individuals who own more than one house, some who own one house, are having great difficulties meeting their commitments, and I think it would be unfair for the government to continue to build low-cost housing units in the face of a large surplus situation. So I'd like the Minister to indicate what their policy is, if they have cut back on this program that was going to bring in I believe between 50 and 100 houses into Thompson. The other question that I have for the Minister deals with the rebate that was instituted by the government. I understand that International Nickel, because of the financial cost-sharing arrangements in Thompson, is going to be the beneficiary of approximately \$55,000.00. Mr. Chairman, I do not believe that it was ever the intention of this government or of this Legislature to pass legislation that are going to enrich one of the ten largest corporations in the world. But it seems because of some wording or perhaps because of their administrator which is under the jurisdiction of the Minister - because of his unilateral decision, or perhaps by oversight, that International Nickel is going to receive approximately \$55,000 which I think the people of Thompson properly and rightfully resent - and I think that this is probably the feeling of most people in the province, and I would like the Minister to indicate whether something can be done to see to it that this money does not go to them but rather goes into the treasury of Thompson which can be used for the benefit of the citizens of that community.

MR. CHAIRMAN: The Honourable Member for Churchill.

MR. BEARD: Thank you, Mr. Chairman. This afternoon I posed some questions to the Minister in respect to Churchill redevelopment program. And quickly going over them, as I understand it the tenders are called by the Churchill Redevelopment Project, Churchill Consortium, No. 10, Donald Street, and they ask for suppliers of material to submit tenders to that address. But those suppliers in the Community of Churchill itself are being by-passed by the wholesalers in the rest of Manitoba who they depend upon to give them quotations for these

(MR. BEARD cont'd.) supplies. And quite frankly this seems to be a deal being set up between the Manpower Development Program itself and the wholesalers to come to some agreement to cut out the suppliers in the Community of Churchill, and I don't think this is a situation that government should allow to carry on. If this is the way that they are going to cut the cost, I think that it's deplorable; I believe that there are other ways of looking to programs such as this. I believe that the suppliers in the Town of Churchill have been established there for many years; they are not set up to make a quick dollar in a hurry. It's not as if they established there after the Churchill renewal program was brought into force so that they could make this quick dollar at the expense of government or of the taxpayer, or whoever it may be.

And then we must in reviewing this, take into consideration that the building lots within the Town of Churchill have been frozen for many years - and when I say frozen, I mean frozen by the Government of Manitoba - so it means that nobody could build houses in that community. And here you have suppliers and materials that have sat around waiting and depending on materials that were being purchased by either the High Arctic Services or whatever service was required out at the Fort. But the materials used in the community itself was negligible because of the fact that there was no building allowed to take place in the community. Then all of a sudden a program is agreed to by both governments in which a building program will take place in Churchill, and they find that the suppliers are frozen out, squeezed out by government and the large suppliers in Winnipeg who up till this point have been more than pleased to do business with the suppliers in Churchill.

But I feel, and I think I rightly feel, that somewhere along the line the big squeeze is on to get something cheap at somebody else's expense - and I think it's a shame for these people who have pioneered for many years in a community and then to be quickly by-passed by big government and big business and to be left out on the limb such as they are at this time. I think that something, that government perhaps at the policy level is not as aware of as they should be; I think that it's something that should be delved into. Maybe it's over-enthusiastic planners; maybe it's people that have underestimated the cost of the program, and they're trying to make it up by cheating in the wrong places. But I think it's something that this government or any other government would really want to have the blame laid at their particular door, because of the fact of the isolation of the very facts that surround this particular program.

I find that in looking into it that the building permits themselves are now being issued in Winnipeg rather than Churchill, so that it's obvious that the area of Winnipeg has taken over completely the whole program within the Churchill area itself and people in Churchill do feel that they're being left out of the program. There are no lots apparently available for those that want to build private homes. There is some wonder as to whether CMHC have in fact approved the Manpower houses that are being built at Churchill, because apparently there are some accounts that are long overdue and haven't been paid and each time people try to collect their accounts then they are told that perhaps next week they'll get their cheque - and this happens week after week after week and still no payment comes through. So whatever business has been given to the suppliers, although small as it is, they haven't been paid for; they've had to carry the government and the programming for many months; and when I look at it from this point of view I wonder really why they're complaining about not getting the business, but this is in fact correct. It's long over the contract which was signed; the promise of payment apparently in the contract is now long overdue, and the people really would wish that it be tidied up.

The one other thing that seems to prevail in Churchill in respect to the renewal program is one that has been kicked around for a long time - and that is the fact that the community planner is not located in the Churchill area itself; and while he does come up from time to time and sit with the people for a day or two and then leaves it doesn't seem to be long enough for the people to get to know him or for him to know the people themselves, and they do find that they are becoming frustrated in that there is no recognition of the things that they really want in this type of a program. There is not going to be any choice for those that want a particular type of house. And there is no indication that people will be able to in fact be included in a program for probably three or four years, because the houses that are being produced now have already been spoken for; the houses next year will be allocated to the Federal Government, so there will be many people that will be on the waiting list for some time to come.

I think that the government are going to find that they could be boxed, find themselves boxed into a corner unless they get down to having more and more talks with the people in Churchill, have a planner go up there. They don't need the chief planner of the Province of

(MR. BEARD cont'd.) Manitoba up at Thompson, but they need somebody that knows what is going on, is prepared to sit and listen to the people - to know what they do socially; to listen to them and to gain their confidence, because after all it is their town and it's going to be their town for years to come. The people have lived there for some time, and you can't impose upon them or any other people the wishes of somebody that happens to live in the City of Winnipeg or some other place and leave behind in Churchill somebody's dream of what they think the people of Churchill should have in that community. I think the government should be building what the people in that community believe is what they feel that they would rather have, because I believe that if they follow the wishes of people - whether it be Churchill or Winnipeg or any other community - they'll find that they have something that is more in keeping with the desires of the people, and the people will treat it with more respect. I think that this criticism is intended to be constructive. Certainly the program on an overall basis is accepted as being good in Churchill.

I don't want to leave the impression that all is bad, that is for sure; I think there are a lot of good things about it. But I think that the planners particularly would be very wise, and it would be very good for government if the planners could get a lot closer to the people of Churchill - and in that way I think you would find a lot happier community; and the monies would be well spent; and the time would be well spent, if after the project is completed the people are reasonably happy with what is produced in that area. And I'm sure that with the amount of money that has been allocated to Churchill, you can produce something that will give all of the north something to be proud of - and it will be a plan that will be followed in many other communities. But you can't win the respect of the people unless they are involved to a much greater extent than it has been in the past.

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

MR. GRAHAM: Thank you, Mr. Chairman. At this time I think I would be remiss if I did not say a word or two to the Minister, especially in light of what we evidenced this morning on Municipal Committee dealing with the question of assessment. As the Minister is well aware - and other members in this House are well aware - I have been quite concerned about assessment ever since I came into this House, and the practice that has been established by the assessment in the province. We find out this morning that the Rural Municipality of Dauphin has not had a reassessment since 1961; we are now in 1972, and yet by the Act we should have reassessment every five years. And I would say to the Minister that practices such as this are not good enough. We have had an extensive reappraisal of The Municipal Act in the last couple of years; we have been successful in getting assessment broken out of The Municipal Act; but to get any action on the Minister with regards to revision of the process of assessment and the standards used by the Assessment Branch, I must admit are very limited. I would think that if the Minister was genuinely concerned with doing something to alleviate some of the injustices in the province, that the question of assessment would be highest in his priority. However we find that he has had some other priorities which he believes are more important - such as Autopac and some of his other sidelines - and he has left this very important subject unattended to. I would sincerely hope that he would give us some indication that the assessment practices of this province will be reviewed and some attempt will be made in the very near future to change the practice and review the practices that have been used in the past.

I also want to say a few words with regards to the Planning Service that comes under his department - and Mr. Chairman, to also point out that probably in the planning field we are running into more confusion, where we find that there are more than just the Municipal Planning Boards in the Province of Manitoba - and there seems to be a lack of harmony existing between one department and another in government, and we find that quite often the Municipal Planning Services is at odds with the Parks Planning Services and other planning groups, with the result that there's delay in the implementation of programs and confusion almost to the point where the local people in some instances throw up their hands in despair and are utterly confused with the lack of co-ordination that exists - which I believe should be under the direction of the Minister and his department. These points, Mr. Chairman, I just want to raise at this time because I feel sure that the Minister is probably aware of them. I know privately I have talked to him, especially on the question of assessment on numerous occasions, and I would like the Minister to give us some indication of when he intends to act on some of the suggestions that have been put forward.

MR. CHAIRMAN: The Member for Minnedosa.

MR. DAVID R. BLAKE (Minnedosa): Mr. Chairman. Thank you. I'd just like to make one or two comments and possibly have the Minister reply when he makes his reply. One question I had was on the PEP Program which I understand is one of the Minister's responsibilities. I just wonder if he might tell us if any funds under the PEP Program have been expended on programs to improve private property. And also in view of the recent announcement from Ottawa in connection with public housing, I wondered if he might give us some indication of the government's position on the Public Housing Program - if they are looking at a review of it or what steps they might be taking now to revalue their position on public housing.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. HENDERSON: Mr. Chairman, I'd like to make some remarks about low rental housing as it applies to the rural areas. Because we find in the rural areas - because houses are coming in which are subsidized by the Provincial and the Federal Government; that the rents are very low, and that people with property cannot sell their property for the value they have. Rents weren't too high in the country in the first place, they were only in the neighborhood of 60, 70 and \$80 a month, but the people found out they could go into low rental housing, and so they're going there; and so the other people that had houses find now that they can't sell them. I know of a particular case where a person was offered 6,000 for a property before, and now with low rental housing coming in she thought she'd try and sell it. --(Interjection)-- That's right. She's trying to sell her house, and she can't get 4,000 for it because the people - well, I'm not going to buy a home, I'm going to move into low rental housing. So actually the value of real estate in small areas has dropped because the people are not buying homes; they say, I'm going to use the low rental housing.

And so we find the very people that built the town and that are paying taxes and so forth are subsidizing both through the province and through the Federal Government, housing. And this has really dropped their real estate, so it's hurt them in two ways. I was just wondering what can be done to curb it to some extent, and I'm wondering how many people on welfare are going to be allowed to go into these low rental houses. I know it's controlled by a local board, and I understand there's some provincial people on it too - but if they get these houses in town and there's people that are on welfare that want into them; you'll find that there's people living in new homes that cost in the neighborhood of thirteen to fifteen or maybe \$18,000 which will be going into them for a very small sum; and nobody that has property can sell it at a price that can compete to that, or they can't rent out in competition to it. So I feel in a way, even though it may be a benefit to some large areas where they have industry and where there's a need for houses all the time - where there's really a need - that it's useful, but I think in some of the smaller areas that it's really not going to be beneficial at all.

I was also wanting to question somewhat on your PEP Program, because as it started off it was for unemployed people. And it was supposed to be kept that way - but we found out before very long that there was all sorts of uses being used under the PEP Program as you could call it; whether it was in skating rinks for instructors and all the other things that went on, things that should have been getting paid for by the people. In other words, I am saying that some of your money through the PEP Program was spent unproductively. It was spent unproductively. And I know you're going to say well, this is the local people's fault - but this is another thing - they said, well the other town's doing it, they're getting something for this and - you know, everybody else is getting something, I'll try and get it. Some way or another the program, even though it's a lot of good, has had considerable abuses sneaked into it and I think it should be a program that's watched. I also would like to see this low rental housing program watched, because I feel it's building up a big empire of housing that's going to leave apartments and other things vacant - and the people that you're going to be hurting are the people that have been contributing to the government and to all forms of taxes, and to people that needed this assistance.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, I just want to spend a very few moments. I know the Minister is anxious to answer some of the questions, but with the time available he may not get to them all.

There has been considerable criticism on the Minister in regards to low cost housing. I think the area - and it's a policy that we established a number of years ago; we talk about low cost housing and housing for senior citizens. And I want to say, Mr. Chairman, that this is an area where I was given to understand that because of the winter weather, the amount of money that was allocated through CMHC - which they ran out of and it was transferred to the other

(MR. EINARSON cont'd.) schemes - more of the building was concentrated in the City of Winnipeg, and it was given to us to understand that this is being transferred further to the rural areas this summer.

And there's been criticism about - as the Member for Pembina stated an example here, and I think it's a justifiable one. But I'm going to say - speaking on the other side of the situation - when we talk about trying to help the senior citizens; where we have programs in the Management Committee - this government have okayed it as much as almost a year ago. We get commitments from his department and nothing happens, there's absolutely no action. I think the Minister knows what I'm referring to - and I can't help but feel that there must be complete chaos or lack of communication within himself and his department because there are other areas besides the area that I am representing where there's just no satisfaction whatsoever. And I don't know - I remember when we were government, when a policy was established and Management Committee had okayed it, this meant that the Provincial Government as far as their responsibility was concerned, it was accepted - and the people concerned in whatever part of the province could go ahead and carry out their program. But I say, Mr. Chairman, that this is not so today. Why the Minister will say the program has been accepted, and there's no action - and this is in connection with senior citizens. And this is an area where I think there's no harm done by people who are taxpayers - and as the Member for Pembina had indicated, I think it's a double hardship on those people because they're assisting to pay for these homes that you're building for people who probably can't afford to produce themselves. And so I just want to bring up that one point to the Minister and find out if he's able to give me an answer on it.

MR. PAULLEY: Mr. Chairman, I move that the Committee rise and report.

MR. CHAIRMAN: Committee rise and report. Call in the Speaker. The Committee of Supply has asked me to report progress and begs leave to sit again.

IN SESSION

MR. SPEAKER: The Honourable Member for Logan.

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

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

MR. SPEAKER: The Honourable House Leader.

MR. PAULLEY: Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Agriculture that the House do now adjourn and stand adjourned until 8:00 o'clock this evening.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House adjourned until 8:00 o'clock Monday evening.