

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2:30 o'clock, Wednesday, September 24, 1969

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions;

MR. CLERK: The petition of Albert Reginald Hayes and Others, Praying for the passing of An Act to Incorporate St. Anthony's General Hospital.

MR. SPEAKER: Presenting Reports by Standing and Special Committees; Notices of Motion; Introduction of Bills. The Honourable Minister of Municipal Affairs.

INTRODUCTION OF BILLS

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs)(Selkirk) introduced Bill No. 44, an Act to amend The Municipal Act (2). (Second reading Friday next.)

MR. BUD BOYCE (Winnipeg Centre) introduced Bill No. 42, an Act to amend The Winnipeg Charter 1956 (2). (Second reading Friday next.)

INTRODUCTION OF GUESTS

MR. SPEAKER: J'ai l'honneur de vous signaler la présence dans la loge d'honneur de Son Excellence M. Diiori Hamani, Président de la République du Niger. Son Excellence est accompagné de son épouse Madame Diiori Hamani, et des ministres et autres fonctionnaires du Niger. (Prononcez - Nigeair)

I know that I speak for all members in bidding a warm welcome to His Excellency Mr. Diiori Hamani, President of the Republic of Niger as well as to his wife and the distinguished party of Ministers and other senior Officials accompanying him.

HON. ED. SCHREYER (Premier and Minister of Industry and Commerce)(Rossmere): . . . . . to join in the words of welcome extended by you, Sir, to express our welcome to His Excellency the President of Niger and also to extend this welcome to all who are travelling with His Excellency in this visit of theirs to our country and our province. We hope that what they have seen in Canada has been of great interest to them and I suspect it has, inasmuch as the geography and climate of our great country differs so much from the tropical savanna land that our friends from Niger live in in their home country.

Monsieur L'Orateur, au nom du gouvernement, je tiens à faire suite à votre geste de reconnaissance en souhaitant au Président Diiori, à sa femme et à sa suite le plus cordial des bienvenues dans notre province.

Bien que votre séjour, M. le Président, soit très bref parmi nous, j'espère que les liens d'amitiés entre votre pays et le nôtre pourront s'affermir de façon plus vive à la suite de votre passage.

Les Manitobains qui auront le plaisir et l'honneur de vous rencontrer témoigneront, j'en suis certain, de la haute estime que nous vous devons ainsi que des souhaits d'amitiés que nous vous offrons en tant qu'invité au Canada et au Manitoba.

Permettez-moi enfin, M. le Président, de me faire le porte-parole du peuple manitobain en vous accueillant en leur nom dans notre province.

Mr. Speaker on behalf of the government, I would also like to extend to President Diiori and to his wife and to his party a most cordial welcome to our province.

Although your stay Mr. President, is but a brief one among us, I wish that the bonds of friendship between your country and ours will be much stronger after your visit to our province. The Manitobans who will have the pleasure and honour of meeting you will, I am most certain, serve as an example of the high esteem which we owe to you and also of the offerings of friendship which we offer to you as an invited guest to Canada and to Manitoba.

In closing Mr. President, I would like to extend to you best wishes from the people of Manitoba in welcoming you to our province.

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

MR. WALTER WEIR (Leader of the Opposition)(Minnedosa): Mr. Speaker, if I might I would like to associate the members of our group with the welcome that has been extended by yourself, Sir, and by the First Minister to the President of Niger. We know that they have a full schedule while they are here but we hope that the trip won't be that hurried, that they will have an enjoyable visit to Manitoba and to the Legislature here. It is our hope that their brief stay with us won't just serve to lessen the distance and the difference between our two countries but will in fact act to draw us closer together in friendship and greater understanding.

(MR. WEIR cont'd.)

Manitoba will be celebrating her Centennial next year and preparations are well under way for this birthday party. It would be very nice if the President of Niger could join us again on that occasion for a more extended stay. May I just add that we hope that they can enjoy again their stay in Manitoba. We're honoured and delighted to associate ourselves with the welcome extended by you, Sir, and the First Minister.

MR. SPEAKER: The Honourable Member for Ste. Rose.

MR. GILDAS MOLGAT (Ste. Rose): Mr. Speaker, on behalf of the members of my group and myself I wish to join in the very sincere welcome to the President of Niger and the group who are travelling with him to Manitoba on this occasion.

Comme vous l'aurez remarqué, M. le Président, bien que nous soyons en plein centre du continent nord-américain, nous avons préservé dans cette assemblée législative l'usage des deux langues principales de notre pays. Je sais que pour vous le français aussi forme une langue principale chez vous. Dans la deuxième langue officielle donc, c'est un plaisir pour moi de vous souhaiter la bienvenue. Vous formez à ce moment-ci partie d'un groupe de nations qui étaient dans le passé associées à un empire colonial. Nous-mêmes ressortons depuis assez peu du même arrière-plan. L'année prochaine nous allons célébrer au Manitoba notre centième anniversaire comme province. Nous sommes heureux de vous voir ici au Manitoba en cette occasion et il est très important pour nous comme Manitobain ainsi que comme Canadien d'avoir des liens très intimes avec toutes les nations et en particulier, vous, des nations sous-développées mais que désirez tellement vous avancer. Nous sommes heureux de vous avoir parmi nous.

As you have noticed, Mr. President, although we are situated in the centre of the North American continent we have preserved in this Legislative Assembly the use of the two principal languages of our country. I know that for you French is also the principal language in your country. Thus, in this second official language, it is my pleasure to welcome you. At the moment you are part of a group of countries which were in the past part of a colonial empire. We ourselves since a short period of time have departed from such a colonial structure. Next year we will be celebrating in Manitoba our 100th anniversary as a province. We would be happy to see you here in Manitoba on this occasion and it is very important for us as Manitobans as well as Canadians to have very close relationships with all countries and in particular with your own, which although underdeveloped, wishes so hard to progress. We are happy to have you amongst us.

HIS EXCELLENCY DIORI HAMANI (President of the Republic of Niger): M. le Président, M. le premier ministre, messieurs les ministres, messieurs les parlementaires, je voudrais à mon tour au nom de la délégation du Niger que je conduis en visite officielle dans votre pays vous remercier très sincèrement de cette cérémonie si émouvante à laquelle nous assistons dans cette province du Manitoba. Il y a quelques mois, à l'invitation du gouverneur-général, nous avons pensé traverser toute votre pays, comme le dit votre devise, d'un océan à l'autre. Malheureusement, la vie moderne est ce qu'elle est et les obligations de ma charge m'obligent, à interrompre mon voyage dans cette belle province, mais, comme j'ai eu l'occasion de le dire dans les autres provinces que j'ai traversées, ce n'est pas un adieu, ce n'est qu'un au revoir. Et j'espère qu'avec l'aide de Dieu, je pourrais un jour repasser ici et faire plus ample connaissance avec l'ensemble de votre pays. Je ne voudrais pas terminer sans me féliciter de la coïncidence heureuse de trouver M. le sénateur Martin; à mes côtés puisque au . . . . il y a quelques mois, venant à Niamey, il me disait au nom du gouvernement fédéral, devant les difficultés de la sécheresse, que le gouvernement d'Ottawa vous fait don de 20 mille tonnes de blé et il sait trouvé que ce blé était du blé du Manitoba. Je tiens donc au nom des populations du Niger à rappeler ces souvenirs et déjà par ce geste votre province comme le Canada est connu en République du Niger. M. le président, M. le premier Ministre, Messieurs, je pense que le premier contact sera suivi d'autres et que ensemble dans le sens de la coopération qui vient s'instaurer entre nos deux pays, nous pourrons contribuer justement à apporter quelque chose de très important à la coopération universelle, à la fraternité entre tous les hommes. Merci donc, Monsieur le Président, Monsieur le Premier ministre, et les membres du gouvernement.

Mr. Speaker, Mr. Premier, Honourable Ministers and Legislative Members. In the name of the delegation of Niger which I am leading throughout this official visit to your country, I would like to thank you most sincerely for this most stirring ceremony which we are witnessing in this province of Manitoba. A few months ago at the invitation of the

(PRESIDENT DIORI HAMANI cont'd.) . . . . Governor General, we decided to visit your country, as your emblem bears out, from ocean to ocean. But unfortunately modern life being what it is, the obligations of my office forces me to interrupt my visit in this province. But, as I have had occasion to say in other provinces where I have travelled, my departure is not a final goodbye, it is just a temporary one. I hope that with the help of God, I may one day return here and get to know your country more thoroughly. I would not wish to finish without taking advantage of the pleasant coincidence of finding Mr. Martin by my side on this occasion because in . . . ., a few months ago, while enroute to Niamey, Senator Martin told me that because of drought difficulties in my country, the government of Ottawa was making a gift of 20 thousand tons of wheat to our country. As it happened this wheat was from Manitoba. In the name of the people of Niger, I take the liberty of remembering these events and to say that by this gesture your province as well as Canada is already known to the people of the Republic of Niger.

Mr. Speaker, Mr. Premier, gentlemen, I think that this initial contact will be followed by other meetings and I think that together, in accordance with the meaningful cooperation which is developing between our two countries, we may make a very important contribution to universal cooperation, to friendship, for all mankind. Mr. Speaker, Mr. Premier, members of the government, I thank you.

MR. SPEAKER: Orders of the Day. The Honourable First Minister.

MR. SCHREYER: I am not entirely sure of my protocol but I would nevertheless like to rise to draw to the attention of honourable members in this House, as we do from time to time in this Chamber of the presence in this Chamber today of a Member of Parliament of Canada. While this particular gentleman from the Federal Parliament happens to be here today in his role as one who is accompanying His Excellency President Diori Hamani, nevertheless, it may well be that this gentleman, that it is the first time that he has appeared here in the Legislative Assembly of Manitoba. I refer, Sir, honourable members, to the presence of the Honourable Paul Martin, one of the most distinguished Canadian parliamentarians of our time; a man whose career in the Federal Parliament spans 30 years and more. Since he is here today I thought that all members would want me to acknowledge his presence and to wish him well.

MR. SPEAKER: The Honourable Member for Arthur.

#### ORAL QUESTION PERIOD

MR. J. DOUGLAS WATT (Arthur): Before the Orders of the Day, Mr. Speaker, I would like to direct a question to the Minister of Agriculture. I wonder if the Minister could indicate to the House when we might expect the report on his fact finding committee in agriculture?

HON. SAMUEL USKIW (Minister of Agriculture)(Lac du Bonnet): Mr. Chairman, it's nearing completion. We will have sufficient copies of it printed for the benefit of all members of the House and I would anticipate it shan't be too long before we have it before us.

MR. WATT: A supplementary question, Mr. Speaker. Could I ask the Minister if it will be supplied during this Session?

MR. USKIW: Yes, Mr. Speaker.

#### INTRODUCTION OF GUESTS

MR. SPEAKER: At this point I should like to also direct the attention of the honourable members to the gallery where we have 60 students of Grade 5 standing of the Robertson School. These students are under the direction of Mr. Peters and Miss Rittberg. This school is located in the constituency of the Honourable Minister of Health and Social Services. On behalf of all the Honourable Members of the Legislative Assembly, I welcome you here today. Orders of the Day. The Honourable Member for Ste. Rose.

#### ORAL QUESTION PERIOD

MR. MOLGAT: Mr. Speaker, I'd like to address a question to the Minister of Highways. Has he had any complaints yet in the matter of the lower or reduced bus fare for elder citizens?

HON. JOSEPH P. BOROWSKI (Minister of Transportation)(Thompson): Mr. Speaker, they certainly are persistent but I'm sorry to say that I haven't had any at all.

MR. MOLGAT: Mr. Speaker, is the Minister aware that apparently the senior citizens will be forced to purchase the tickets in groups of five instead of being able to purchase individual? Is this correct?

MR. BOROWSKI: Mr. Speaker, the only thing I'm aware of is what I read in the paper. Nobody has told me otherwise.

MR. SPEAKER: The Honourable Member for Charleswood.

MR. ARTHUR MOUG (Charleswood): Mr. Speaker, I'd like to direct my question to the Minister of Transportation. I would like to know if he received any kickback on a contract on Trans-Canada Highway east of No. 12.

MR. BOROWSKI: Not yet, Mr. Speaker.

MR. SCHREYER: Mr. Speaker, I wonder if the honourable member would mind indicating the name of the contractor.

MR. MOUG: I'm sorry I haven't got that information at this time.

MR. SCHREYER: I think you do.

MR. MOUG: Pardon me.

MR. SCHREYER: I think you do.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. BUD SHERMAN (Fort Garry): Mr. Speaker, I'd like to direct a question to the Minister without Portfolio in his capacity as Minister responsible for the cultural life of the province. Will the Minister take early steps to acquaint himself with all the findings and recommendations pertaining to violence on television contained in the report just released by the United States National Commission on Violence?

HON. PHILIP PETURSSON (Minister of Cultural Affairs)(Wellington): Mr. Speaker, I think I can reply in the affirmative when I acquaint myself with the subject matter with which my honourable friend deals.

MR. SPEAKER: The Honourable Member for Ste. Rose.

MR. MOLGAT: Mr. Speaker, my question is to the First Minister. Could the First Minister confirm, in view of his statement of the other day in the House regarding the Member for Crescentwood and his responsibilities with regards to the Planning and Priorities Committee, is the Member for Crescentwood attending meetings of this committee?

MR. SCHREYER: Mr. Speaker, I understand that the honourable member is attending meetings and is doing so in a way which is in accordance with the procedure I outlined in the House the other week; that is, that at the request of members of the committee, the chairman or other members of the committee, the Honourable Member for Charleswood is attending.  
-- (Interjection) -- Crescentwood, yes.

MR. MOLGAT: A supplementary question, Mr. Speaker. Can the First Minister now advise the House specifically what duties have been assigned to the Member for Crescentwood?

MR. SCHREYER: His role there is really not that different from other committee members; that is to say, that as problems arise for discussion in the committee, the Honourable Member for Crescentwood is bringing to bear on these problems his expertise.

MR. MOLGAT: A supplementary question, Mr. Speaker, then. Are other members of the government caucus doing the same things, and which ones are attending the committee meeting.

MR. SCHREYER: Mr. Speaker, I don't mind telling my honourable friend that other members are doing the same thing from time to time as requested or invited. As to which ones in particular, I would think that this is a matter of internal operating procedure.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY McKENZIE (Roblin): Mr. Speaker, before the Orders of the Day, I'd like to direct a question to the Minister of Education. I understand the provincial Ministers of Education met at Halifax recently and a policy statement of the Federal Government relating to broadcasting was brought forth at that meeting. I wonder if the Minister would advise the House Manitoba's position?

HON. SAUL A. MILLER (Minister of Youth and Education)(Seven Oaks): Mr. Speaker, the convention being referred to is still in process. Departmental people who are attending are not yet back. When they return no doubt I'll get a full report.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SIDNEY SPIVAK, Q.C. (River Heights): Mr. Speaker, my question is to the First Minister or the Minister of Transportation. I wonder if he can indicate to the House whether the province has decided to make representation before the Interstate Commerce Commission in connection with the discontinuance of the Great Northern trains from Winnipeg to St. Paul and Minneapolis?

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

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, a supplementary to the First Minister. Could the Minister indicate to the House whether the government plans to make any representation to the CNR with respect to the Campers' Special and the position that the Farlane Camping Community finds itself in?

MR. SCHREYER: There have been some discussions with CNR officials. There is nothing definite that I can report in the way of a reply to my honourable friend's question.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, I have a question for the Honourable First Minister. I wonder if he can inform the House whether before the decision was made not to flood South Indian Lake, there was a discussion which indicated support and the probability that the Uranium Enrichment Development would be able to still be a reality for Manitoba; that is, was there a discussion between himself and Hydro officials as to whether we were going to be able to provide the power rate sufficient to make that a reality?

MR. SCHREYER: Mr. Speaker, I can tell my honourable friend that if all of the other factors which bear on the question as to whether or not Manitoba shall see built a Uranium Enrichment Plant, there are many factors and problems involved, but the question of the availability of power is not in any way changed by the decision taken by this government two weeks ago.

MR. SPIVAK: A supplementary question, Mr. Speaker. I wonder if the First Minister could indicate whether this matter specifically was discussed with Hydro, not only the question of the power availability but the power rate?

MR. SCHREYER: Mr. Speaker, I tell my honourable friend again that the decision taken by this government in no way changes the capability of Manitoba Hydro to provide at some future date sufficient volume of power to accommodate or service a uranium enrichment plant.

MR. SPIVAK: Mr. Speaker, a supplementary question. I take it from the First Minister's answer that he in fact did not discuss it with Hydro.

MR. SCHREYER: My honourable friend can take that if he likes, but he won't necessarily be correct.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY ENNS (Lakeside): Mr. Speaker, on the same line of questioning, has the government . . . .

HON. RUSSELL PAULLEY (Minister of Labour)(Transcona): Mr. Speaker, may I rise on I believe a point of order, that there are only two supplemental questions allowed to any question asked.

MR. ENNS: Fine, Mr. Speaker, I'll attempt to stay within the rules of the House. Has the government since making their decision and since I've asked the question several times in the last few days, met with the Manitoba Hydro Board?

MR. SCHREYER: Mr. Speaker, we have had communication.

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

MR. HARRY E. GRAHAM (Birtle-Russell): Mr. Speaker, I would like to address this question to the Minister of Transportation. Could the Minister advise this House if a contract has been let from Ponton north?

MR. BOROWSKI: Mr. Speaker, the contract was tendered and the tenders are open on the 18th of the month. We have, by law, two weeks to make a decision. When that two weeks is up the decision will be made.

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

MR. JACK HARDY (St. Vital): Mr. Speaker, I'd like to direct this question to the Honourable the Minister of Finance. Is the Minister in a position at this present time to advise the House if the government is contemplating a Savings Bond issue?

HON. SAUL CHERNIACK, Q.C. (Minister of Finance)(St. Johns): No, Mr. Speaker.

MR. HARDY: A supplementary -- my apologies to the Minister -- is the "no" that he is not in a position, or "no" they are not contemplating it?

MR. CHERNIACK: Yes, Mr. Speaker. Mr. Speaker, I might enlarge on the last answer by saying we are definitely looking into the question but have not come to any conclusion.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, my question is directed to the Honourable Minister of Tourism and Recreation. About ten days ago I think it was there were

(MR. MCGILL cont'd). . . . at least two honourable members asked questions about the concern of people in Manitoba over published statements relating to the policy of the Federal Government in respect to the campsite and recreational facilities at Clear Lake. He took these questions as notice. Is he in a position to tell us whether this policy that was published is going to be effective and has he been able to determine what the province might do in this respect?

HON. PETER BURTNIAK (Minister of Tourism and Recreation)(Dauphin): Mr. Speaker, in regard to that question, we're communicating with Ottawa to first establish what Ottawa's policy is on that before we can make a statement.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, yesterday on another matter in committee it was drawn to our attention again the concern of the high water at Lake Winnipeg. I wonder if the Minister of Mines and Natural Resources would undertake to provide the members of the House with the current data on the lake levels of Lake Winnipeg as it stands at this time - perhaps relative to the recent flooding of '66 or other years.

HON. LEONARD S. EVANS (Minister of Mines and Natural Resources)(Brandon East): Mr. Speaker, as the honourable member knows, being the former Minister of Mines and Natural Resources, our department does maintain data, historical data, as well as current data, on lake levels throughout the Province of Manitoba. I would undertake at this time to provide you with a statistical table showing you the current lake levels and historical levels of Lake Winnipeg if this is the particular lake you're interested in.

MR. ENNS: A supplementary question, Mr. Speaker. I thank the Minister for undertaking to do that. At the same time we were also issued with a warning of the dangers of what three or four days of high wind would do in the surrounding area of Lake Winnipeg. I've asked this question before. Can the Minister undertake, are any preparations under way or any plans under way to prevent serious damage should these high winds occur?

MR. EVANS: Well, I don't know whether this year is any -- I mean winds have been with us a long time and . . . . -- (Interjections) -- I can just assure the honourable member that the department is always aware of the situation around the lake, we're always aware of the winds and the levels of the lake. If an emergency situation should arise, I'm sure we will take steps at that time, but there doesn't appear to be such at the moment.

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

MR. GRAHAM: Mr. Speaker, I would like to direct this question to the Minister of Education. In view of the series of articles appearing in one of the daily papers -- I'm referring in particular to the third issue of the Denison series with regard to education and the concern expressed by the writer in his article about the problem of push-out of students from the enrollment in schools rather than dealing with these students as a disciplinary problem. Could the Minister advise this House if the department is looking into this problem?

MR. MILLER: Mr. Speaker, I'm aware of the articles; I have been reading them as a matter of fact. This is not a new problem, it's a problem that's been with us for some time. I can assure the honourable member that it's a problem with which I share his concern. Although the numbers may not be large, nonetheless, whether it be a large group of students involved or a small group of students I think our society has to find an answer for it. Whether only the schools can resolve that problem I'm not sure; but I can assure the honourable gentleman that the Department of Education is aware of the problem and will be taking a very hard and close look at it.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, my question is to the Honourable Minister of Health and Welfare. He indicated that today he would have an answer in connection with the percentage utilization on Medicare?

HON. SIDNEY GREEN (Minister of Health and Social Services)(Inkster): Mr. Speaker, I have a Return to an Order of Return of the House No. 5, which was requested on the motion of the Honourable Member for Emerson. This Return which I thought answers the member's question may in fact not answer it. I wish he would look at the Return and tell me after he sees it whether he still requires additional information. I lay this on the table. There is some information contained in it - it might not be everything that the honourable member wishes.

MR. SPIVAK: Mr. Speaker, I thank the Honourable Minister. I have not seen the Return, but I'm assuming that if it's based on the information asked for it would not be in answer to the question that was taken as notice by him, and that was to indicate the percentage

(MR. SPIVAK cont'd.) . . . . factor of utilization as compared with the forecast upon which the Medicare cost was based. Now if it's not contained in there then I would direct my question to him. I think it's very pertinent to our discussion right now in the budget debate.

MR. GREEN: Well, Mr. Speaker, the point is that the information does indicate the amount of monies that has been paid to doctors during the various months. The member knows the forecast with regard to the cost of the Medicare program. Therefore the comparison, if any, can be made from those figures. He might not agree with the way I compare the figures and therefore the figures are there for his own view.

MR. SPIVAK: Well, Mr. Speaker, then a supplementary question. May I ask the Honourable Minister if those who are responsible for the Medicare program are satisfied that the percentage factor of utilization is equal to and not higher than originally forecast?

MR. GREEN: Mr. Speaker, if, I repeat, if the Return doesn't give that then I'm sorry that I led the member to believe that I had that information today, because the information I just tabled is the information I've got today. In answer to his request now, I will determine whether our staff feels that the utilization compares with the forecast.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, I have a question for the Minister of Finance. I wonder if he can indicate the approximate time that the next bond issue of the government will take place, including either the government, Hydro or the Telephone and what amount is expected to be raised.

MR. CHERNIACK: Mr. Speaker, we are making preparations for the possibility of an issue in the month of November; the amount has yet to be determined after further consultation with our fiscal agents.

MR. SPIVAK: A supplementary question, Mr. Speaker. I wonder if the Minister of Finance could indicate that after the West German elections if there is no re-evaluation of the mark whether it would be considered raising the money in West Germany?

MR. CHERNIACK: Mr. Speaker, I've already informed the honourable member that at any time that we go out on a bond issue we - and when I say "we" I mean this government, and I mean the government before this one of which he was a member - investigate the situation and all types of borrowing. I don't know what the situation is today with the French franc and the German mark, but last night I had reason to think rather earnestly about his suggestion that we, or his thought that we should have gone out to the German market at a time when Ontario Hydro, I think it was, did. Nevertheless, our present plans are to look to the United States market.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. LEONARD A. BARKMAN (La Verendrye): Mr. Speaker, my question will be directed to the Minister of Municipal Affairs. The past government in the past has sponsored the annual dinners at the Union of Municipalities' conventions, and in view of that light the Urban Association having begun their convention tonight, will this government consider also sponsoring these banquets for the Urban Association perhaps in the near future?

MR. PAWLEY: Mr. Speaker, I understand that formerly this request was denied insofar as the previous government was concerned; but this matter will be reviewed and an indication will be made in due course in respect to the 1970 convention.

MR. SPEAKER: The Honourable Member for Churchill.

MR. GORDON W. BEARD (Churchill): Thank you, Mr. Speaker. I'd like to direct a question to the Honourable the Minister of Municipal Affairs. Inasmuch as The Pas is being used as an employment centre for northern Manitoba, and the indications in the past few days of the problems of financing their policing, I wonder if government, inasmuch as they have a portion of this cost, or presume to take up a portion of this cost, whether they would be willing to make a statement now?

MR. PAWLEY: Probably this matter may apply more to the Attorney-General, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Radisson.

MR. HARRY SHAFRANSKY (Radisson): Mr. Speaker, yesterday the Honourable Member for Elmwood asked a question of the Minister of Health and Social Services regarding the building of the new Concordia Hospital. He took it as notice. Does he have an answer yet?

MR. GREEN: Mr. Speaker, I didn't have enough notice yet.

MR. SPEAKER: The Honourable Member for Emerson.

MR. GABRIEL GIRARD (Emerson): Mr. Speaker, I'd like to ask the Minister of Youth and Education if he is aware that a number of regulations governing the transportation of students in the rural parts of the province are not clear to either division transportation supervisors or bus drivers; and if he is aware of this I wonder if he'd consider providing more clear regulations in this respect. I understand that Ontario has.

MR. MILLER: Mr. Speaker, I am not aware of the regulations referred to. If the honourable member would speak to me after we get out of the House I'd be glad to look into this for him.

MR. GIRARD: Mr. Speaker, I'd be delighted to.

MR. SPEAKER: The Honourable Member for Ste. Rose.

MR. MOLGAT: Mr. Speaker, I'd like to address a question to the First Minister. Further to his statement of some days ago that no specific assignment had been given by the government to Professor Melville Watkins, can the Minister report whether this is still the case or whether now specific assignments have been given to him?

MR. SCHREYER: Mr. Speaker, I find my honourable friend's curiosity to be most interesting. However, I'm afraid I can't add anything to the information which I have already provided to the House a couple of weeks ago.

MR. SPEAKER: Orders of the Day.

MR. MOLGAT: Mr. Speaker, I take it then that Professor Watkins is not presently on retainer to the Manitoba Government, in any capacity.

MR. SCHREYER: Mr. Speaker, that's what I would assume also.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, my question is to the Minister of Mines and Natural Resources. Could he indicate or give us an answer as to whether or not he agrees with Mr. Ateah's statement that the Lake Winnipeg south end is faced with a possible record flood within a matter of days under certain conditions which he stated.

MR. EVANS: I am not sure whether Mr. Ateah exactly made that statement. At least, that was not my impression. I believe lake levels are perhaps slightly higher than the long term historical average, but this wasn't my impression. But as I indicated earlier, I will be providing members of the House that are interested with statistics on the lake levels and you can make this comparison yourself.

MR. CRAIK: Mr. Speaker, my interpretation of his statement was specifically that a three-day blow would give record heights of water at the south end of the lake in light of the present levels with no wind. His statement specifically was that they would be faced with a record flood if they had a three day north wind.

MR. EVANS: Well this is an opinion expressed by someone who I don't believe is any more expert on it perhaps than I am. Surely if there are high winds and if the lake levels are rather high, then you are going to have some flooding conditions. I just may add though that it is the hope of this government that the Lake Winnipeg control structure which has been discussed and mentioned in past debates will help to alleviate this. This is one of the blessings of Lake Winnipeg control, that we are going to help to improve the situation.

MR. SPEAKER: Orders of the Day . . . .

MR. CRAIK: . . . . whether or not he could advise us as to whether or not this warning that Mr. Ateah gave us at the meeting last night was in fact a valid one and whether there were preparations being taken to accommodate it.

MR. USKIW: Mr. Speaker, I wonder if I might . . . . over the years there has been a noticeable build-up of lake levels, and this goes back some years now. In the fall period it's always common in the area, the south end of Lake Winnipeg, to expect some flood damage and the likes of that. This year the flood waters appear to be consistently at a somewhat higher level than they have been in the past two or three years and I would expect that the statement made in Law Amendments by Mr. Ateah are probably accurate and that it's well founded that this government should be watching the situation.

MR. CRAIK: . . . to the Minister of Agriculture.

MR. PAULLEY: On a point of order. I wonder how long my honourable friend is going to pursue this question. He's been here long enough to realize that statements made by individuals outside of this House do not have to be answered within the House.

MR. ENNS: On a point of order, Mr. Speaker. I believe since the Minister of Agriculture chose to throw some light on the subject of lake flooding that I should be entitled to throw some additional light, or perhaps even the odd sandbag . . . .



MR. PAULLEY: What is the question?

MR. ENNS: No, I intend to make a statement similar to that made by the Honourable Minister of Agriculture. — (Interjection) --

MR. PAULLEY: No.

MR. ENNS: I now ask for leave to make a brief statement.

MEMBERS: No. — (Interjection) --

MR. CRAIK: Might I ask a question of the Minister of Agriculture then. What preparations are his department taking in light of the acknowledgment that he has made that the lake is at one of its worst conditions?

MR. USKIW: Mr. Speaker, I might answer that in this way, that I have the full confidence that our departmental people are fully aware of the situation.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, has there been any specific money set aside in the water control conservation budget to construct temporary dikes or extension of the temporary dikes that we constructed, some 30 miles, during the last high water.

A MEMBER: . . . . put them in wrong place.

MR. ENNS: That may well be. I'm simply asking what they are doing on this particular question?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: I rise on what I would think would be a matter of parliamentary privilege, and that is with reference as to whether or not a member has a right to rise in his place and make a statement. We may give the impression that because a Minister rises to make a statement that it is discourteous of us not to allow the same right to an honourable member; but I believe this is prevailing parliamentary practise. If a Minister makes a statement, then a member on the other side may respond. However, I don't believe that it has ever been a matter of ordinary parliamentary procedure for a private member to make a statement - except by leave.

MR. ENNS: Mr. Speaker, if I may, on the same point of privilege. I would accept and agree with the First Minister's interpretation of what in fact has been the rule in this House. I think he would also agree with me that in stretching this rule somewhat it has been the practice in this House that when a subject matter is under discussion that is of some immediate concern or some past immediate concern to individual members in the House, then this leave is quite often granted - by leave. I asked for leave - it was not granted - simply in the interests of having had the responsibilities at a time of high water around Lake Winnipeg, being in a position to have indicated to the honourable member who seemed to think that this is not a situation for concern, some of the things that we did at that time. So I feel that in the situation that was presented in the House, if a question was directed to the Minister responsible, another Minister because of his past interests rose to make a statement, under those circumstances I think there has been some relaxation of that rule that even private members have been able to make a short statement.

MR. WEIR: Mr. Speaker, if I could speak on the same point of order just for a second. I agree with what the First Minister says except that normally when a Minister is making a statement he is making a statement in relationship to his own department. What we have witnessed today is another Minister rise in his place and make a statement really about another department rather in the knowledge that he has as an MLA for his own particular constituency and his experience in the area, which is accurate; but it really wasn't in the true sense of making a departmental statement as we really recognize it within the House.

MR. WARNER H. JORGENSEN (Morris): Mr. Speaker, if I may add a brief word to the point of order, I believe it is, rather than a question of privilege. For some time I have been concerned about the practice that has been developing in this Chamber on the question of statements. I know how the government must feel about it and I also know the position that it places members on this side of the House in Ministers rising on various occasions without any formal authority to be making statements of government policies and without the opportunity of the opposition to reply to them. I think this is one of the matters that could well come before the committee on rules that is to be set up and a matter that could be dealt with at that committee.

MR. PAULLEY: Mr. Speaker, on the point of order. I was going to suggest to my honourable friends opposite that there is due notice given in Votes and Proceedings of the constitution of such a committee referred to by my honourable friend from Morris. I think

(MR. PAULLEY cont'd.) . . . . that this is a matter that could quite properly be considered by that committee and it may be that past procedures and future procedures may be changed as a result of our deliberations today.

MR. SPEAKER: I believe that it would be in the best interests of the conduct of good business for both sides of the House to adhere more strictly to the rules and also in my capacity as speaker, to enforce the rules of the House, perhaps at times with greater rigidity than I have been accustomed to the last while. The Honourable Member for Roblin.

MR. MCKENZIE: Thanks, Mr. Speaker. Before the Orders of the Day I would like to ask the House Leader how many more bills we can expect this session?

MR. PAULLEY: I must confess Mr. Speaker, that I did say four the other day, but we are developing so rapidly in Manitoba that I'm afraid that I must give the same answer, that there may be another four bills coming into the House.

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

MR. GREEN: Mr. Speaker, on August 29, 1969 I was asked a question by the Honourable Member for Fort Garry and he pursued it the other day. The question was: can the Minister advise the House whether it is true as reported recently in a Winnipeg newspaper, where federal grants in the field of housing are concerned, in Ontario the Federal Government provides the equivalent of \$10.00 per person for housing, compared with only \$5.00 per person in Manitoba.

We have now obtained the statistics on this, Mr. Speaker, and we find that the Federal Government provided \$5.60 per capita in Manitoba as against \$23.52 in Manitoba for housing.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, I thank the Minister for that information and I wonder if I could add a supplementary question to the original and ask him if he has any explanation or knows of any explanation for that situation?

MR. GREEN: The explanation would appear to me to be that the government that was in power in the Province of Manitoba from 1964 to 1967 did not feel it in their interest to make use of the federal government housing program, because any government that wanted to make use of them could; and upon making use of the program money came for housing. The Province of Ontario did it.

MR. SHERMAN: A further supplementary, Mr. Speaker. Can the Minister advise as to whether it is still possible to take advantage of that program or has the mortgage been foreclosed?

MR. GREEN: No, Mr. Speaker, the provisions of the federal programs with regard to housing in particular are still in effect and we have instructed our housing corporation that we wish to be making much more use of the program than was made use of in the past.

I would also indicate to the Member for Ste. Rose who asked the question as to whether in the \$6 million allocated for capital estimates, whether part of it was going to go to remote housing. At that time I told him I thought so. I have now ascertained that part of those monies are for the remote housing program that was put into effect by the previous administration; and as the member knows, we haven't done a great deal to those estimates. I'm hoping that we will do far more to the estimates during the next session.

MR. SPEAKER: The Honourable Member for Ste. Rose.

MR. MOLGAT: Mr. Speaker, I would like to address a question to the Attorney-General. I believe the question was asked of him yesterday regarding police services at The Pas. He indicated he expected to meet with the Mayor of The Pas. Has he any further report to make on the situation there?

HON. AL. MACKLING (Attorney-General)(St. James): Yes, Mr. Speaker, I met with the Mayor. I can advise at this stage that I tried to communicate with the Mayor in the forenoon, I was unable to do so, but temporary additional police will be made available the beginning of the week.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, my question is addressed to the Minister of Health and Welfare. I have the Return of the Order of the House and I'm sure there will be other questions, but there is one question I think is rather pertinent. He has indicated in the Return the amount of money paid out each month by the Medical Health and Service Insurance Corporation, but does the amount that's represented indicate the total amount of the billing for the month or is this only a percentage of the billing?

MR. GREEN: Mr. Speaker, I would have to take that question as notice. But let me say that even if I was able to give the member the answer that it represents the total billing, it still might not represent the total amount of services for which a medical doctor could bill; therefore you would not have the answer to your question.

MR. SPIVAK: Mr. Speaker, a supplementary question. I recognize this but I think it would be pertinent and if the Honourable Minister will obtain and take the question as notice, that we know whether this represents a percentage of payment of total billing for the month or the payment for the total that is billed in that month.

MR. GREEN: The member should be aware that to my knowledge the corporation pays 100 percent of our fee schedule - pays 100 percent of the doctors' bills. Whether it represents payment of the total amount for which doctors' billed, I can't say at this time.

MR. SPIVAK: Mr. Speaker, again to the Honourable Minister. There is an assumption - this is only assumption and I address it to him. This is the last one - for the benefit of the House Leader.

MR. PAULLEY: I hope so.

MR. SPIVAK: Well I hope so too. The assumption by many doctors that they are not being paid their full percentage of their billing, that the insurance corporation is only paying each month a certain portion of their billing. If this is the case, then this figure does not represent accurately the full, although that was not what was requested, but the full actual cost.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, several days ago I directed a question to the Minister of Health and Social Services with respect to whether or not there was any health hazard in the pasteurization in the dairy aspect of the Headingley Jail Institution. There's been some reports come to me that there was some difficulty. Has the Minister been able to undertake any investigation in that matter?

MR. GREEN: Mr. Speaker, I did discuss it informally and got a negative response, but I have asked that it be looked into more carefully because I know the Honourable Member for Lakeside wouldn't just be asking a question without some basis to it. So I have asked them to look into it again.

MR. ENNS: Thank you, Mr. Speaker. A supplementary question. Could the Minister perhaps in his - I detect a degree of generosity this afternoon in his response to me, and while he is in this mood could he maybe undertake to supply the House, or to me personally, because I am interested as you know, as I am very close to cows - could he supply me personally with the Inspector's report. I understand there's an inspector's report.

MR. PAULLEY: In what capacity?

MR. ENNS: As an MLA if nothing else.

MR. GREEN: Mr. Speaker, I'm not about to be that generous.

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

MR. GRAHAM: Mr. Speaker, I would like to address a question to the Honourable Minister of Tourism and Recreation. This question has to deal with the Grey Cup Float. I was wondering if the Minister could inform this House if in fact Mr. Jim Champion or Mr. Tom Berger have been hired as technical advisors on the building of this float?

MR. BURTNIAK: . . . .

MR. SPEAKER: The Honourable Minister without Portfolio.

MR. PETURSSON: Is it not the custom in this House to recognize achievements by either members of the House or citizens who are in one way or another related to it? I have noticed that in the Free Press published just a week ago that a local man, a local group of men, have recently, in the language of the record makers, they have "cut a record" in Minneapolis. One of these three men is not unknown to members of this House, because he has and still is, a television reporter who works for CJAY Television - Channel 7. He is the man who sang the lyrics on this one record that was cut in Minneapolis and has been given Canadian distribution and of course in United States as well. His name is Michael Scholl. Associated with him were Norman Lampe and Richard Coates. He was accompanied, musically, by members of the Minneapolis Symphony Orchestra and he proposes in association with these same men, to cut now an album which will also have distribution.

This is recognition of men who live here in Winnipeg and who are probably making a name for the City as well as for themselves. The single record that was originally cut I think could be dedicated to this House and members in it. It is entitled "Each Time I Close My Eyes."

ORDERS OF THE DAY

MR. SPEAKER: The adjourned debate. The proposed motion of the Honourable Minister of Finance and the proposed motion of the Honourable Leader of the Official Opposition in amendment thereto. The Honourable Member for Ste. Rose.

MR. MOLGAT: Mr. Speaker, I want to join with the Leader of the Opposition in congratulating the Minister of Finance on this his first budget. As the Leader of the Opposition indicated last night, there are a number of "firsts" in the course of this session. I find that in this particular area I am not in the first category, however, because the Minister of Finance and I shared over the past few years the pleasure of replying to the budget speech. I find now that my then colleague in that position is on the other side of the House and I am replying to his budget speech.

In rising to take part in the budget debate I want to compliment the government for deciding to finance the major portion of Medicare costs through income tax. The Liberal Party has for some years now advocated that Medicare be financed on ability to pay; and like the present government we opposed the previous government's system of charging everyone a flat fee. That flat fee applied to everyone regardless of income. In the last Session we proposed an amendment to the government bill so that there would be a recognition of ability to pay. In our opinion the previous policy was neither fair nor just. We believe that the use of income tax makes the Manitoba Medicare Plan more equitable and therefore more acceptable to the majority of our people. It is in our opinion a great improvement over the previous policy, particularly when it's considered that only persons with incomes greater than \$11,300 per year will pay more in taxes than the savings accrued from the 88 percent reduction in Medicare premiums.

However, Mr. Speaker, I want to sound a warning to the Minister of Finance and to the government, a warning about further increases in the income tax without an over-all program of tax reform in Manitoba. There are inequities in many of our taxes which must be corrected if we are to have a fair and balanced tax system in our province. The income tax is the fairest tax we now have because it is based on ability to pay; but even it must be reformed to plug the loopholes which exist and to distribute more equitably the burden of taxation within the structure. We require in Manitoba a complete review of all taxes to develop a more equitable system based on a total concept of taxation, a system which recognizes the relationship of one tax to another and the total impact of taxation on our people. For too long now we have been going along adding new taxes in some areas, granting relief in other areas without an over-view of the total impact of our policies. Too often the relief granted in one area is offset by taxes in another. Mr. Speaker, I am well aware that our tax reform program cannot be implemented in full until we generate new economic activity in Manitoba; but the process of overhaul must begin now, both in the fields solely under our jurisdiction and in those we share with the Federal Government. We cannot afford to continue to simply impose taxes because we need more money without relating the effect of those taxes on the Manitoba economy.

Dealing specifically with the proposed provincial income tax on individuals, it's interesting to hear the government explain that it represents an increase of only 5.7 percent in the total amount of federal and provincial income tax now paid by Manitobans. And there's no denying that this is an accurate figure and that it is an easy way of calculating the impact on individuals in dollars and cents. If a man pays \$1,000 in federal tax, or federal and provincial tax, the additional cost is going to be \$57.00. But we must also consider the increase in terms of what it means to our own provincial tax rate without including the federal tax which really is a separate matter entirely, because that's the federal tax vacated by Ottawa and returned to the provinces, not a tax imposed by the provinces. Manitoba is one of five provinces which levies an additional provincial tax on top of the basic 28 percentage points turned over to all provinces by the federal government. At present Manitoba, Saskatchewan, Alberta and Newfoundland levy five additional percentage points giving us a total provincial income tax of 33 percent. Only New Brunswick is higher with a total provincial tax of 38 percent. So, in proposing to raise our provincial tax in Manitoba by another 6 percentage points we are making our provincial tax in Manitoba the highest in the country - 39 percent. This represents an increase of 18 percent in the total provincial tax rate on individuals. Or, so far as the tax settled by the Manitoba Government and applied by the Manitoba Government, an increase of more than double, from 5 percent to 11 percent. That's the additional tax levied by Manitoba.

(MR. MOLGAT cont'd.)

Mr. Speaker, I'm not using these figures in a critical sense but to illustrate our relative position to other provinces. We must keep in mind that that relative position is important because we are not living in a vacuum; we are living in a country made up of ten provinces. If we are going to attract people to Manitoba we must keep in mind our relative position. Of course it can be argued that our higher income tax rate must be balanced against our substantially lower Medicare premiums, and this is certainly done. By the same token, if we are going to retain our trained people and attract new people to Manitoba, any further adjustments must be made within the framework of an over-all tax policy which is both fair and equitable. Now it would be easy to pass over this question as many people do by simply saying, well we'll tax the rich and be done with it. But the unfortunate facts of life in Manitoba, Mr. Speaker, are that there are simply not just enough rich people to make a simple transfer of taxes from the bottom to the top of the economic scale.

The Minister of Finance gave us the other day some startling statistics in his budget address, when he noted that 43.5 percent of the people filing income tax returns in Manitoba in 1967 -- 43.5 percent had gross incomes under \$3,000.00. It is even of more concern when you consider that west of the depressed Maritime provinces Manitoba has a higher percentage of people in this bracket than any other province and we are well above the national average of 37.6. But examining the Manitoba figures further we also find that only 4.9 percent of the people filing income tax returns have earnings of \$10,000 or more -- 4.9 percent over the \$10,000 bracket. So this means that by far the largest number, 51.6 percent, earn between \$3,000 and \$9,999.00.

It is also interesting to examine the distribution of income tax within these groups. Those earning under \$3,000 pay 5 percent of the total income tax collected in Manitoba. Those in the \$10,000 and over category pay 38 percent of the income tax; and those in the middle, those between \$3,000 and \$10,000 pay the largest share of all -- 57 percent of the total tax. There's no question that ability to pay is the fairest principle we've devised in the field of taxation and that we should continue to rely upon it more and more. But at the same time, Mr. Speaker, we're only fooling ourselves and the public if we leave the impression that tax policies can be designed to raise the bulk of our revenue from the rich, as the figures I gave demonstrate there just aren't enough of them in the Province of Manitoba. The largest group, those with middle incomes, will always be the ones from whom we will raise the bulk of our revenue. That is why it is important that we introduce greater equity in our income tax laws and that this be part of an over-all program of tax reform which does consider the total impact of all our taxes.

There's another aspect of the government's proposed tax changes which requires serious examination. I'm referring to the proposed new income tax on corporations, or increased income tax on corporations, and the effect that this could have on economic development in Manitoba. In the case of individuals, the proposed tax increase is offset for most people by substantially lower medical premiums. In the case of business, the increase from 11 percent to 13 percent in the provincial tax on corporate profits is also an increase of 18 percent, but it is a new cost in its entirety without the benefits that accrue to individual Manitobans from lower Medicare premiums. Now let me make it very clear I am not here to champion big business; on the contrary, I firmly believe that business must bear its fair share of the cost of government. Furthermore, I believe that business recognizes the responsibility to the community at large. I noticed the Minister of Health and Social Services shaking his head in disapproval at that comment, Mr. Speaker. I still believe that this is so. What concerns me however is the question of whether this proposed tax will seriously impede our ability to attract new industries to Manitoba and our ability to retain existing industries.

Now Premier Schreyer claims to recognize the need for industrial development and productivity. He has made several speeches since he's become the Premier of this province specifically in this area. Just as recently as eight days ago -- and I take this from the Government News Services -- speaking to a group of sales and marketing executives, this is what the Premier had to say and I quote directly. "There is nothing more important in developing the economy of Manitoba and in providing a better quality of life for all Manitobans than our ability to produce and sell an increasing volume of Manitoba merchandise in world markets." I heartily concur with this statement. But, Mr. Speaker, it is not good enough to simply state this, to simply make statements of this kind to business executives. If this is really the view of the government, it must do more than make pious statements; it must take the appropriate action

(MR. MOLGAT cont'd.) . . . . to make this happen.

The question facing this House is whether this budget is the right action to achieve the Premier's stated intentions. New industries mean new jobs for our people and therefore new wealth for our economy, both in terms of the commerce that this creates as well as in terms of broadening the base from which all types of taxes are collected. The basic provincial corporation tax in Canada is 10 percent. Manitoba currently levies one additional percentage point making our total 11 percent. By increasing our rate to 13 percent we are tripling the additional tax we levy and rating ourselves, along with Newfoundland, as the heaviest taxers in the country. Four other provinces levy only the basic rate of 10 percent, while neighbouring Saskatchewan and Alberta levy 11 percent, Ontario and Quebec levy 12 percent.

Now the government's proposal, as well as being considered in terms relative to the other provinces, must be considered I believe in the context of the TED Report which set the targets for economic development in Manitoba to create new job opportunities for our people. TED warned that the present level of taxation on industry should be regarded as a maximum level and said that any increase may tip the balance of acceptance, particularly if it places Manitoba at a competitive disadvantage in relation to other provinces. The question we must ask ourselves is whether the new tax on industry will in fact tip this balance. In other words, will the short-term advantage of higher revenues from existing industries be a long-term disadvantage in attracting new industries to Manitoba, thereby cheating Manitobans out of a broader tax base to help finance public spending programs. TED made clear that Manitoba's only real hope for the healthy growth of tax revenues lies in the growth of the tax base provided by industrial expansion. I recognize the problem in which the government finds itself, but there must be a decision here as to whether the government rejects the TED Report, which is after all the latest review that we have of Manitoba's future, or whether the government is simply going along adding new taxes without any over-all policy.

It's imperative, Mr. Speaker, that we not allow partisan politics to influence in any way our approach in this House to the important question of industrial development. On the contrary, the Liberal Party suggested last Session that there be all-party participation in this important field through the formation of a standing committee of the Legislature on economic development as recommended by TED. We are pleased that the new government plans to proceed with this recommendation, because, Mr. Speaker, this to me overrides any partisan political consideration. If we fail in this field we fail all of our people.

It is our considered opinion, Mr. Speaker, that the proposed new corporation tax should not be passed at the current Session of the Legislature but instead should be referred to this committee for careful and thorough evaluation between Sessions to determine the probable effect on economic development in Manitoba. It is our view as well that the committee, which would be able to draw on the best expert advice available, should be instructed to report back at the next Session early in 1970 in time for appropriate action to be taken before the beginning of the fiscal year which starts April 1st. At present we have no way of knowing what effects the tax will have on development in this province. We don't know whether it is reasonable, too high, or the wrong approach, but it is important that we make a decision that is in the best interests of Manitoba. It must be remembered that unlike other provinces, some other provinces, Manitoba does not have a highly advanced industrial economy, not as highly advanced as Ontario, British Columbia and Alberta for example. Ours is a developing industrial economy. We require policies that will speed up our industrial growth for the benefit of all Manitobans and we must be vigilant to avoid policies which will in any way retard this growth.

I want to point out, Mr. Speaker, as well to the government, and to the First Minister in particular, that the eyes of Canada are on the new government of Manitoba, and that many industries and developers are waiting to see what policies it formulates before deciding on the investments they are prepared to make in Manitoba. I believe that the First Minister at this time has great credibility, but I warn him that those statements which people are prepared to accept must be followed by the right actions, and I warn as well, Mr. Speaker, that the credibility of this government will be seriously harmed by statements such as this one which appeared recently in a newspaper: "Briefs proposing public ownership given approval," and the story is, and I quote from the third paragraph -- it's regarding a Winnipeg South New Democratic convention or meeting: "The resolution presented by Cy Gonick, NDP Crescentwood, had to be changed to a more moderate tone before it could be passed." Had to be changed to a more moderate tone, Mr. Speaker, and it was passed recommending public ownership.

MR. CY GONICK (Crescentwood): . . . .

MR. MOLGAT: Oh, in other words, full-blooded socialism. Right . . . hilt, complete and social nationalization. Well, if my honourable friends prefer it that way, Mr. Speaker, that's their choice. And, Mr. Speaker, I want to make it clear to the Honourable Member for Crescentwood, and while I have asked many questions about him of the First Minister, I respect his right to think as he does - that's democracy; and I don't question his right to think as he does; but Mr. Speaker, I want to have it clear to the people of Manitoba and to the people of Canada as to what the government really stands for, because my honourable friend the First Minister, when he's telling industrialists that he knows that we require industrial expansion and so on, and he knows what needs to be done, at the same time as he's appointing someone who thinks - and his right to think I repeat - but if he's appointing him to key positions within the government, then, Mr. Speaker, I have some doubts about what really the government stands for, and I warn the government that unless they are very careful they will lose completely their credibility. Better, if they intend to be socialists, better they simply declare that that's what they are . . . .

A MEMBER: Some are and some aren't -- just like the Liberal Party in the House.

MR. MOLGAT: Mr. Speaker, I don't know, but I warn the government that unless we're very careful in this whole question, this whole question of development, that we are going to be in some serious problems in Manitoba, and Mr. Speaker, I believe that the suggestion that I put forward today on behalf of the Liberal Party, that this be referred to the standing committee the government proposes to set up, would help allay the fears of potential investors. It would demonstrate in clear terms that we want new industry in this province and that we're prepared to act responsibly to ensure that industry pays its reasonable share but is not treated unfairly. On that note, Mr. Speaker, I'd like to return to my earlier comments about the need for a program of complete tax reforms in Manitoba.

There's one specific area that needs immediate attention. -- (Interjection) -- Yes -- the First Minister says we need national tax reform. I agree. I agree. We need provincial tax reform; we need municipal tax reform, and that's the one I'm coming up to - the tax on property. It's disappointing to me and a matter of concern that no mention has been made by the government of changes in this tax. For most people, especially those on low and fixed incomes, it is the most crushing tax of all. It has skyrocketed in all parts of Manitoba during recent years. This has been due to the fact, largely, that property is the chief source of revenue for the financing of education, and yet there's absolutely no rhyme or reason for education costs to be assessed primarily against property, because education is a service to people, not a service to property.

It's disappointing as well that this government, like its predecessor, has failed to correct inequities in the five percent provincial sales tax. This tax must be removed from at least the following items: children's clothing, used clothing, shoe repairs, certain school supplies, and essential supplies like soap. I remind this government that when we proposed such changes in the past they agreed with us, and I see members who sat before nodding their heads in approval. Well, Mr. Speaker, now that they are in government, the people of Manitoba expect action from them, but there wasn't a word in the budget. I recognize, Mr. Speaker, that the government will say, "We haven't yet had time," and I think we can say responsibly that the members of my group have been realistic of this and have not been unduly critical of the government on that score.

I want to turn now to the question of federal-provincial relations, and we certainly welcome the new government's announcement that it will approach the full range of federal-provincial discussions constructively in the spirit of cooperation. This represents a marked reversal of the previous Provincial Government's obstructive and highly partisan approach which could not help but be detrimental to Manitoba in the end. However, Mr. Speaker, I disagree totally with the government's position with respect to the estate tax, and I was disappointed with the First Minister's statement in this regard. Instead of rebating the provincial portion of these taxes like Alberta and Saskatchewan have done, the government has merely said that it is going to include them in the list of things it wants to discuss with Ottawa. Mr. Speaker, the Liberal Party, both before the election, before the by-elections in fact, before the general election, during the election and since, has had a consistent policy. I welcome my honourable friend the Leader of the Opposition in his support to the policy now. I found that his group were not quite as enthusiastic in the past when they were in government, but

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(MR. MOLGAT cont'd.) . . . . last night they were squarely in favour. Now we believe, Mr. Speaker, that the estate tax rebate can be used effectively as an instrument of economic development in Manitoba. That doesn't mean that I disagree with the First Minister on the philosophy of the estate tax rebate or the estate tax, but Mr. Speaker, we're not in a position where we simply have to discuss the philosophy, because we don't control what Saskatchewan and Alberta does. If the Federal Government were to maintain their estate tax across the country, then we'd all be in the same boat, but that's not the basis on which we find ourselves in Manitoba now. We find ourselves with two neighboring provinces competing with us, and in a number of areas competing with us with greater advantages than we have, for it.

. . . . . Continued on next page.



MR. GREEN: Would the honourable member permit a question?

MR. MOLGAT: Certainly.

MR. GREEN: Mr. Speaker, would the honourable member not agree that even if the Federal Government did what he is suggesting, that any province which chose to do so could offer a financial incentive to somebody entering the field, and we're back in the same boat?

MR. MOLGAT: Yes, technically that is correct, but if my honourable friend says, if my honourable friend says that, then technically any province could say to anyone: well, we're not going to collect any taxes; whatever taxes Ottawa collects we're going to rebate to you in any case. I don't think that is the -- (Interjection) -- that's right -- the government accepts the idea of incentives. They accept the proposition of incentives . . .

MR. GREEN: Mr. Speaker, would the honourable member again permit a question? Would he not agree that any provincial government is always in a position of bidding for a particular investor or a particular person to come in on any basis, and the estate tax is just one form of such bids, that the number of bids are not technical but they belie the imagination; that any number of bids could be made on that basis and it would cost \$4 million which, financed by my honourable friend the Leader of the Opposition's method of financing, would mean \$17.00 to every family in the Province of Manitoba. Does he not agree with that?

MR. MOLGAT: No, Mr. Speaker, I don't agree with him, because when you're competing, you compete with other people on the basis of the situation that exists, and at the moment the Province of Alberta and the Province of Saskatchewan are saying, in the case of the estate tax in this specific area we are going to do some such a thing. My honourable friend says . . .

MR. GREEN: . . . you don't let them put you on the spot.

MR. MOLGAT: Well . . . I don't mind being interrupted. When my honourable friend makes his statements, I'm quite prepared to allow him to carry on then. I think in this area here, if he wants to ask me some further questions that will be fine, but, Mr. Speaker, if we are faced with Alberta and Saskatchewan giving these rebates, I think that the Province of Manitoba has to make up its mind that either it competes on the same basis or it has another more attractive alternative. Well, if the alternative is what I hear from my honourable friends, that they're going to have nationalization, I hesitate to see that as the attractive alternative, Mr. Speaker.

In this area, I think that competing on that specific basis has an advantage to us because it hits exactly the people who are here now who have a pool of capital in this province, who are in the position, because they are resident here, to be more likely to invest here. It will also tend to attract pools of capital from elsewhere. As a third advantage, that with the three prairie provinces on the same basis, we would then be in a position to break up some of the wealth concentration in eastern Canada and balance out what I consider to be in many areas an unfair economic advantage. And so, Mr. Speaker, I believe that the government should be moving in this area.

At the municipal level, I think that we must consider whether the property tax alone still gives local councils the financial elbow room they require, or whether provincial-municipal tax-sharing agreements are logical in certain fields just as we now have federal-provincial tax-sharing agreements in Canada. At the federal level, we must propose changes to plug loopholes which give tax advantages to some and thereby make the system inequitable. By the same token we must propose changes in other areas to assist those who now have a tax disadvantage. If businessmen are permitted to deduct legitimate expenses for entertainment, why should working mothers not be allowed to deduct baby-sitting expenses?

To sum up, Mr. Speaker, there are four broad guidelines that I would recommend to the Provincial Government as being essential to tax reform, and I make it clear, Mr. Speaker, that I'm speaking about broad tax reform. I give these examples as inequities. No. 1: We must redistribute the burden of taxation. No. 2: We must negotiate a better deal for Manitoba in federal-provincial fiscal arrangements to reflect regional differences and disparities, and I don't believe that these are still properly recognized in Canada. No. 3: We must create new economic development at a much faster pace with positive policies and leadership. And, No. 4: We must review all existing provincial programs and have the courage to discontinue those which are no longer required, to ensure that we are getting the best value for our tax dollars. We can't go on indefinitely adding new programs to government spending without eliminating programs which no longer fit or which no longer have the same priority. All governments must recognize that there isn't a bottomless pit from which taxes can be raised. The Federal

(MR. MOLGAT cont'd.) . . . . Government has now recognized this fact and is showing the way in the control of expenditures. We must do the same at the provincial and municipal levels.

When the previous government's \$377.8 million budget for the current fiscal year was brought down last April, I pointed out at the time that it represented an increase of about 349 percent over the 1958-59 fiscal year, and now we have supplementary estimates from the new government which add another \$20.5 million, bringing the total cost now to 398. We already know that the cost of reduced Medicare premiums for a full fiscal year will add another 17 million to this total. The new programs that the new government may be considering, I don't know, but we could easily be with a budget of \$450 million in fiscal 1970 and '71. Mr. Speaker, there's no denying that we must keep this province moving ahead, and that this may mean new expenditures, but we must also learn to live within our means and constantly review existing programs to eliminate those which are outdated or no longer necessary, or do not have an equal priority to others. We may not be able to do everything that we want in the one year.

Now, there's one further matter I want to deal with on the budget, and that is the estimates of revenue which have been given to the House by the new government and its predecessor. On this one I address myself particularly to the Minister of Finance, who I hope will correct my figures if they are wrong and confirm them if they are right. First, the figures produced by the previous government estimated that the 33 points now levied by the province on individual incomes would raise \$67 million in taxes or about \$2 million per point in the current fiscal year -- 33 points raising 67 million. Next, the supplementary estimates introduced by the new government revised the estimated revenue from individual income tax up to 78.2 million, so this meant a total of 2.4 million per point. Now, the third step; in proposing an increase from 33 to 39 points in the individual income tax, the new government has estimated that the six additional points would raise about \$20.7 million in total. Now, by division, I get a total of 3.5 million per point if the current growth rate continues. -- (Interjection) -- Yes, if there's an explanation, certainly.

MR. CHERNIACK: . . . the honourable member invited the explanation. I explain that the figure of 20.7 million came about on a calculation of the expectation that the growth that we experienced last year would be repeated next year. The actual figure, I think, is 2.4 million and that total times six should be 14.5 million. That would be what I indicated the minimum if there was no growth at all. If in 1970 we got exactly the same income tax as we got in 1969, it would be 14.5; if we had the same growth factor applied it would be 20.7; and I suggested that somewhere in between was a more realistic approach.

MR. MOLGAT: I am sure my friend the Minister of Finance isn't suggesting that, with his new government having come in, the growth rate is going to be any less in the coming year, is he? I would expect that my honourable friends would not be suggesting that we would find ourselves with less growth with their being in office, and if this is so, and we can expect that the growth will continue, then the six additional points would raise 20.7 million if the growth rate continues, so the alternative is for our friends to admit that under their government the growth rate will not continue or -- (Interjection) -- it will continue, and we will get 20.7. Well then, the high figure, shall we say, will be 20.7, the low will be 14 - I'll settle for something let's say about 18? It's still a substantial drop from previous growth. However, be that as it may.

And we find the same thing, Mr. Speaker, in the case of the corporation income tax because the former government estimates that 11 points would raise 27.5 million, or roughly 2.5 million per point. The new government revised the estimate, first of all, to 29.6 million which raised it to 2.7 million per point. Then, when proposing to increase from 11 to 13 points the provincial tax, provincial corporation tax, the new government estimated that the additional two points would raise about \$8 million in total, or about \$4 million per point. The Finance Minister says on the same growth factor. Again I say to him: does my honourable friend, will he stand up in this House and say that he expects the growth to be less in the coming year than it was in the past year?

MR. CHERNIACK: Do you mind telling me what's going to happen in the farm policy, farm problem?

MR. MOLGAT: My friend is now in the government. He's the one who should be making projections. So, Mr. Speaker, if he's made a projection for certain calculations of \$4 million per point - which is his suggestion, not mine - I am glad to see that he confirms that if the same growth rate goes on this is what we will get. Now, Mr. Speaker, these are rather

(MR. MOLGAT cont'd.) . . . . phenomenal increases. I know that the previous government had a habit of under-estimating revenue at times, and I would hope that the new government isn't over-estimating revenue in order to produce balanced budgets which might later turn out to be deficits. My honourable friend is urging to get up, I think. Maybe when he's making his reply he can deal with it.

Now, using the new government's projections therefore, Mr. Speaker, and I accept the statement based on continuing growth next year, the same as this year, we can expect on the basis of the new tax figures that we would raise something in the order of \$136-1/2 million on individual income tax and about \$52 million from corporation income tax, or a total of about \$188-1/2 million. Well, this is based on the figures of my honourable friend. If he agrees that 4 million is correct on the basis of a continued growth per percentage point on the corporation tax, and if he agrees that 3.5 million is correct on the individual per point based on continuing growth, then those are the results.

A MEMBER: Hope you are right.

MR. MOLGAT: Well, my honourable friend can make the calculation. This is what we have checked, Mr. Speaker, and this is what we get - now again admitting that this is based on continuing growth as great as last year. So, Mr. Speaker, I accept the government's figures. It indicates an increase of income in the next year just from these two taxes without considering other increased revenues - for example, I believe the liquor revenues just indicated an increase of some 2 million, did they not? So just on these two taxes, however, an increase of some \$80 million in a full fiscal year, unless . . .

MR. CHERNIACK: Will the honourable member permit a question?

MR. MOLGAT: Certainly.

MR. CHERNIACK: Is the honourable member not fully aware of the fact that the figures provided in the estimates, both the main prepared by the previous government and the supplementary prepared by us, are actual figures received from the Federal Government and not translated or conjectured in any way?

MR. MOLGAT: Yes I realize, Mr. Speaker, that based on the true calculations, the first two, and this is why I broke down my figures into three steps. First, what each point produced based on the figures of the previous government; then what each point produced based on the revised estimates of my honourable friends; then what each point produced according to the Minister of Finance when he indicated what he thought would be produced in the following year. Now it's his, well it's his projection of the figure that he has obtained from Ottawa. Is this accurate? -- (Interjection) -- Well, my honourable friend -- I'll be happy to have his calculation if it's different. Very happy to have it if it's different, Mr. Speaker, but that isn't what an analysis of his statement shows. So I gather then, Mr. Speaker, that we can expect a very substantial increase in revenue next year.

Now, Mr. Speaker, I serve notice to the government that it had better not come back to the House next session crying for more money. With the kind of revenue projections that we have before us from the Minister of Finance's figures, there should be no need for tax increases in Manitoba for some time to come, nor should there be any excuse for delaying vital tax reforms, which should proceed quickly and without hesitation at the next session.

Mr. Speaker, early in this session we served notice on the Throne Speech debate, that we would provide a responsible opposition and that we were prepared to give this government a chance to judge it on its performance. It was for this reason that we did not present the traditional non-confidence motion at that time and also because we found that most of the matters proposed in the Throne Speech were identical to proposals which the Liberal Party had been making over the years. Dealing with the budget, we also find ourselves in agreement with the ability-to-pay principle on which this government proposes to build its tax policies, a proposal that the Liberal Party has been making for years. Where we find ourselves differing sharply with the government is over some of its taxation policies which are being proposed without adequate consideration of their effect on economic development in Manitoba. We have outlined these concerns in this reply to the Budget, and I repeat, Mr. Speaker, that our concern is the welfare of Manitobans; that Manitobans have well-paying jobs; that they have an opportunity for growth and development in this province. Mr. Speaker, if the government is prepared to accept our constructive proposals in the spirit in which they have been given, we are prepared to continue our support for it in the House at this time and on this issue, but if the government decides to disregard the possible effects of its policies on the economic

(MR. MOLGAT cont'd.) . . . . development of our province, it will leave us with no choice but to oppose it in the strongest possible terms on this very vital issue. We propose to amend the amendment, Mr. Speaker, to make it positive and constructive instead of negative.

I therefore beg to move, seconded by the Honourable Member for La Verendrye, that the amendment be further amended by deleting all the words after the words "this House" in the first line of the operative section thereof, and substituting therefor the following words:

"1. Requests the government to refer the proposed increase in the provincial corporation tax to the proposed Standing Committee on Economic Development for study of its effect on economic development in Manitoba, with a full report and recommendations to be made to the next session of the House.

"2. Requests the government to immediately undertake an overall review of taxation in Manitoba, leading to a program of complete tax reform which will be more equitable for the individual and foster greater development in the province."

MR. SPEAKER: If any members wish to speak on the point of . . . It is not my intention to put the question at this time. I am concerned about the propriety of the admissibility of this amendment, and on that point I would allow comment. It is my intention to take it under advisement.

MR. MOLGAT: Oh. Well, Mr. Speaker, if I may, on a point of order, I will admit that the amendment is not couched in the normal terms of a want-of-confidence motion, but I think it is perfectly in order in that by the original motion by the Leader of the Opposition, deleting all of the words in the initial motion by the Minister of Finance, that it formed, by that deletion, an actual motion which was non-confidence by its very action of deleting the first motion, and that any amendment then, unless it is contrary to or absolutely in opposite form, is acceptable even though it is couched in positive terms rather than in terms of regret, and I think that there are precedents where we have made amendments previously of a positive nature, not simply expressing regrets as such.

MR. PAULLEY: Mr. Speaker, I . . . one does not interfere with the propriety, if you so desire, of taking a look at the amendment, but I would suggest that if this is your intention that no member be deprived of speaking further in the debate this afternoon. That would have to be by leave, of course.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker are we not out of order in allowing persons to speak under that situation?

MR. PAULLEY: By leave, Mr. Speaker, as I indicated we can do whatever we like.

MR. GREEN: Mr. Speaker, to follow up what the House Leader said, in view of the limited number of days that are devoted to a budget speech to date, if you take the matter under advisement and somebody else wishes to speak, he may be deprived of his right to speak merely because the matter is being held, and what my honourable leader has said is merely that by leave anybody wishing to get in on the budget speech debate be permitted to do.

MR. GORDON E. JOHNSTON (Leader of the Liberal Party) (Portage la Prairie): . . . on a point of order, Mr. Speaker, if any member of this House speaks while you have the sub-amendment under advisement, then they do not have the right to move a further amendment, so that if they speak they speak without this right, which I hardly think is proper. I would think, Mr. Speaker, perhaps you and the Clerk should take a 10-minute recess and decide the question.

MR. PAULLEY: . . . Mr. Speaker, that as I indicated that by leave we could do, and allow somebody to speak, and I agree with the Honourable the House Leader of the Liberal Party that nobody should take advantage of the leave being granted to bring in an amendment to preclude the consideration of the amendment now proposed by the Honourable Member for Ste. Rose, that on that understanding that leave be granted, and I would regret very much if anybody took that advantage and brought in an amendment to preclude the consideration of the amendment introduced by the Member for Ste. Rose.

MR. MOLGAT: Mr. Speaker, there may be another alternative, if the House were to agree unanimously that while the matter is under advisement it not be considered days in terms of our rules, and simply that when the Speaker reports back we proceed from there.

MR. PAULLEY: I am sorry, Mr. Speaker, I don't think we could accept that proposition. We are prepared to accept the other one. Maybe nobody wishes to speak.

MR. GREEN: It may be all hypothetical. Maybe nobody is intending to speak at this time, Mr. Speaker.

MR. RUSSELL DOERN (Elmwood): Mr. Chairman, I believe the Member for Flin Flon does intend to speak on that question.

MR. JAMES H. BILTON (Swan River): Mr. Speaker, I think we're heading for squalls. If you are giving any thought to taking this matter under consideration, maybe the matter should end there for today.

MR. SPEAKER: I would be very reluctant to allow debate to continue on this matter, because we are going to get ourselves in the same predicament as we did a few days ago when

MR. PAULLEY: Maybe we have got a better understanding now though, Mr. Speaker - I hope.

MR. SPEAKER: In fact, we would be allowing someone a limited form of debate because I fail to see how one could deal with an amendment which I have not accepted.

MR. WEIR: . . . have kept quiet up to now but I think in view of the fact that it's Wednesday and all we're talking about is an hour and 10 minutes, and that we do have until Monday to debate, rather than take a chance we might be advised, if you want to take it under consideration, to let the matter drop at that. To gain an hour in debate, I don't think is worth getting into difficulties over it.

MR. SPEAKER: As I have indicated to the House a moment ago, I am taking the amendment under advisement and will give my decision when the matter next appears on the Order Paper.

MR. PAULLEY: . . . Mr. Speaker, and I wonder if you would now be kind enough . . .

MR. PAWLEY: I wonder, Mr. Speaker, if a question would still be in order, however, to the honourable member. I believe the honourable member indicated he was prepared to . . .

MR. SPEAKER: If the question is one for the purpose of clarifying some statement that the Honourable Minister . . .

MR. BILTON: Mr. Speaker, if I may interrupt, it may have something to do with the amendment that's being put forward. You don't know what the honourable gentleman may wish to speak about today.

MR. SPEAKER: I would not allow a question on the amendment.

MR. PAWLEY: The question has nothing to do with the amendment. It's in connection with the meat of the address by the honourable member, Mr. Speaker. (Agreed.)

Mr. Speaker, I noted the comments of the Honourable Member to the effect that he felt that the government was in error not, at this session, indicating a rebate of estate taxes. He felt that certain other provisions in respect to the sales tax should be changed. He also condemned the fact that the government at this session had failed to take provisions in respect to easing the lot of the real property people in the municipalities by a financial outlay to the municipalities. He also indicated that he was opposed to -- (Interjection) -- Yes, He indicated opposition to the increasing of corporate and income tax and other means of taxation. By what means would the honourable member suggest as a substitute for these measures that he proposed that the government undertake this session?

MR. MOLGAT: Well, Mr. Speaker, in replying to the speech just concluded by the Honourable . . . I presume I'll be given the normal 40-minute . . . Mr. Speaker, I think I made it very clear that my views are that there must be a complete tax approach. The problem has been in the past that we've taken the bits and pieces approach, and at this particular time I have stated that I support what the government has done with regards to the Medicare premiums because I recognize the problem in that particular area, and painful as it is to have to pay an extra amount of income tax, I recognize it has to be done; the money has to come from somewhere. But what I want to see done now is that we go into a full review of the whole structure. I pointed out the inequities in the property tax, the sales tax, the problems of the estate tax. I recognize that they should not be considered purely in a vacuum, and if the government will tell me that they will accept the proposal I have made in this amendment that there will be a total tax review, then I will ask for no further changes at this time until we have the total tax review, which will quite obviously mean, Mr. Speaker, that the money will have to come from somewhere else. I have said in the past that the ability-to-pay principle, and I have repeated it today, is the one that I think is the best, but that you cannot consider it merely in a vacuum, that you have to look at your taxes from an overall package, you must consider them from the impact on the individual and the impact on the economy, and unless you do that on that basis, that your action of today may cost you tremendously in the future and far outweigh any

(MR. MOLGAT cont'd.) . . . . immediate gain, so it must be an overall review. But there's no point kidding ourselves. It's the same 960,000 people who are going to pay. I want to see them pay on a more equitable basis.

#### GOVERNMENT BILLS

MR. PAULLEY: Mr. Speaker, I wonder if you would call the second readings, starting with the adjourned debates on second readings and then second readings of government bills.

MR. SPEAKER: The adjourned debate on second reading, on the proposed motion of the Honourable the First Minister. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Speaker, in rising at this time regarding Bill No. 38, an Act to amend The Elections Act, I want to assure the House that at this time I am speaking as a member, the views that I express are my own views, not necessarily those of anyone else or any particular party.

The amendment to the Elections Act or the changes to the Elections Act which bring the voting age down to a lower figure, raises some concern with me, not in the aspect of the actual lowering of the voting age, but more in the aspect of other fields and the implications that can arise from such action. I'm thinking in particular about our juvenile courts and the practice which is prevalent to some degree today, and I believe it might increase with the implementation of this Act, and this is the practice where juveniles who are legally entitled to the use of a juvenile court are being transferred to the higher courts and being treated as adults, and I, as an individual who is not entirely familiar with the law, I am not in a position to say whether the treatment that is accorded an individual in an adult court is exactly the same as that in a juvenile court or not. I'm not prepared to state whether it is. In fact, I'm not too sure whether even a legal person would endeavour to state that it was or was not the same.

But it does concern me because I have seen some young people who have been tried for their misdemeanours in juvenile courts and I have seen some young people who have been tried for similar misdemeanours in adult courts, and the treatment that has resulted has not necessarily been the same. If in fact we lower the voting age to 18, does this place a greater responsibility on an 18-year-old to act as an adult? We are giving him the right to vote; we are giving him the right to act as an adult in that capacity. Should he then be treated as an adult and treated in a court of law in an adult court. I'm not too sure; and I stated this previously in reply to the Member for Elmwood. I am not a lawyer. I think this is a question for legal minds, but I pose it as a question and I would humbly solicit the opinions of legal minds on this particular question. This is why I feel it is more important than ever that these questions should be answered before this bill is passed, and this is why I'm posing the question at this time.

The implications of lowering the voting age have other far-reaching effects. I dealt only with the question of the legal aspect as it applies to the courts. There are other legal aspects which to date we recognize the age of maturity as being 21, and in this field also I would wonder if the Act should be changed to apply to 18 across the board. As I understand it, this Act allows an 18-year-old to vote but it does not allow an 18-year-old to stand for office. Is there any reason why a person that can vote, is qualified in that respect, should not be qualified to run for office? I can see many implications, and to my mind - and in fact in this House to date - I have not heard from people who are familiar with the law, familiar with the implications of law and the implications of changes in law, on what effect this will have with that group of people, say, in the 18 to 21-year age bracket.

Fundamentally, there are certain young people whom I feel are basically mature at 18. They have, some of them, completed their educational qualifications. They have contributed to society in a most meaningful way, and are willing to accept the responsibilities of society. Then, at the same time, there are others who are still in the process of completing their education, who are still more or less the responsibility of society in this respect and others; they are dependent on society; and I would wonder if this indicates the full maturity of an individual. I believe that this question is one that can't be answered lightly - it should have the benefit of full debate by all members; and at this time, while I personally support the idea, I have some qualifications and I would humbly solicit the opinions of other members of this Chamber.

MR. SPEAKER: Are you ready for the question? The Honourable Member for St. George.

MR. BILL URUSKI (St. George): Mr. Speaker, I move, seconded by the Member from Point Douglas, that the debate be adjourned.

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

MR. SPEAKER: Second readings - government bills. Bill No. 36. The Honourable Minister of Health and Social Services.

MR. GREEN presented Bill No. 36, an Act to amend The Health Services Insurance Act, for second reading.

MR. SPEAKER presented the motion.

MR. GREEN: Mr. Speaker, this particular bill is designed to accomplish essentially three things: First of all, to see to it that the premium reduction that has been made to Manitobans is passed on by employers to their employees. That is, if an employer having a contract in Manitoba with an employee is now paying 50 percent of the Medicare premium, then any savings that he has in the payment of those premiums - and let us take a hypothetical example. If he was paying \$57.00 and now is required to pay -- if the agreement said 50 percent and you followed the words of the agreement, it would be \$6.50 or so. The employer would be required to pay the same amount - that is, the amount of \$13.00 - but the difference between the amount that he is paying and the amount that he originally paid must be passed on to the employee so that the employee gets the savings on the medical care premium. The section that is being added is a supplement to the section that was added last year which is meant to ensure that any savings in premium accrues to the employee. It also provides for the Corporation to be able to tax a physician's account through a patterns-of-practice procedure which provides for an appeal from the Medical Review Committee, and it further provides that doctors wishing to opt in the plan can now opt in immediately and don't have to wait for a period of 60 days. That's essentially the purpose of the bill, Mr. Speaker.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Speaker, I move, seconded by the Honourable Member from Roblin, that debate be adjourned.

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

MR. GREEN presented Bill No. 37, an Act to amend The Social Allowances Act, for second reading.

MR. SPEAKER presented the motion.

MR. GREEN: Mr. Speaker, this bill is meant essentially to clear up a legal difference of opinion. The Social Allowances Act has always been interpreted by the administration as enabling the people who are determining social allowances to take into account any applicant's assets and income. There was a recent decision of the appeal board which said that only the income from an asset could be taken into account in determining a person's worth. That is, if he had \$5,000 in the bank, that one couldn't consider the \$5,000; they could only consider the income from that \$5,000. We don't necessarily agree with the decision but, rather than argue about it, we want to amend the Act to make sure that it says what has been the practice of the department and what we still feel should be the practice: that is, that all income and assets be accountable by applicants for social allowances.

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

MR. FROESE: Mr. Speaker, I move, seconded by the Honourable Member for Churchill, that debate be adjourned.

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

MR. CHERNIACK presented Bill No. 39, an Act to amend The Income Tax Act (Manitoba), 1962, for second reading.

MR. SPEAKER presented the motion.

MR. CHERNIACK: Mr. Speaker, in introducing this bill I might say that I had wanted, when coming to the estimates of my department, to spend a moment in connection with the staff of the Department of Finance, and lest I do not get the opportunity I would like to take advantage now of the opportunity to recognize the competence and the tremendous interest that members of the Department of Finance show in programs and policies of government. I have found that they have a dedication to service to government and a loyalty to government which is non-political - and I deliberately omitted the article "the" when I spoke about loyalty to government - I don't claim their loyalty to this government as much as to government in Manitoba. I find that they are truly professional people who have competence and who serve

(MR. CHERNIACK cont'd.) . . . . the people of Manitoba well. And I am happy to make this tribute to them.

I realize, Mr. Speaker, that by introducing this bill at this time we are liable to have concurrent debates under the budget and under this bill in relation to the same matter of increase in income tax, and of course I will confine my remarks to income tax increase and I presume other members who speak to the bill will also try not to encroach too far on the budget. But I think we must recognize that there is that possibility. For example, the Honourable the Member for Ste. Rose speaking today on the budget enunciated four principles which he felt that should govern this government's consideration of taxation revenue in general, and those four principles I think were well spelled out and should be acceptable to all. The honourable member I believe clearly agreed with the steps that we have taken and are taking, clearly agreed with the fact that the ability-to-pay principle enunciated in the budget speech and in this bill are acceptable, but he warned that we should not go beyond this without having a proper review of the entire tax picture in order to create greater equity in taxation policies.

Of course I agree with that and I point out, Mr. Speaker, that it wouldn't have been necessary to refer to our proposed increase in income tax at this time or at this Session, but that it would have been necessary to call an early Session, by December of this year, in order to carry out this part of the program dealing with increase in income tax, because of the dominion-provincial agreement the notice would have to be given to the Federal Government this year. And that is the reason why we bring the bill now, so it should not be necessary to call a session in December. Those members who were members back in 1966 will recall that a session had to be called early in December, we sat for some two weeks and then we adjourned until some time in January, and the government felt that that was not a good thing to do if it could be avoided.

It was clear, as accepted by the Honourable Member for Ste. Rose, that this was a partial approach to the entire problem of tax reform. And since that was clear we felt it advisable to bring in this bill at this time and also to make it possible for us to relate our reduction in Medicare premium and the flat premium tax to a progressive form of taxation, and that we could relate very clearly by showing that where there was a reduction of \$104.00 in premium there was a corresponding need to find monies out of ability-to-pay taxes to take care of at least that part of the program. And I must of course assure the Honourable Member for Ste. Rose, and other members, that this is a step in that direction as mentioned in the budget speech and one which we felt it necessary to take at this time, but it is only a step and only a part of the total program.

Well, this measure in this bill is being taken to fulfill this government's obligation to the people of Manitoba that the revenue source for financing the Medicare program be shifted from the flat premium tax to a more equitable tax source and we have chosen the progressive income taxes, and the provision of this essential public service, Medicare, will now be related to a financial structure based on the ability to pay.

Under the provisions of this bill, as has been noted, Manitoba's personal income tax will rise from 33 percentage points of federal basic tax to 39 percentage points, and Manitoba's corporation income tax will increase from 11 percentage points of corporation taxable income to 13 percentage points. Under the bill these will be effective on January 1st.

The present revenue expectations for the fiscal year 1969-70, as I've indicated in the budget, have been looked after by the increased information given to us — or the information given to us by the Federal Government of increase. Now I want to stop for a moment on a point which apparently has been misunderstood. The Federal Government makes certain projections about every three months of the tax which will be payable to the Province of Manitoba under the shared agreement. When the previous government prepared its estimates last spring they used the figures which had been supplied to them by the Federal Government. Those were actual projections made by the Federal Government calculations. It had nothing to do with any Manitoba calculations. By this time the Federal Government has a much more educated estimate of the income and has so informed us and stated that we now see, with the time that has gone by and the information that we have acquired, that the tax will be a certain figure in excess of the amount previously estimated. This isn't our guesswork by any means; these are actual figures given to us by those who are in the best position to know.

And I want to point out that when we speak of the increase of six percent and the increase of two percent, and the figures that are translatable from it, the only figures that we can



(MR. CHERNIACK cont'd.) . . . . actually use are the figures which would be calculated at 6/33rds in case of personal income tax, 6/33rds of the 1969-70 estimates, and at no time did I give a projection saying, well then next year we will get that figure of \$20.8 million mentioned by the Member for Ste. Rose as part of any presentation that I made. The figures that I gave were figures that were given as a result of a question asked by the Leader of the Official Opposition who asked what the projection was. So I supplied him with the arithmetical result of the calculation of what the figure would be if translated on the 1969-70, and I also told him what the arithmetic would bring about if the rate of growth were the same next year as it was last year. It is not my projection as to what the income will be because I would expect that before the next budget is brought down we will have been informed by the Federal Government as to the calculation that it will have made in regard to the amount of revenue that could be expected in the next year. I stress the fact that we can only report what we learn and we are not making a projection on that basis. So that the figures that were brought out by the honourable member were figures, as I point out, that were only arithmetically calculated and are not figures for which I can be assumed to have accepted any validity in expectation other than the arithmetic itself.

I want to make clear that the six percentage points of personal income tax are not applied against a taxpayer's calculated taxable income. The individual taxable income is determined according to provisions set out in the federal statutes for all taxpayers living in provinces that have a tax-sharing agreement, of which Manitoba is a part. The additional tax levy, the six additional points, is charged against federal basic tax as calculated according to the federal statute. This point must be clearly understood. The Manitoba levy is a tax on tax, or a sur-tax. It is not a tax on individual taxable income and the distinction must be noted and must not be overlooked. The additional — Does the Honourable Member for Riel want to ask a question?

MR. CRAIK: . . . question but I can wait until you're finished. I don't want to interfere with your . . .

MR. CHERNIACK: I appreciate your patience. The additional two percentage points of corporate income tax are applied against corporations' taxable income. Under the Tax Collection Agreement, corporate taxpayers determine their corporate taxable income according to federal statutes. Provincial tax levies are applied against this calculated amount. I would point out that out of \$100.00 of net profit of a corporation in Manitoba, the additional tax imposed by this bill would be \$2.00, which is \$1.00 more than is charged by the Province of Ontario and by the Province of Quebec. It's one percent of the income which is the additional amount. I do not believe that this will be a deterrent. If the climate is right in other respects, then corporations will operate in Manitoba and will not be driven away even by the extravagant statements that were made yesterday by the Leader of the Official Opposition and no doubt will be made by others on his side. The fact is that we must in Manitoba build towards economic security for the people of the province, and companies and individuals who join us will be able to build together with us and I do not believe that the one percent difference between Ontario and Manitoba would be a factor, and although the Member for Ste. Rose has warned us to be careful — and I accept his caution — even he did not say that it was wrong, bad, or using the term of the Honourable the Leader of the Official Opposition, "a disaster".

It is peculiar actually that the Member for Ste. Rose did not object to the increase in personal income tax. He did seem to fear the increase in corporate income tax, and as was pointed out by the Leader of the Official Opposition, the percentage increase is about the same for both personal and for corporate income tax and that is, as I say, a matter of interest.

Well, Mr. Speaker, the Government of Ottawa will be informed of the changes to the Manitoba Income Tax Act as soon as this bill has received formal passage through this Legislature, and if and when it does, then in 1970 the effect on the Manitoba personal income taxpayer, taking into consideration his total income tax, federal and provincial, will be 5.7 percent increase in tax payable from the first of January. In other words, and I think the Honourable Member for Ste. Rose mentioned it earlier today, for every \$100.00 in combined federal and provincial personal income tax paid in 1969, a Manitoba taxpayer will pay \$105.70 for 1970 in basic tax. As I pointed out earlier, the actual amount will be fractionally less because of the social development tax which is being charged federally. And I think that that is the fairest way. We've been bandying around percentages and percentage points, but if a Manitoba personal income tax payer wants to know what is the effect of this bill on his tax, it is \$5.70 per \$100.00 more than it will be in 1969. I've already explained what the impact will be on

(MR. CHERNIACK cont'd.) . . . . corporate income tax. Having spelled out the effect of the principle of this bill, Mr. Speaker, I commend it to the House.

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

MR. CRAIK: Well, I wanted to ask the Honourable Minister first of all if any comparisons had been done with other countries to determine the tax rates in the various income brackets, say of the western world, the United States, Europe and so on.

MR. CHERNIACK: I have not done so, Mr. Speaker. I would also have to find out whether they have reduced Medicare flat premium tax introduced by the Conservative Government last year to the extent that it was done, and the reduction that was done by this government would also have to be applied to that to show that the taxpayer in the bracket of - what did I say? - under \$11,348 approximately is better off by this change between Medicare premium flat tax and this increase in personal income tax.

MR. CRAIK: The other question, Mr. Speaker, was the Minister went to some extent to suggest that the surtax could not be construed as being a tax because it was a tax on a basic tax. But would he not agree that a surtax is a tax is a tax, like he once said a buck is a buck.

MR. SPEAKER: May I remind the honourable member that he is asking an argumentative question, and if that is his position, or if he feels that that is the position that may be maintained by some, surely he will have ample opportunity to debate that point.

MR. CRAIK: Mr. Speaker, I'm sorry it's argumentative, but the question is led into by his statement. Specifically, you made the statement here about \$5.70 per \$100.00. Could you qualify that with which tax bracket you're talking about?

MR. CHERNIACK: Mr. Speaker, I'm quite prepared to answer that. May I point out to the honourable member that I said that the additional six percentage points are not applied against taxable income but are applied against tax and therefore are called a surtax. Now if he didn't understand that or didn't know that I can't help him, but the fact is of course it's a tax. We're increasing income tax by way of increasing the surtax which is an additional amount on the tax.

Now he asked if I could better translate the 5.7 percent, and I don't know how I can do it or how often I need do it in order to tell him that any taxpayer who will have completed his 1969 tax return could then take that figure, the basic federal-provincial tax that appears near the bottom line of his income return, and add 5.7 percent to that and he will know the amount of the additional tax. Is that not clear now?

MR. SPEAKER: Are you ready for the question? The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, I have a question for the Honourable Minister of Finance if he'll care to answer it. He's indicated that notwithstanding the fact that we will be the highest income tax province and the highest corporation tax, that industry will still come here if the climate is right in other respects. And those were his words. I wonder if he could explain what he means by "climate right in other respects."

MR. CHERNIACK: I think that the last person to ask that question is the person who was the former Minister of Industry and Commerce and who was beating the drum so avidly until his government was bounced out of office. The present Minister of Industry and Commerce is quite prepared to carry on the efforts that must be made by Manitoba to attract industry, and is doing so with a great deal of enthusiasm and desire.

MR. SPIVAK: Well, Mr. Speaker, then I take it, what you simply mean by . . . -- (Interjection) -- Yes, this is a question -- . . . the climate right in other respects is simply the enthusiasm with which the Minister tries to sell Manitoba. That's what you were referring to as "climate right in other respects."

MR. CHERNIACK: If the honourable member wants to assume anything - he has been assuming things ever since he came into opposition and continues to assume it and he's welcome to assume it, and whether he does it correctly or not correctly is his privilege.

MR. SPIVAK: You have no answer, that's the problem.

MR. CHERNIACK: The question he asked, if he will read it, will show him that's it's not deserving of a direct reply.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I beg to move, seconded by the Honourable Member for La Verendrye, that the debate be adjourned.

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

MR. PAULLEY: Mr. Speaker, will you kindly call the adjourned debate on the motion standing in my name dealing with the sittings of the House.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, the motion before us would naturally speed up the workings of this House because we would be sitting longer hours per day, or more hours per day, and as has been indicated by the House Leader, the amendment that was attached to it is acceptable to the government, so I won't deal with that aspect of it because we know that this is acceptable.

I would like to point out a few things though in connection with this particular Session. I feel that this motion should have some reference as to the Session itself, in that I have claimed that it is the first regular Session of the 29th Legislature and that this motion should so define it, and therefore I will later propose an amendment to that effect. There are a large number of members, new members in this House at this Session that are considering the estimates that are placed before us. Some of these estimates have been considered at a previous Session earlier this year, others have not received the attention that they deserve in my opinion, but the members of the previous Session had the benefit of the departmental reports of the various departments. I just wonder whether the new members of this House have those reports at their disposal and whether they can make reference to them or check into them. I feel that probably I should not concern myself so much with this because this more or less just concerns the members of the New Democratic Party and that of the Conservative Party, they are the parties that have the new members in this House, but in my opinion this should be a matter of concern to those parties and that their new members have the necessary information to discuss the estimates properly and better informed. This is one reason why I also would like to bring in the amendment, because in future when making reference to this particular motion being accepted by this House that we are definite as to whether this is a regular session or a special session, and that is one reason or the other reason why I feel that an amendment should be proposed to the present resolution.

I want to point out that in bringing in my amendment, I want it clearly understood that this has nothing to do with the matter of finances because the bill has already been passed setting out the stipulations, that matters of this type will be decided by the estimates, whatever is in the estimates will be the indemnities paid. So this does not come into play in the amendment that I propose because that matter has been settled in my opinion through the submission of a previous bill which has been passed and already attended to.

So, Mr. Speaker, I move, and since the Honourable Member for Churchill is out, I move, seconded by the Honourable Member for La Verendrye, that the amendment be amended by adding the following words after the word "rules" in the last line of Section 1: "In this first regular session of the 29th Legislature."

MR. PAULLEY: Mr. Speaker, . . . whether or not it's in order; we're working under the present rules at this Session. We have established a committee to consider changes, of which due notice has been given, and I question very much whether or not the motion should be accepted by my honourable friend, and I don't think it achieves anything in any case.

MR. FROESE: . . . the amendment is quite in order and I see no reason why the government should not accept it.

MR. PAULLEY: Well, Mr. Speaker, I suggest that it is not in order and I respectfully suggest you consider it the same.

MR. G. JOHNSTON (Portage la Prairie): On the same point of order, Mr. Speaker, I believe my honourable friend the House Leader and the government party is objecting to the content. I believe the amendment is quite in order.

MR. PAULLEY: No, no. No, the amendment to the amendment. I've already accepted the amendment.

MR. SPEAKER: . . . points raised on both sides of the House and I will take this amendment under advisement and rule when it next appears on the Order Paper. Has the Honourable House Leader any further directions?

MR. PAULLEY: I wonder, will you move to go into Committee of the Whole House.

MR. MACKLING: Mr. Speaker, I move, seconded by the Honourable Minister of Finance, that the Speaker do now leave the Chair and the House resolve itself into the Committee of the Whole to consider the following bills: The Statute Law Revision and Statute Law Amendment Act, An Act to amend The Regulations Act, An Act to amend The Public Utilities Board Act, An Act to amend The Workmen's Compensation Act, An Act to amend The Natural

(MR. MACKLING cont'd.) . . . . Products Marketing Act, The Proceeds of the Contracts Disbursement Act, The Ombudsman Act, An Act to amend The Municipal Act, An Act to amend The St. James-Assiniboia Charter and to alter the boundaries of the City and The Rural Municipality of Rosser, An Act to amend The Mineral Taxation Act, and An Act to amend The Mining Royalty and Tax Act.

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

COMMITTEE OF THE WHOLE HOUSE

MR. CHAIRMAN: (Bills Nos. 2 and 3 were read section by section and passed.)

MR. PAULLEY: Mr. Chairman, I wonder if it suits the convenience of the Committee if the bills were passed page by page, and then if anybody has any comment on the sections they could raise them at that time. It has been done before.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. WEIR: Mr. Chairman, we'd be quite happy with that.

MR. CHAIRMAN: (Bill No. 13 was read page by page and passed.) Bill No. 14 . . .

MR. PAULLEY: Mr. Chairman, I wonder if I may have the indulgence of the House -- Oh, I picked up the wrong one. The Honourable Member for Fort Rouge had asked some questions pertaining to the investment. I thought I'd picked it up, I find I've picked up the wrong piece of paper. I'll supply my honourable friend or anyone else interested with the details as to the composition of the Board and their directives.

MR. CHAIRMAN: The Honourable House Leader.

MR. PAULLEY: . . . from the Executive Secretary of the Compensation Board: "Board funds are invested in accordance with directions from the Investment Committee which was established in 1961 under provisions of Section 70 (a)." As a result, the Board merely carries out the instructions of the Investment Committee and does not directly decide investment policy. Subsection (7) of Section 70 provides the Board shall cause all monies in excess of current requirements to be invested in such securities authorized by the Trustee Act as directed by the Investment Committee. The Trustee Act sets out the securities in which trust funds can be invested and this does include stocks, debentures and securities issued or guaranteed by governments of Canada, Manitoba, other provinces of Canada, municipalities, school districts and the like. First mortgages and first mortgage bonds are included in the securities in which the Board's funds may be invested. The Investment Committee's purpose is to achieve maximum earnings consistent with security as there must be Board funds to provide for pensions that are being paid. Basically the funds are invested for long terms as the Board's liability for pensioners extends over a period of years. Also, it is generally in respect of new funds only that investments at current rates can be made. Funds which are already invested cannot be sold on a current market and re-invested in higher yield securities to any advantage. If the securities being sold are low interest bonds, then you can only sell such bonds at less than par so that you lose in capital what you may gain in interest.

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

MR. GRAHAM: Mr. Chairman, may I ask the Minister of Labour if this Investments Committee handles all bonds of all government corporations which have assets to invest?

MR. PAULLEY: No, this is only dealing with the investment of funds within the Workmen's Compensation Act and under their jurisdiction.

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

MR. HARDY: Mr. Chairman, I wonder if I might ask a question of the Honourable Minister. Is it my understanding, Sir, that the \$24 million is in fact invested at the present time?

MR. PAULLEY: It is my understanding that the greater proportion of that is invested at the present time.

MR. HARDY: . . . working cash . . .

MR. PAULLEY: Pardon? It's sort of invested in the -- used as required to pay off the pensions at the time.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: Some time ago, probably a couple of years ago, one of the inter-provincial co-operatives wanted to sell investments and at that time certain organizations

(MR. FROESE cont'd.) . . . . wanted to invest money in that particular corporation, but later on, when they were trying to do so, they were prevented from doing so because of the Act dealing with investments in connection with trustee funds, and under that Act, if I am correct, a corporation or a co-operative or any new venture or a venture, would have to have seven consecutive years where they were showing a profit in order to receive investment capitals that were subject to that Act, and most likely the bill we are discussing at the present time, or the fund we are discussing at the present time, is probably subject to that Act. I would like to hear from the Minister whether these are still the same conditions applying to this particular fund, and if so, will there be any changes made?

MR. PAULLEY: Mr. Chairman, the honourable member is raising a question that is absolutely unrelated to the statement that I made. We are only dealing with the investment of monies that come in to the Compensation Board by way of assessment and thereunder controlled by the Trustee Act. Now if my honourable friend wants further it should be dealt with through the Trustee Act and not through the Workmen's Compensation investments of their funds, two different propositions.

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

MR. HARDY: Did I understand the Minister correctly that, in effect, he could not give the information to this committee, or this House, as to the amount of funds being held by the Workmen's Compensation Board invested in municipal debentures?

MR. PAULLEY: I didn't have that information available, Mr. Chairman, but the Workmen's Compensation Board makes an annual report in which this is all revealed. If my honourable friend hasn't seen one, I'll try and obtain the last report for his consideration.

MR. CHAIRMAN: (Bill 14 was read page by page and passed.)

MR. FROESE: Mr. Chairman, I wonder if the House Leader would be kind enough to leave the next bill in committee because there is very little time left and I would like to discuss it on another occasion, so if we could proceed with another one.

MR. USKIW: Mr. Chairman, I want to impress on the House that there is a bit of urgency with respect to that bill and I would -- if the honourable member is going to debate it at this point, then perhaps it has to be delayed, but if not, can we not start now, Mr. . . .

MR. PAULLEY: Mr. Chairman, I wonder if it may suit the convenience of the House -- we only have five minutes to go -- in order to expedite the business of the House it might be advisable to suggest that the Chairman leave the Chair and that we give third reading to the bills for which we have given approval, in order that that portion of the business is terminated. Would this be agreeable? Then I would suggest, Mr. Chairman, that the House rise, but before I do so, may I indicate to the House that there are a list of amendments dealing with the Consumer Act. If we call in Committee on Law Amendments, a suggestion was made, I believe, by the Honourable the Leader of the Opposition that it would be helpful if we were able to supply amendments that are concentrated for the consideration of the members of the committee. I believe the Clerk has sufficient copies for all members of the House and I would ask him to have the page boys distribute them. This bill may be before us tomorrow morning in Law Amendments, I am not sure, but anyway you will have the amendments for your perusal. Mr. Chairman, I move that the Committee rise.

MR. CHAIRMAN: Committee rise. Call in the Speaker. Mr. Speaker, the Committee of the Whole House has considered Bills 2, 3, 13 and 14 without amendments and wishes to report the same.

#### IN SESSION

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

MR. SPEAKER presented the motion and after a voice vote declared the motion carried. BILLS Nos. 2, 3, 13 and 14 were each read a third time and passed.

MR. SPEAKER: It is now 5:30. The House is adjourned and will stand adjourned until 2:30 tomorrow afternoon.