

THE LEGISLATIVE ASSEMBLY OF MANITOBA
8:00 o'clock, Wednesday, August 26th, 1964

Opening Prayer by Madam Speaker.

MADAM SPEAKER: Presenting Petitions
Reading and Receiving Petitions
Presenting Reports by Standing and Special Committees
Notices of Motion
Introduction of Bills
Orders of the Day

HON. DUFF ROBLIN (Premier) (Wolseley): Madam Speaker, if you would be kind enough to call Bill 2, perhaps the House would allow me to continue my speech.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Before that is done, I wonder if the First Minister could indicate if Bill 3 will be called this evening.

MR. ROBLIN: It will not be called tonight, Madam Chairman. We expect that we will be dealing with it shortly.

MR. MOLGAT: A second point, Madam Speaker, I believe that the situation is that, under the rules, the First Minister has exhausted his right to speak on Bill 2 as during the past session of the House he was speaking, and his speech I think terminated in view of the fact that this is another session, we didn't carry on. However, we are not vindictive people on this side and even though my honourable friend chooses this afternoon to have closure of debate, we are not that type of people and would be happy to hear him.

MR. ROBLIN: Madam Speaker, if I thought I had any real reason to thank my honourable friend I would do so. I really don't think that I have because instead of allowing me to content myself with the last ten minutes of the afternoon, with respect to my reactions to what he has said in connection with the debate on this bill he has made it obligatory, shall I say, for me to continue with the full message that I have for him tonight. Of course there is some advantage in that because I feel there are a number of messages that he might well receive in connection with the financial affairs of the province because, as I listened to what he said and as I try to remember the context of his speech the other day, there were a good many points in it where I feel he could have done a good deal better than he did, and I hope to point out some of those deficiencies as we get along some. Now on the other hand if the Clerk wouldn't mind bringing me a glass of water it would help me because I'm probably going to be at this for a little while.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party) (Radisson): Do we need the cameras as well?

MR. ROBLIN: Have we got cameras in the House?

MR. PAULLEY: Do you think we should?

MR. ROBLIN: No, I don't recommend it at all. Most politicians are just dying to have their pictures taken you know, but I am not in that class myself. You can get enough of it as some members of the House will recognize. But I am awfully pleased in a sense, however, that we had the chance to go home to dinner because there is nothing like a full stomach and a sound mind to set man in the proper approach to a task of this nature, so I approach it in that happy frame of mind tonight.

MR. PAULLEY: I bet that you didn't have a sound mind before supper.

MR. ROBLIN: Well my friends opposite are always wondering whether I have a sound mind but I really think that one has to look at the record in these things, and when one considers all the splendid policies that I have had to take the responsibility for along with my colleagues and the benches on this side, I think one has to say that there has been some degree of merit in the things that we do, although as we listen to our critics we find it hard to discern any such opinion from their point of view. However, if one looks at the balanced hoe, I think one has to say, well the advantages of this government certainly far out-weigh the disadvantages and it should be allowed to continue the work that it is doing for the province.

Well now the Honourable Member for Lakeside doesn't think it is doing any good work for the province because he, along with some others, pointed to figures about personal income which really are not terribly important points at this particular state in our proceedings, but perhaps it would be interesting just to put the facts straight. He was complaining about the state

(Mr. Roblin cont'd) of personal income in Manitoba and comparing it with some other provinces and wondering why we were in this apparently unhappy situation.

Well there is a perfectly good reason. The Leader of the New Democratic Party gave him the reason. As a matter of fact he gave himself the reason when he was complaining about the same thing, because the Leader of the New Democratic Party pointed out that farm income in 1962-63, and that is where the comparisons were being made, has fallen by 32% -- not quite, 31.8%. Well naturally if farm income, the basic income of this province, the generator of wealth and economic activity falls in one year by 31% in Manitoba but it rises by 31% in Saskatchewan and 14% in Alberta and 7% in the nation as a whole, you don't have to be much of an expert on the economic affairs of this province to know what happened. You have a comparison that reflects unfavourably with respect to other provinces. But can you really say that because this agricultural income fell 31% in that year that the provincial government should accept the blame for it? Well Providence has a lot to do with these things and one simply has to accept the fact that Providence brings a poor agricultural year and you have that kind of a situation.

But I want to cheer my honourable friend the member for Lakeside up because I can tell him that in the same period of time the value of manufacturing shipments of another segment of the economy was rising very satisfactorily indeed. There was a change of plus five percent, a difference of \$47 million, and a change of plus five percent in the value of manufacturing output, as between the two years, and much better than Saskatchewan or Alberta. I am happy to tell him that the same happy state of affairs in respect of industry can be seen for the first four months of this year where we had an increase of \$34 million or 12 percent up in the first four months of industrial manufacturing shipments in this year.

So I tell my honourable friends opposite who are a little despondent about this to cheer up, that the economy isn't really going to the dogs, and if they picked a particular year for their comparisons, the reason for the figures that they appear to find so desperate can be clearly traced to this decline of 31% in agriculture in Manitoba when we have an increase of 31% in our neighbouring Province of Saskatchewan. So I ask my friends to cheer up.

MR. DOUGLAS L. CAMPBELL (Lakeside): permit a question?

MR. ROBLIN: You certainly may.

MR. CAMPBELL: Would my honourable friend deal with the question of population which his colleague the Minister of Industry and Commerce has told us is the most important of all the indices?

MR. ROBLIN: It is a very important indices, and as a matter of fact when we saw that index of 8,000 increase in persons ourselves, we pricked up our ears. As a matter of fact I have asked the treasury people to go down to Ottawa and ask them who is counting noses around here these days because why is it that you should get such an unusual change in one year for no apparent reason. We believe the faults are statistical in connection with the calculations that are made down there and I have asked my staff to find out what the reason for this is and let us know how we can reconcile this apparent inconsistency which at first glance is quite inexplicable, because it doesn't fit in with the trend of population in this province and population trends haven't as a rule varied in this spectacular way. We think that there is something wrong with the basic information or method in which they are working and we intend to find out what it is.

Well those are really nothing more than by-the-ways because there were little items or speeches made opposite there that rather bothered my honourable friend here and he said please tell them about this increase in manufacturing output when you are on your feet and explain this question of farm income decline, so that is just what I have done.

Now I want to come back to my honourable friend the Leader of the Opposition, because all during the dinner hour I had been looking for the other side of that coin that was bothering me about 5:30. He just looks at the state of affairs of our province apparently from the one point of view -- What does it cost? What is the tax record? What are the tax impositions on our people? And one has to frankly admit that those are no small matters. They are very important matters. They are matters that concern us all here, but I suggest, Madam Speaker, that they cannot be looked at in isolation alone because you have to look at what you're doing with the money and the services that are being supplied to the people of this province, because we know that while my honourable friend may claim low taxes during the period that preceded our accession to office, it is also true that the people were not satisfied with the kind of policies

(Mr. Roblin, cont'd). . . and services that were being supplied under that situation at that time. They wanted a more dynamic approach and I venture to go so far as to say they wanted it even if it cost them more money, because in the interval since we came in there have been various elections and our tax record has been available for all to see and the people of our province have endorsed what we have been doing in connection with taxation and our quoted standing is as good as any province in this entire nation.

But I want to make on thing abundantly clear, Madam Speaker, because it is so obvious and perhaps it hardly needs to be said, but who will stand up and cheer when the new tax is brought in? I don't care what the particular service may be that that tax is designed to supply. Human nature being what it is, who stands up and cheers when a new tax comes in? Nobody --not even the Provincial Treasurer. But one of the responsibilities of having this office is the responsibility of bringing in the new tax even if it is a transfer tax, as we hope these taxes are to be that we are bringing in today. Nobody stands up and cheers and you can't expect them to, but you can expect a reasoned approach to the purposes for which the money is spent and you can expect some justification of the kind of taxes that are brought in from time to time.

It would have been much easier and much more pleasant and much simpler in so far as the present session is concerned and the taxes that are involved in this to say: never mind about the property owner; never mind what Michener said; never mind the fact that the municipalities and the school districts are the people who are demanding some more help; never mind all that. Why do you tax for somebody else to spend? In a sense that is what it is, because we are trying to help the municipalities and the school districts and the local taxpayers through the general provincial tax system. Why bother, when all you're going to do is be criticized from one end of the province to the other and people take advantage of the obvious purpose of what you do to try and indicate to the public that it is something else rather than what it is.

Well the only thing is that one does these things because equity, under the circumstances, requires it, and that is precisely what we are trying to do at the present time. We are trying to produce that kind of a system even though there are problems in connection with it. Yes, we go back to the old situation that my honourable friends opposite are so fond of talking about: "financial structure the envy of Canada," they say. I would maintain that it is still aces high and all you have to do is look at the way in which our requisitions are received in the bond market, and I say to you that in those days when the people had that wonderful situation that my friends are so proud of and which they talk so much about, that the public rebels because they wanted the services and they wanted the various different facilities that government can supply. They got them and they're willing to pay for them even though they don't like taxes, because who does?

Now let's take a look for just a minute at how the taxes are in the Province of Manitoba, because listening to my honourable friend you would think that they are just the most terrible set of taxes in the whole wide Dominion of Canada. Well let me tell you something about that. Taking the last year available in the Dominion Bureau of Statistics, 1963-64, we find that as compared to Quebec, Ontario, Saskatchewan and British Columbia, the total taxes raised per capita in Manitoba either by municipalities or by provinces combined shows we are the low man on the totem pole. Manitoba is the low man on the totem pole when compared to per capita municipal taxes in Ontario, Saskatchewan, Alberta, and British Columbia --the low man-- and when you add in the provincial taxes, we're still the low man with the one exception of the Province of Alberta which has a very happy situation with respect to natural resources revenue.

So before we start these tax switches and these means of reducing local taxes we find that this province is the lowest one in these series of provinces that I've mentioned, and I think that it's time that honourable members took notice of that fact that although our taxes are high enough, and I'm never one to say that the burden of them is light or easy, yet when you compare them with the other provinces of this country, particularly the ones that I have mentioned, you find that our situation is a very satisfactory one indeed and one about which we can take some satisfaction and where we need take no back seat to anybody else.

I've been going over the various points made in the speech of my honourable friend and I find it so queer, so hard to understand some of the things he said. He gave me a very sound slating in there for being rude to the municipalities. He said that I was blaming them for

(Mr. Roblin, cont'd). . . . problems of prudential character and he said that I was trying to coerce them by some dictatorial method of regulating their affairs. Well it just so happens that my honourable friend knows, and who better, that's precisely what I didn't do, because in my speech on Page 11 I said: "It must be admitted that many local governments, both municipal and school, have on the whole discharged their taxing responsibilities reasonably and well. Reliance on normal democratic processes should not be lightly discarded."

Those were the sentiments I expressed and those are the policies that are basic to the plan that we place before you in connection with this matter. So let's get it straight. These charges of dictatorship are not right. My honourable friend knows they are not right. My honourable friend knows that I consulted with the municipalities and the school boards and we agreed that the situation was as I had described it in my speech. And I want to tell my honourable friend that he can say what he likes, but our relationships with the municipalities and school boards are good in this province and their relationships with the government I think are harmonious and constructive.

But one thing they did say to me, one thing I remember so clearly, they said: "whatever else you do, be sure you do something about reducing the local school tax." When people ask us why we're doing what we're doing now it's because we've been asked, not just by the Michener Commission but by municipal men and school men and by citizens everywhere, to do what we could to make a shift of taxation from local school taxes to the provincial taxpayer.

My honourable friend had something to say about the provincial debt. This is a standard clause in all his speeches in connection with the budget or finance and I really haven't any hope of changing him. I think he will go right on saying it even though he knows perfectly well that he's putting an interpretation on the facts which is open to question to say the least. He said that Manitoba has the highest per capita debt in the nation, and he says that statement completely ignoring the fact that there is a large part of that debt which is not a charge whatsoever on the provincial taxpayer.

There is a very large portion of the debt that is described in the document he talks of as being debt of the province which is not a burden on the provincial taxpayer in any way. It is self-supporting. It is the investments that we have made in our Telephones and our Hydro Electric system, in our Water Supply Board and in other matters of that nature. This is self-supporting debt. This is an investment, and to say that because this side of our account rises we're in trouble is to talk nonsense, because every time we build a new hydro installation anywhere in Manitoba, for example, or install capital investment in the telephones -- what happens? They go out and borrow money and that gets listed here in his calculation as being something weighing on the necks of our people that has to be pointed out in the Legislature of the province. Oh, we know that isn't so. Everybody knows that isn't so. There's no question about it: we know it isn't so. We know that that debt is money that is invested in self-supporting facilities.

In some economy it would never enter into the government accounts because private enterprise would make that investment and they'd collect that debt from the citizens themselves and invest it in these facilities. And to come around and make the statement without any qualification; with no effort to explain it; with no qualification whatsoever and just say that we have the highest per capita debt in the province is not, I say, a reasonable approach to this aspect of public finance because people understand that that approach won't hold water.

The fact is that this large portion, the major portion of our debt is self-supporting, is not a charge on provincial funds, and to claim it to be a burden is nonsense. I could call to witness my honourable friend from Rhineland who is very clear on this matter at some time because I don't think he would tell you that in the Province of British Columbia they have a monstrous debt weighing on the people. He says they're debt-free out there. No debts at all, that's what he says. I think there might be something in his argument because the public borrowings out there are for the specific Great Eastern Railway and the BC Hydro Electric and toll bridges and things like that -- hundreds of millions of dollars to be sure -- but they're not included in his reasoning as a dead weight debt on the backs of the people of British Columbia. They're tax free -- they're debt free. They haven't got any debts. I think that probably I could look on him as an ally in this connection because he would understand the fallacy, the complete fallacy of the arguments of the honourable gentleman opposite when he tries to say that we have the highest per capita debt in the nation.

(Mr. Roblin, cont'd). . . . Let him take our direct net debt and compare that with any province he wants. That's fair game. That's a reasonable comparison; that's what an intelligent approach to this problem demands; and any comparison on that basis I will accept as being valid. If he thinks our situation is out of hand or is wrong or unbalanced on the basis of our direct net debt, then he's got something to argue about and his opinion may be right or it may be wrong, but at least it is a reasonable opinion based on a reasonable appreciation of the facts. But this old story of the highest per capita debt in the province that he keeps on telling us about, really it's a bit too much, because we know as well as we know our own name that that kind of thing is not the case.

As far as our direct net debt in Manitoba goes, I quote from the Budget Speech of last year to show what it means to our people to carry that debt. That's really the important thing. It doesn't really matter in one sense what these grand totals may be, the question is what does it cost them to carry the interest rate on them; what proportion of their income; have they got mortgage for interest, if you want to put it that way. Even if the mortgage is for building roads, even if the mortgage is for investment in public services of various kinds, what does it cost? That's the real measure. If my honourable friend wants to talk about debt in Manitoba let him deal in real terms, not in these bogey men that he finds in the Canadian Tax Foundation Report and which appeal to him so much.

Let me quote from this Speech: "To use the measures for previous years, it will, in 1964-65, take under four percent of our revenue to pay the interest of the public debt, while in 1945 it required more than three times this percentage." The comparison here is between the debt cost and our income and that's the reasonable one; that's the one that any person would understand in his own daily life. I get so much money, how much of it have I got to pay out for debts --four cents on the dollar. That's the situation in the current fiscal year --four cents on the dollar for interest. "Today" --I'm quoting again-- "Today not much more than the current year's revenue would retire our net debt obligations. Twenty years ago it would have required close to two and one-half years' revenue for this purpose. Despite the vast programs of capital improvement undertaken in this province in 1958, our ability to meet these costs has continued to remain unimpaired, and in fact has relatively improved."

Now no one has ever challenged that statement and there's a good reason for it because it can't be challenged, but the statement can be proved in another way. We don't get our money simply by asking for it; we have to find people who are willing to lend it to us and it is your status in the market place as a borrower which is the indication of the state of your credit and the soundness of your finance, and our position in the market is second to none in any province in Canada. In fact the last debt issue that I reported on, I think in this speech, showed that we were borrowing money at the lowest rate at that particular time of any province in Canada. I don't know that we do that all the time but that's the indication of the state of the credit and the state of the financial resources of the Province of Manitoba. So to stand up here and to frighten us with this bogey of debt is a pointless occupation because it has no relation to real life, and that's exactly where we have to keep it, in relation to real life.

Well we can go on because there's no sense beating that dead horse again. I have to do it every year but I suppose I will continue to have that task for a little while anyway. --(Interjection)-- Well, maybe not, but at least for the present.

Then we come to another comment that my honourable friend made. I apologize, Madam Speaker, if I appear to be jumping around but I was following his speech and I'm dealing with the points as he made them in his speech and he didn't have that coherence that one would really expect him to have.

I want to talk now about one of the points he made about a sales tax. He said for example that what we are doing in this piece of legislation is a sales tax, and if I have the quotation down here correctly he said: "The only difference between this and a general sales tax is that certain products" --which is a phrase taken from the bill-- "certain products are somewhat more limited."

What he's saying is that the only difference between what we're doing and a general sales tax is that the expression "certain products" covers a somewhat limited number of products. Well if that's the difference between what we're doing and a general sales tax then I say in language that my honourable friend will understand, Vive la difference --long live

(Mr. Roblin, cont'd). . . the difference; and I think the people of Manitoba will say "long live the difference" between what this government is asking for now and a general sales tax, because if we had a general sales tax when we walked down Portage Avenue into the furniture store we'd be paying our 3 percent or our 4 percent or our 5 percent or whatever it is. If we got into a hardware store or a clothing shop we'd be doing the same thing. When we walked into the automobile dealer's office and we wanted a new car or just new parts or tires we'd be paying a sales tax. If we wanted yard goods, cloth, furniture, household appliances, books and paper, dishes, building materials, sporting goods, garden tools, office supplies --you could go on forever. My honourable friends ask if that is next year. I don't think it will be next year. I don't think so. I think if you're still around here by that time, and there may be some doubt about that, if you're still here I don't think that you'll have any such pleasure in hearing a list like that read out that undoubtedly it would give you. Nothing like that at all.

But I think that I am entitled to point out to the House that if my honourable friend says that there isn't much difference between what we're doing and a general sales tax, just list over the things to which a general sales tax applies. And I say to the members of the House, you go out and speak to your people and you say to them, "Would you rather add more money on the booze boys, or would you rather pay tax on your furniture and your household equipment and your car? Would you rather have another little addition to the gas tax or do you want a sales tax, if you please, when you buy your \$3,000 automobile. When you go out into the byways of this City and into this province, you ask the people. They're going to say to you, "We don't want any taxes at all" but that's natural. Who does? They'd be against taxes. I'm against them myself. Nobody likes taxes, but if it has to be done this selection of taxes that we are proposing now with their defects --and there are defects-- I think will commend themselves to the people of this province greatly in preference to a general sales tax, and I want to tell my honourable friend that if he can't appreciate the difference between a general sales tax and what we're doing, I have a strong hunch that the people will be able to appreciate the difference between what we're doing and a general sales tax, and I think they will approve of what we are doing.

He says the gas tax is too high. Well of course he doesn't pay any attention to the fact that we're going to increase our road expenditures very considerably indeed. He doesn't pay any attention to that at all. He doesn't tell us what his alternative would be if we had a sales tax on cars at 5 percent or 3 percent. What would that be on a \$3,000 car plus the sales tax on repairs and parts and tires and batteries? I think the general public would much prefer to pay the taxes that they have to in the form of a gasoline tax, which is nothing new; which, if it's a sales tax, and my honourable friend seems to think it is --he ought to know because it's the people on that side that originally brought it in is it not? It's been around for a long time; it's nothing new. They say there's no philosophy about our tax. What philosophy has there ever been about a gasoline tax, for example? It's a form of raising the revenue. It's nothing new. My honourable friend over there says, "He's got no philosophy about taxation." Well when did you discover that, I ask you? We've had a gasoline tax in this province here for many a long year, and I don't think anyone had to work very hard to discover a philosophy behind that. I think this is a kind of a mumbo jumbo --"philosophy of taxation!"

The fact is you need to raise revenue to perform the public services and you have to have a reasonable balance between all the forms of taxation that are open to you. That's the philosophy of taxation. But to say just across the board, as some members over there do, the only person you should tax is the person who is doing a good job in this country and making a living and has got income tax to pay --tax him to death but don't have any of these other taxes -- that's the philosophy of taxation I've heard some people advance, and what the philosophy of taxation is that my honourable friend sitting opposite of the Liberal Party is I don't know, because the great dilemma with which they are faced is the fact that they never --repeat, never-- have a constructive solution. Who are the people who said to us: "Why doesn't the province take over a bigger share?" Who are the people that have urged us to do what we are doing today? The honourable friends opposite could be numbered among that and yet when we do it and we have to raise the money for it have they any alternative to what we suggest? No. It's negative; it's just no. It says, "We're not going to have it. We will the ends but don't ask us to be concerned with the means."

(Mr. Roblin, cont'd). . . .

That's been one of the troubles of my honourable friends opposite for many a long day. I haven't heard --I can't recall those constructive policies that the government has brought in that they were opposed to. When we said, "Let's improve the schools," they said, "Fine. Mind you we didn't do it but it's fine; go ahead and do it." When we said, "Let's build more roads," they said, "It's fine, let's go ahead and do it." When we said, "Let's have elderly persons' housing," why it was first class. The Honourable Member for Selkirk wants us to do more for retarded children, and we've done a lot more for retarded children, and they're all for that --oh, the ends are great, but when they come and ask for the means to pay for them, when you have to face up to the responsibility of providing the means, then my honourable friends back off. They're not nearly so keen then. They say, "Oh no; don't ask us to do anything about this; don't ask us to decide; we think you should do these things but I suppose the question of raising the taxes is your responsibility. We're not going to worry about that.

Well, I have more faith in the common sense of the people of Manitoba than to think that they can get away without having a constructive alternative. A constructive alternative is essential and it means that if you propose policies, then you've got to propose the wherewithal; and it means that if you want taxes reduced or you're opposed to taxes being put on in the first place, then you've got to say what services you're going to cut off. My honourable friends have got to learn that lesson. They haven't learned it yet. They're working still on the proposition that they can will the ends but they don't have to be bothered with the means. Well, somehow or other I think that you simply can't run any competent show on that basis. "Well," say my honourable friends, "it's going to be awful if we have a gas tax increase here. What's it going to do to business?" Well I suggest it isn't going to be any greater deterrent to business in Manitoba to put three cents on the gas tax than it would be to take the Saskatchewan system, for example, and put on a 5 percent sales tax on everything. I really think that if our people in the trucking business had to choose, I think if the Honourable Member for La Verendrye had to choose --and one of these days he's going to have to choose because you can't have it both ways-- if he had to choose, I think he'd really say to me, "Duff, let's have that stinking old gas tax." Perhaps he'd use more elegant language. He wouldn't use that language, he'd use more elegant language, but he'd say, "Let's have that old gas tax rather than the general sales tax," because you have to make a choice and we have the responsibility of recommending a choice, and we've said to our people, "We have alternatives to choose from and this is the best set of deterrents, and it won't deter the trucking business or any other business depending on road transport, in my opinion, in Manitoba to the extent that a sales tax system would indeed deter a business as it may have done in other places. In other words, we're still a lot better off taxwise than they are in Saskatchewan. We're still a lot better off taxwise than they are in Ontario. We're still a lot better off taxwise than other provinces of this Dominion of Canada, and at the same time we have a system of services that's pretty good, and at the same time we are developing a system of the relief of local taxes which will really meet the needs of many of our people in the low income group, and I'm going to come to that phase of the argument before I get through.

"Oh but," says my honourable friend, "you mustn't put any more tax on tobacco. That's an awful thing. Mind you I voted for it last year. It was only the first half of this instalment," he'd probably say. "I voted for it last year but I'm not going to vote for it this year, because probably there'd be some evasions and smuggling and all that kind of thing and that's terrible." Well, that might be so. I have an idea that a lot of people in Saskatchewan sometimes slip into Manitoba to buy in Manitoba stores where they don't have to pay a 5 percent sales tax. I think a lot of people in Ontario slip over the border from Ontario into Manitoba, where they don't have to pay a 3 percent sales tax. I think there's a lot of people do business in this province because we don't have a sales tax, and they'll keep right on doing business in this province because we don't have a sales tax; and if we lose a nickel or two, or maybe more, because somebody brings in a carton of cigarettes, I'm certainly not going to lose too much sleep about that, because the provinces to the right and left of us have found out that they can have a sales tax, which is a much more burdensome tax than this, that people wish to avoid much more determinedly than they ever will a tobacco tax. They find they can impose these taxes in these other provinces and they can stand the gaff of somebody going across to Russell

(Mr. Roblin, cont'd). . . . or Swan River or someplace like that --Virden-- and buying up, filling up, packing up the of the store because they've got no sales tax. They can stand it, and I think we can stand it too.

So I say to my honourable friend, forget about your bogey men. There wasn't a tax invented yet that somebody couldn't avoid at one time or another and I don't think there ever will be a tax invented that somebody can't avoid at one time or other, but the question is, what's better? What's better? You've got to choose -- a tax on tobacco, 8 or 9 cents, that my honourable friend was complaining about. You know, that's just a sales tax on a \$3.50 or a \$4.00 purchase that you might make of some other goods in that vast range of commodities to which a sales tax applies. I think our people are going to say, "We don't like a tobacco tax, Duff," but they're going to say, "We'd rather have that, despite the fact that we don't like it, than the kind of alternative that a sales tax would provide. Now as for its constitutionality, my friend didn't have any worries about that last year. I haven't got any worries about it this year, and I think probably as it's been in use in other provinces for a long time that we'll probably find that there's no problem of constitutionality.

Now I want to say a word or two about the land tax because that's been subject to some comment, and I think I covered some of the points that members raised. I had a note here about it; probably I'll not be able to put my hand on it at this particular moment. It may not make much difference but I just want to say that there will be problems in connection with the administration of the land tax. I think they will be basically problems of avoidance because the public has the right to avoid the payment of taxes where it can. I don't think the problems of avoidance will be nearly as formidable as some of my friends think, I don't think very many people --not very many, and if they do we may have to do something about it-- will incorporate separate companies in order to get around this tax. The tax isn't that big; it isn't that important to them that they should go to all this trouble and legal expense in that connection. Some may do it, but I myself do not think that this will be a difficult problem to tackle. Some may say, and have already indeed said, "This is a terrible thing --a tax on a small home of \$150.00, let's say, that will raise the down payment from say \$600.00 to something a little more." Well I don't see why it need do that. I don't see why it need do that at all. Even if it does, one percent charge on the cost of these homes, which is a once-in-a-very-long-time proposition for most people, is something which I think they can live with.

So I say to my honourable friend, the Leader of the Opposition, that if he's worried about it I can suggest a solution to him. I think he should get on the wire to the Honourable Walter Gordon and tell him to hold up his sales tax on building materials. If he's really very worried about the state of the building trade in this country in connection with this matter, he can give his friend a call. I don't know whether he will pay any more attention to him than my friends in Ottawa used to pay to me when I was phoning them from time to time. I didn't have much luck most of the time, but I suggest that if he's really concerned about it that there's something that he can do over the weekend. --(Interjection)-- Well you'll never know because you'll never have the responsibility for doing any of these things.

MR. PAULLEY: Don't be too sure about that.

MR. ROBLIN: Well of course never is a long, long time and I admire my honourable friend's ability, but I think I can safely take the risk of saying never in this particular occasion in this connection.

Well, Madam Speaker, let's take all these taxes which admittedly no one likes, which are transfer taxes to lower the burden on local real estate, and let's see what answers we get. Let's take the figures that we saw in the Tribune. They were used by my honourable friend opposite and let's see what they mean and how they bear on the average man, because there's been a lot of talk about the average man in this whole connection. Well when you take the Winnipeg Tribune figures and I accept them -- let's just take them the way they are-- you will find that it's going to cost you on a daily basis for gas, for the telephone, for the electric light, for heat, for the things you can't dodge, 7.8 cents per day -- let's call it 8 cents. It's going to cost you 8 cents a day on the Tribune reckoning to pay for the taxes that we are now suggesting. If you are a drinker, if you want to have a bottle of whiskey a week and a dozen bottles of beer a week and a pack of cigarettes a day, that'll cost you .18 1/2 cents more.

So look at it --the Tribune reckoning --7.8 cents for the essentials, gas, phone,

(Mr. Roblin, cont'd). . . . electricity, heat-- 7.8 cents per day for the essentials that are being taxed here; and for the non-essentials, the nice things that most of us like to have but which are strictly non-essential, beer, whiskey and tobacco, 18 1/2 cents per day. Now how anyone can say that this selection of taxation is not well chosen from the point of view of raising the necessary revenue which must never be overlooked, and from the point of view of being equitable on the ordinary person, compared to ability-to-pay, compared to a general sales tax --keep in mind the element of the person's decision as to whether you drink or whether you smoke-- and I think you get a selection of taxes which ought to commend itself to this House in preference to any other which I first mentioned here.

My honourable friends opposite in the Liberal Party don't suggest anything in the way of taxes. That's their theme song: give us the services but don't ask us to pay. Well we know that that doesn't work and we know that this selection of taxes, this suggestion that I'm making here tonight is not too bad --not too bad-- and when you tell the ordinary folks of this province what the results are of computing this Tribune calculation of 7.8 cents for the things you must have and for 18 1/2 cents a day for the things you don't have to have, I think they might say well that's not such a bad deal after all when you consider what we're going to get, because you have to look at the other side of the coin --and I found that coin that I seemed to have lost in my initial sally before supper-- I found that coin because when you look at taxes you want to look at the reason for it all, and that reason is tax relief, basically school tax relief.

Now this government has taken a lot of abuse. We've been called some pretty harsh things by people opposite because of the fact we decided to give that school tax relief in the direct form of a tax rebate to the taxpayers of Manitoba. We've been told it's going to be expensive to administer. Of course it's not going to be expensive to administer. We've had it described as a bribe. We've had it been given the most uncomplimentary description and us along too. No philosophy in that, I hear --problems in this nature.

And yet, Madam Speaker, what on earth would my honourable friends have been saying if we hadn't done this? Supposing we had increased the School Foundation Program and attempted to give the local taxpayers the money by improving the Tax Foundation Program and passing the money on to the school districts in that way. What would they be saying? They'd be saying just what they have been saying for the past years that the school taxpayer doesn't see any benefit out of it. How many million dollars have we increased provincial school grants through the Foundation Program. It's been more than doubled, much more than doubled since my honourable friends had the responsibility for it, and all the time they say: No good, the local man isn't getting the tax break he requires and he gets no benefit from what you're doing.

When we looked into the Michener suggestion of increasing the Foundation program, yet again --yet again we remembered our experience previously when we increased the Foundation Program and thought we were doing the local taxpayer a good turn. He didn't get it because in these Foundation Programs there's a built-in escalation which was pointed out to us by whom? --by the School Trustees Association, both Urban and the other one, that if we adopted the Michener formula of a foundation program not only would our own costs skyrocket far more than estimated in the report but theirs would too, and that of course was the dilemma that we were anxious to avoid.

So that is why we have taken this course, because we know that if we leave that Foundation Grant alone and don't monkey with it and don't try and give the money in that particular form and method but give it by means of a direct tax rebate as we have done, we know that money will get to the place where it's wanted, and that we had this in mind I suggest is no secret to many of the municipal and school men with whom we talked --no secret at all-- and it is a system which I think is a fair system, particularly to the taxpayer. That's the reason why we've adopted it because I think it would be rather unusual if we would fail to profit from the experience of the previous method of helping the school taxpayer by raising the Foundation Program and finding that instead of taxes going down they go up. Well, you have to find another method. We think we have one. We don't think it's a bribe; we don't think it's wrong; unworthy --what were the other things that were said about it? We don't think it's any of those uncomplimentary aberrations which were applied to it. It is just an effective way of relating the new tax levies to the purposes for which they were imposed. Now what could be fairer than that? We're asking the public for the money as far as schools are concerned and

(Mr. Roblin, cont'd). . . we're making sure they get it.

The main recommendation of Michener was to reduce school costs. They didn't tell us to reduce municipal costs, let's get that clear. A lot of people around here talk as if they did. They didn't. They wanted changes and transfers of responsibility but there was a very small --(Interjection)-- Well they were going to cancel the unconditional grants --so when you add it all up there wasn't much in it for the municipalities, but as far as the schools were concerned --as far as the schools were concerned they did ask us to make this reduction and we have done so in this particular way.

Now it's been called laughable. Well I don't think our people are going to laugh. I think they're going to appreciate the effort made to get the result they want, because what is the point of introducing a new tax to reduce some other form of imposition and find that all you've done is double taxation. That we wanted to avoid. Perhaps it can never be completely or entirely avoided, but we're taking the most direct way we know to minimize the risk of double taxation and to see that that doesn't happen and to give the relief where it will be effective and where it will be required. Sixty percent of our taxpayers will have their school taxes cut in half and the rest will all get a substantial benefit. I think our people will appreciate and understand what we are taxing for, what we are trying to do, and will agree with us that we have taken the most direct and practical way to make sure that we get the results that we want.

Now, Madam Speaker, I want to talk about another point that my honourable friend was very keen about because he had a lot to say about the campaign of 1959. I should have thought he'd lost interest in that campaign. He was pretty badly beaten in it and it would seem to me that he'd be willing to let it lie for a while. --(Interjection)-- Well, that's right, you never can tell about election campaigns: You never can tell who's going to win the next one and I'm not going to make any prophecy about about who's going to win the next one, but I know who won the one in 1959, that's a fact, and we can deal about facts here. We don't have to worry about suppositions here.

Well he didn't like some of the things I said in that election in 1959 and he taxed me with them the other day. He said you went to Portage la Prairie or Neepawa or some place and you made --and I think the words are something like this-- a solemn pledge in the election of 1959 that there would be no increases in taxes. Now my friend nods his head so I guess I've got him right. And when you just listen to that -- solemn pledge in 1959 there'd be no increases in taxes-- that's all you said. You might scratch your heads and say, well what has he been up to since 1959 because we know taxes have gone up since then. What about this solemn pledge? What's the use of these men if they make solemn pledges and we find that they don't pay any attention to them?

Well my honourable friend has made some pledges himself at election times that perhaps he hasn't entirely fulfilled, but I would like to look at this one. I think what he should have said if he wanted to present the picture properly --and I'm sure he remembers this very well-- he should have given the full story behind that particular statement. Because what happened in 1959? It's old history and who could care. I'm just saying this for the record because I want to put my honourable friend straight. It couldn't matter less at the moment. We were a minority government and we didn't bring in a budget. All we brought in were the estimates. That's all we had. I've got them here in my hand. We brought in the estimates in 1959 and they were pretty big estimates. Not as big as we have today but they're still good and big-- \$84,601,000-- total main supply estimates.

When I was making those speeches about that solemn pledge I had this little book in my hand and the argument was simple. The argument went like this: The Conservatives have brought down a set of estimates for \$84,601,442 and we had no budget. My honourable friend said that we couldn't pay that bill without increased taxes. That's what that argument was about. My honourable friend shakes his head. He better refresh his memory because we were talking about that budget and I made an undertaking to the people of the province that we could pay for that budget --we could pay for that budget in respect of the estimates that were placed before the House but which had never been dealt with by means of a Budget Speech because we never got a chance to introduce it.

Now my honourable friend better think about this because that was the circumstances at the time. No man in his right mind would ever make a statement to the effect that there'd

(Mr. Roblin, cont'd). . . . be no increase in taxes without having some basis, some base line in mind, and this argument was made in respect of the estimates brought down in '59 and never dealt with in the budget because we were voted out of office and we had to go to the people. Now I want that just for the record because that is the fact in connection with the matter. At that time I said that there would be no taxes to pay for this budget, nor were there any -- no increases in taxes, same revenue from the citizens. I said we were going to have a surplus between \$5 million and \$6 million, and by golly we did. We had a surplus of \$5,167,000 realized. The argument was can we do the things that we propose as set out in those main supply estimates with no budget before the House. That was the argument. That was what the statement was made about.

If my honourable friends will just think about it at all, consult the records, they will find that what I am saying is correct, and that I was referring to that budget and that statement made in those days, for what it is worth, and I don't think the argument has got much point now. But for what it's worth, we delivered that budget without any increases in taxation and we delivered it with a surplus.

Now we are talking about surpluses. My honourable friend got out the surpluses and he listed all the surpluses we've had, and thank goodness we have had them. And then he went on to imply that in my last budget statement I had a surplus of \$10 million, so why in the world was I coming in for more taxes now? He sort of left the impression with me that if only I had used that \$10 million, why we wouldn't have to have half of these new taxes to do the things we are trying to do. He can't mean it. He can't be so naive. He must have read the estimates of the province. He knows that we used that money to reduce the tax burden in that particular budget, that that \$10 million, the surplus last year, was transferred into the revenue estimates of this year to keep our taxes down. He knows we do it because we have been doing it ever since we came in, and we used this as a revenue stabilizing matter and that money is allocated and spent. To leave the suggestion in the public mind that that money is available for something else at this time is really puerile, because I am sure my honourable friend is sufficiently sophisticated and you don't have to know very much about public finance to be able to see what happened to that \$10 million and that the taxpayer has already received the benefit of it.

Here we are, Madam Speaker, back with this bill. The taxes that we have now are mostly extensions of levies which this House has previously been accustomed to approving, and we know what we are doing with the taxes that we have in hand. I'd like, however, not only to deal with that situation but to refresh the memory of members of the House and of the Legislature of what we've been doing with our money since we came in.

I'd like to point out that in 1958-9 we spent a little over half a million dollars in vocational training. We have far more than doubled that now, more than a million and a quarter dollars spent for that. In 1958-59 the school grants were \$14 million; now they are \$29 million. The university grants were \$2.3 million and last year the university expenditures were over \$7 million. Because what are we doing? Are we just tax, tax, tax? Tories and taxes go hand in hand? Is that all it is? Nonsense. It is a wide range of developing services that our people have got to have. Our people have got to have this kind of support in education. They have to have a school building program -- \$64 million of it spent in these last four years to build new schools. Was that for fun? That was because it was absolutely essential for the public welfare that these things be done. And when they tell me that we have foisted a lot of schools, compelled, dictated how the school should be built and where they should be built in Manitoba -- I think that one of the honourable gentlemen said that a little while ago -- he seems to forget that every one of these schools were voted on by the local ratepayers. They are the people who decided what the expenditures were in schools. They were not foisted on them by us. Mind you we paid more of the cost of those schools than my honourable friends ever did. We have made investments in education that this province has got to have.

And in health -- I think my honourable colleague went over these the other day but I must say them again. Expenditures in health have doubled from \$11 million to \$22 million. The whole range of health expenditures improved, advanced. Take psychiatric services alone, the most neglected field of health, a little under \$4 million when we came in; now almost approaching \$8 million -- doubled. And what results have we got? We are actually reducing the patient population in psychiatric hospitals of this province -- real tangible results from

(Mr. Roblin, cont'd). . . . the expenditure of the public money. Our people wanted to do these things.

Social allowances: \$2.7 million when we came in and over \$10 million today, and why? Because we did produce the scheme to help the aged who couldn't get along on their pension. My honourable friends opposite never did that for the old age pensioners. We have done it and it is a good thing we have done it. We are proud that we have done it. If we had it to do over again, we would, even if it cost money, because this is taking care of human beings. We may be criticized because our scale is not extravagant enough. That is the usual criticism we get. But we try to run a medium course between too much and too little.

Medicare: There was no such thing --40,000 poor folks in this province-- if I may use that expression-- 40,000 that can go to any doctor they like today, go to any dentist they like. They can go to any eye doctor they like today and they can get the care they need and couldn't get before in this way. Why? Because we spent some public money for it. I think our people will back us up when we ask them to supply the tax money on which these services rely.

Elderly persons housing: There isn't a town in Manitoba, very few towns in Manitoba now that haven't got elderly persons housing, homes for the old folks in the areas in which they live. Those people want that service. They pay heavy local taxes toward it themselves in most cases. We pay our share. It costs money. We tax for it, but I believe our people will back us up in asking for those tax requests.

You could go on to the road program; You could go on to the flood and drainage program; all of those things for which this government is responsible; and I think that you will find out that the public are willing to support us in these activities which we have. . . .

And now when we come in with this situation today one would think from listening to some of the gentlemen opposite that we are keeping the money for ourselves. We have had very little recognition of the fact that this money is going out, not only to the local taxpayer for schools but that we are taking on \$7 million of new road expenditure in the current road accounts; that we are going to pay land taxes --the City of Winnipeg, for example, is going to get over \$600,000 of tax money from us. If that doesn't help them keep their mill rate down, I don't know what will. Metro Winnipeg is going to get over a million dollars worth of new road money from us to help maintain the roads and streets. If that doesn't help them keep their tax rate down, I don't know what will. The other municipalities of this province, in drains and in roads, are going to get millions of dollars more from us in the help that we are giving them. If that doesn't help keep local taxes down, I don't know what will. And even if it doesn't help keep them down or reduce them below the level, it will prevent them from rising as fast and as rapidly as they otherwise might.

We have to rely, and we do rely on the good sense and the good judgment of those people to handle these matters. --(Interjection)-- If we get it, I'll be very pleased to have it, but I never count --a bird in the hand is worth two in the bush. If we --(Interjection)-- well I know, but if you can estimate any more accurately than has been estimated by the Department of Treasury with respect to the revenues and costs, you are a pretty good fellow. --(Interjection) -- Very true. I will answer it and it is not hard to answer at all, because we are taking on new sources of revenue whose yield is unknown to us. We have never been in it before and we don't know what we're going to get. Now it is just as simple as that. If my honourable friend has got second sight and can tell us, that is fine, but we don't know so we have to estimate, and I am going to be the happiest man in Manitoba if we get more money than we have estimated for because we can use it in aids and helps to municipalities, because I want to tell this House something, that if they think that now we have come to the end of the support that this province is going to give municipalities they are going to get a shock when they see the next budget, because as sure as I stand here there will be further increases in the help that the province gives to the municipalities of the Province of Manitoba. A long tirade this afternoon by one of the members saying, "Look, they're going to cut the municipalities off and they're on their own forever afterward blame it all on the municipalities. They've got to get along now; they've been cut off by the rich uncle in the Provincial Treasury." Madam Speaker, how ridiculous. All that we are going to have to do is take a look at the budget when it comes down next spring and we will see the continuing increase is a continuing one in the aid that this province is giving the municipalities completely over and above what is contained in these measures

(Mr. Roblin, cont'd). . . that are before us.

Well I guess I shouldn't go on too much longer. My friends have been very patient with me and much speaking is a weariness of the soul, but there are one or two remarks I should make in conclusion. The great thing that puzzles me about the Leader of the Opposition is the fact that he hasn't got any alternative to offer. He objects to what we have done; he objects to a sales tax. He says that local taxes are too high but he doesn't know what to do about it himself. He has no alternative suggestion to quote for us as a guide in policy.

But he wasn't always like that, because I have to admit that on one occasion he had a very concrete idea of the whole situation. It wasn't too long ago, in fact it was in the general election campaign in November 22, 1962 in the Winnipeg Free Press --I guess we are all addicted to this business of quoting newspapers but he is not here tonight so I can get away with it-- If you don't object, I am sure I won't --but let me read what my honourable friend says. I think this was television, I'm not sure, the press don't usually give television any credits when it's on the television, but here we are: "Mr. Molgat promised that a Liberal Government would work to shift the burden of taxes off the land and homeowner of the province." Nothing wrong with that. Pretty good idea. Good policy. Oh, I may have had the idea myself, who knows. But not only did he say that's what we ought to do, work to shift the burden of taxes off the land and home owners in our province, he told us how to do it. He said he proposed, "rather than turning to land and home owners for more money, the government should look to general revenue. There is no need for an excessive property tax to be imposed on most our people. The money for additional government spending should come from the general revenues of the province, liquor taxes, gasoline taxes, income taxes and so on. These"-- I had better finish the quotation, that's only fair, I want to quote all I have got-- "These are all fairer methods of taxation than the property tax." As long

MR. MOLGAT: to the taxpayer.

MR. ROBLIN: There, you've got it.

MR. MOLGAT: Pass them all on and I'll support you.

MR. ROBLIN: Not only are we giving it to the taxpayer but we are giving it to them directly. He is getting it right directly. He is getting better roads; he is going to get drainage; he is going to get taxes paid; he is going to get his school grants. We did what my honourable friend said and it's about the first time that I can think of that we ever took his advice, but I'll have to admit that we have been working to shift the burden of taxes off the land and home owners of this province. We have been working to do that, and we looked for the money for additional government spending from the general revenues of the province --liquor taxes, gasoline taxes, income taxes, and so on. And yet, sure there are others. I don't disguise it. I don't minimize it. It is a fact. We know it. We have done these things. We have looked to the general revenue. We have shifted the tax burden, and what does he say about it? He says he won't vote for it. What does he say about it? He says he's not going to have anything to do with it. It needed to be done; he admits that. There should be a shift. The money should come from the general revenues that we are suggesting here, and now he finds that he can find no good in it and condemns it all.

I think myself that my honourable friend had better do a little better. There is no point in this business of fault-finding and negatism that is so apparent in the speech he delivered the other day. He knows as well as we do that our people want a shift of taxation from real property to these other forms of taxes. He knows as well as we do that the general taxes are the place we should go if we possibly can rather than a sales tax and he knows that we've done it, and yet he says that they're going to vote "no". Madam Speaker, let them vote "no" because I think the people are going to vote "yes".

MADAM SPEAKER: Are you ready for the question?

MR. CAMPBELL: who has just spoken moves on to any other business, I would ask him if he would comment on the matter that I was raising just as he entered the House this evening when he told the people of Portage la Prairie and district that in that year the government had paid off \$20 million of Mr. Campbell's debt.

MR. ROBLIN: I am not prepared to answer it, Madam Speaker, because I'm afraid I didn't get the context and the story behind it. I'll read it in Hansard and I'll look into it.

MR. CAMPBELL: If I read it to my honourable friend would he answer it then?

MR. ROBLIN: I don't know whether I can answer it at the moment. When did I

MR. CAMPBELL: I've waited a few years to bring this up because I want it to be right. My honourable friend was accusing me of having said that the interest bill would be \$20 million and it is 19 million-odd now, so I wanted to read it and ask him what he thinks of this. This is in the election campaign that was referred to --May 11th, 1959, in Portage la Prairie. The honourable gentleman does a lot of talking about me in here and about Mr. Greenlay -- (Interjection)-- No,

MR. CAMPBELL:but I will read so it is in context. This is the matter of interest. "Mr. Greenlay is adding it up to \$5 million. Mr. Campbell says it's going to be \$20 million, but the actual burden that the Provincial Treasurer has to draw upon from the Provincial Treasury that you're billed with in your taxes is \$7,827 for the coming year. I think that represents an interest and a bond and a borrowing situation that we can be satisfied with, and when they didn't tell you about that they didn't tell you something else, that is that during the last fiscal year we retired about \$20 million of Mr. Campbell's debt. We paid off, the government of this province, the past fiscal year about \$20 million of Mr. Campbell's debt, so when they talk about all these matters I say let us not be deceived." Will the honourable gentleman not be prepared to admit the \$20 million they paid off was almost entirely provided by the action of the former administration?

MR. ROBLIN: I'll be prepared to admit nothing until I have looked at the statement. Madam Speaker put the question and after a voice vote declared the motion carried.

MR. ROBLIN: Yeas and Nays please, Madam Speaker.

MADAM SPEAKER: Call in the members. The question before the House is that, by leave, Bill No. 2, an Act to provide for the imposition of a tax on purchasers of land and certain products and for the reimbursement to property owners of part of the school taxes paid in respect of real property and to amend certain Acts of the Legislature, be now read a second time.

MR. PAULLEY: Madam Speaker, may I ask what the purpose of "by leave" is?

MADAM SPEAKER: This was the motion.

MR. PAULLEY: By leave?

MADAM SPEAKER: This was the motion.

MR. ROBLIN: It was "by leave" when I made the motion but I don't think it's "by leave" now.

A standing vote was taken, the result being as follows:

YEAS: Messrs. Alexander, Baizley, Beard, Bilton, Bjornson, Carroll, Cowan, Evans, Groves, Hamilton, Harrison, Hutton, Jeannotte, Johnson, Klym, Lissaman, McDonald, McGregor, McKellar, McLean, Martin, Mills, Moeller, Roblin, Shewman, Smellie, Stanes, Strickland, Watt, Weir and Witney.

NAYS: Messrs. Barkman, Campbell, Cherniack, Desjardins, Froese, Gray, Guttormson, Harris, Hillhouse, Hryhorczuk, Johnston, Molgat, Paulley, Peters, Schreyer, Shoemaker, Smerchanski, Tanchak, Vielfaure and Wright.

MR. CLERK: Yeas, 31; Nays, 20.

MADAM SPEAKER: I declare the motion carried.

MR. ROBLIN: Madam Speaker, will you call the Committee of the Whole House for the third reading of these various bills?

HONOURABLE STEWART E. McLEAN, Q. C. (Attorney-General) (Dauphin): Madam Speaker, I move, seconded by the Honourable the Minister of Education that Madam Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the following Bills: No. 5, An Act to provide for relief from certain unconscionable transactions; No. 9, an Act to amend The Department of Agriculture and Conservation Act; No. 11, an Act to amend The Metropolitan Winnipeg Act; No. 12, an Act to amend The Municipal Act; No. 16, an Act respecting the Town of Steinbach.

Madam 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 from Winnipeg Centre in the Chair.

MR. PAULLEY: Before we consider the Bills in the Committee of the Whole House, I wonder if the First Minister would be kind enough to indicate to me and to the members of the

(Mr. Paulley, cont'd). . . committee what will be the procedure in respect of Bill No. 2 which has been given second reading this evening? It's my understanding, Mr. Chairman, if memory serves me correctly, that back in 1961 when we were dealing with a bill to impose an income tax that that particular Bill was referred at that time to the special committee of the Whole House which met outside of this Chamber. I read with somewhat amazement the prediction, or intimation in one of the newspapers of the possibility that Bill No. 2 would not be dealt with outside of this Chamber. I am sure that many interested people in the Province of Manitoba, despite the support that the Honourable First Minister feels that he has for his Bill, would like to come before the committee if it is held outside of this Chamber to express their opinions, and I would request the First Minister or the pilot of the Legislation to inform us as to the procedure with Bill No. 2.

MR. ROBLIN: Mr. Chairman, I'll be glad to do so. Taxation bills are dealt with in this committee. When the point was raised the other day I asked the Clerk of the House to check on this and to phone the people in Ottawa to find out whether our procedure was in line with theirs, and I have the following report that Mr. Montgomery, Deputy Clerk in the House of Commons, informed me that in Ottawa taxation bills are treated the same as supply bills. They are introduced by resolution in committee then follow the procedure of first and second readings and referred to Committee of the Whole for third reading. Presentations from the public are made to the government on taxation bills and not to Parliament through committees. Now that has been our customary practice here. There was the one bill in '61 which my honourable friend alludes to that did go out to the committee, and I seem to recall the reason for that was because it had to do with the tax rental agreements that were being varied at that time into a tax collection agreement, but it is our intention to deal with the bill in Committee of the Whole.

MR. PAULLEY: Mr. Chairman, remembering back into '61 as to the reasons why the bill did go into the special select committee, the fact of the matter is that it was a bill imposing a tax on the taxpayers of the Province of Manitoba. The fact is that it did go outside of this Chamber and I believe the rules of our House, notwithstanding those at Ottawa, the rules of our House here are so constructed that where no rule applies definitely then past precedences will govern and I respectfully suggest, Mr. Chairman, that in the past, even if it was on only one occasion, we have established a principle that a taxation bill was outside of this Chamber, namely, the one I referred to of 1961. So therefore I respectfully suggest that in accordance with the rules of this House, if we have established a precedent for the bill going outside, notwithstanding the communication that my honourable friend the Provincial Treasurer has read from Ottawa.

MR. ROBLIN: Well I don't agree, Mr. Chairman. I think the rule my honourable friend refers to is sub-rule (2) of rule 1. "In cases for which provision is not made in the rules or by sessional or other orders, usages and customs of the House of Commons as in force at the time shall be followed so far as they are applicable to the Assembly." I think that covers the case.

MR. MOLGAT: Mr. Chairman, I believe that there is a very definite precedent here in the House and I'm referring to Journals, Legislative Assembly, Second Session, 1961, Page 22, 19th of October. After the second reading --the reference was very specifically-- the bill was accordingly read a second time and referred to the special committee of the House. I think this is a clear-cut precedent and this is what should be followed. I think there's a further reason, Mr. Chairman. I really believe that it's in the government's interest and in the interest of the people of Manitoba that representations should be heard.

As we went through the bill in the second reading stage, I'm sure the First Minister found a lot of comments coming from this side, and we are not tax experts and don't claim to be, but did indicate improvements that can be made in the bill. If he's definitely going to put it in then let's have it the best bill that we can, and if the First Minister would have this bill go outside of this House he will have a lot of representations made there that I think will make this a much more workable bill in the final analysis than if he refuses to hear the people who are directly involved.

The real estate people I know want to come and make a presentation. I know that the Manitoba Bar Association has struck off a special committee, ten of them met last night and

(Mr. Molgat, contd). . . spent three hours going over this bill, and they have special recommendations to make. There are certainly others in the same category, and I believe that the Mayor of St. Boniface is one who wants to come and make a presentation on this.

MR. PAULLEY: The Mayor of Transcona.

MR. MOLGAT: I'm satisfied, Mr. Chairman, that it will be in the interests of getting a more workable bill if the First Minister follows what he should do, the procedure that is laid down in the House, and that in the final analysis everyone will be better off for it.

MR. ROBLIN: Mr. Chairman, I wish I could agree with my honourable friend because he has put his case forward in such a reasonable way, but the fact is that tax bills are dealt with in this committee. People who wish to make representation on tax bills should do so but they should make them to the government, not through committees of the Legislature. That is the established procedure in the Legislatures of the country and I think we should stick to it.

MR. CHAIRMAN: Bill No. 5.

MR. CAMPBELL: . . . to ask the Honourable the First Minister if he has checked further back than the Journal that my leader has mentioned. My recollection is that tax bills, so far as this House is concerned, have been considered in the committee, not only in special sessions when we've had a committee of all the members of the House but even in the earlier days when we had them considered by a Law Amendments Committee. I can well remember sitting in the Committee of Law Amendments and discussing the tax bill at the time of the imposition of the famous two percent tax, and even earlier than that when we have had tax bills there. As far as this House is concerned, my recollection is very clear that that is the procedure, although I must confess that I haven't checked the Journals of particular sessions where there might have been some tax legislation introduced. The ones that I think of recently, for instance the flood session and the so-called power session, while they were so-called special sessions, there were no tax impositions at all so that those would not be precedents. Certainly the matters were discussed outside, but I would suggest that the practice of this House, and after all it's been pointed out here more than once that the practices become in themselves precedents and rules and Ottawa practices or rules do not apply in my opinion if we have practices and/or rules of our own, and this would in my opinion be a change, a variation of the previous practice, and going back to the very last special session when taxation was introduced, we clearly followed that practice. Now the one thing that does go of course just through the Committee of the Whole is the Supply Bill and the Ways and Means, but so far as the tax bill itself is concerned I think we have an immediate precedent here to quote and for the reasons that have been already mentioned I would urge that we do not abandon it.

MR. PAULLEY: Mr. Chairman, if I might ask one further point. If the First Minister is going to be adamant in not hearing representation before the special committee of the House, of the public, he indicated a few moments ago that the public or interested parties should make representations to the government on matters of taxation. My question to the First Minister, in view of that particular statement and in view of the fact of so much concern over the new ventures or the new taxes that are to be imposed on the people and the taxpayers of the Province of Manitoba, will he delay the final passage of Bill No. 2 imposing these taxes until such times as the public have had an opportunity, if not making representations before a special committee of the House as we have, to the government itself, because what sense is there in respect of the Bill No. 2 that we have before us for the Honourable the First Minister to invite representations on the question of these taxes if the bill is already law.

So I think in all fairness the Minister should have it one way or the other. If he's going to agree to hear representation on taxation from the public just to the government, let us delay passage of the bill in order that that might be done, otherwise why not do what we did in 1961, send this to the special committee -- I suggest possibly tomorrow morning -- and let it be known through the media of the press and radio as quickly as possible that representations can be made at that particular time.

MR. ROBLIN: Mr. Chairman, I'll undertake to give some consideration to that suggestion.

MR. PAULLEY: I want to thank the Honourable Minister for saying that he will give some consideration, but may I ask him not to delay unduly in the consideration. The hour is now half past nine in the evening and if we are going to meet in committee tomorrow morning

(Mr. Paulley, cont'd). . . morning to consider Bill No. 2 --that is in the special committee-- I'm sure that many interested people would like to hear, if at all possible, before they go to bed tonight.

MR. CHAIRMAN: Bill No. 5. Section 1. . . .

MR. SAUL CHERNIACK, Q. C. (St. John's): Mr. Chairman, on Section 1, I was under the impression that in this committee as well you read all the other sections and then come back to section 1. Is that not correct? In any event, Mr. Chairman, I want to propose an amendment to section 1. I want to propose an amendment that section 1 be amended by substituting the word "loans" for the word "transactions", and I think the reason for that is self-apparent. Since this bill deals only with loans it seems to me that it may give a false sense of security to people to think in terms of legislation being passed dealing with unconscionable transactions when actually the bill is limited to loans. I heard the Honourable the First Minister say today, "let us call a spade a spade." By the same token, I suggest that we call this Act what it is and that is an Unconscionable Loans Relief Act. That's my proposed amendment.

MR. McLEAN: Mr. Chairman, I haven't been following this perhaps as closely as I might have if I were in charge of the bill. I believe however that this is the first occasion that any suggestion for changing the name of the Act has been made and I think perhaps it would not be advisable at this stage to make any change. I'm certain that no one will be misled in the sense of the use of the word "transactions" which obviously can include, and does in fact include loans, and that the operative part of the section is the matter that is of substance and I would think that under the circumstances it would not be wise to make this change at this time.

Mr. Chairman presented the motion and after a voice vote declared the motion lost.

MR. CHAIRMAN: 2(a) passed, (b) passed, (c) passed, (d) passed, (e) passed, section 2 passed, 3(a) passed, (b) passed.

MR. CHERNIACK: Mr. Chairman, I am not yet daunted and I would like to propose an amendment to the effect that section 3 be amended by renumbering sub-sections (b), (c) and (d) as (c), (d) and (e) respectively, and adding the following: "(b) provide relief against forfeiture and acceleration."

Now it may be that the Attorney-General will say that he is not familiar with the details of what has been discussed in the past in this proposal. If he does, it will be the third time that I will have made a suggestion in the last few days and received that answer. I would only say that I, for myself, have spoken on more than one occasion with this suggestion, that the court do have the right --not the obligation but the right-- to provide relief against forfeiture and acceleration, and since it is permissive I urge the Attorney-General to adjust himself to the circumstance that is now before him and consider whether or not this would not be an improvement to the bill, because the way I read the bill it may well be that by the time the courts get around to reviewing the transaction and making the changes, that the goods involved in the transaction, if they may call it that, will have been seized and sold, and title to same may no longer be available. I suggest therefore that the court should have the power --it of course will not use it unless it deems it advisable-- but the court should have the power, in addition to re-opening the transaction, to step in quickly and provide relief against acceleration so that the whole debt doesn't come due because of one default and relief against forfeiture so that at least the goods could be kept in the status in which they are at the time the application is made to the court. Since it is a permissive provision that I am suggesting, I hope the Attorney-General will find it acceptable.

MR. McLEAN: Mr. Chairman, it is with great distress that I must inform the Honourable Member for St. John's that I think perhaps my answer that I have evidently been giving him so far doesn't really apply this time. The law respecting forfeiture and acceleration, as he knows perhaps as well or better than anyone else in this Chamber, is a very special part of our law relating to certain types of transactions, and I would be rather doubtful about the advisability of putting it into this bill without having considered its effect upon other aspects of our law, both statutory and common law. In addition, what I would think it would amount to would be a partial sort of mediation procedure which is really now what is contemplated by this bill which is for the purpose, as I understand it, of relieving against and

(Mr. McLean, cont'd). . . adjusting accounts relative to money payments, and under the circumstances it would be my feeling that it would not be wise to make this change without being able to consider its effect, if it were to be in the bill upon other statutes, upon the common law, about the whole body of law that revolves around the intriguing but certainly rather complicated law respecting forfeiture and acceleration.

Mr. Chairman presented the motion and after a voice vote declared the motion lost. The remainder of Bill No. 5 was read section by section and passed.

MR. CHAIRMAN: Bill No. 9, section 1 (a) (ee) passed, (a) passed, Section 1 passed. 2.24 (1) passed, (2) passed, 24 passed. 25(1) passed, (2) passed, (3) passed, (4) passed.

MR. J. M. FROESE, (Rhineland): Mr. Chairman, I have an amendment to propose on section (3). I move that the word "not" in the second line of section (3) be deleted. This will have the effect of making the government responsible for the construction, maintenance or repair of any bridge or crossing over the waterways that the government is taking over. I feel that there is a conflict in this section in the bill because the government will be directing policy, they will be deciding what is going to be done in connection with those waterways, yet the municipality will be left to foot the bill for the construction and maintenance and repairs on bridges. I think this is wrong. Tonight we have heard such a glowing talk, or address, by the First Minister. He said that some 7 million was going to be spent on the streets in Metro. He also mentioned that assistance was being given to municipalities and that further assistance would be given in the next budget. Why not direct it to this very thing mentioned in this section so that municipalities will not be embarrassed when they cannot foot these bills to get the necessary work done on the waterways that the government decides to improve. I feel that this is quite proper and I would ask support on this amendment.

HONOURABLE GEORGE HUTTON, (Minister of Agriculture) (Rockwood-Iberville): Mr. Chairman, I'm sorry that I can't accept the amendment. I think it arises out of a misunderstanding and maybe I could put this straight. Subsection (3) does not mean that the government does not accept the responsibility for bridges over floodways or drains or any channels which have been constructed for drainage purposes. What it is referring to here is a natural water channel. Now, we contemplate that we will be designating rivers, for instance, on which no work may have been done, as provincial waterways. There may be creeks, for instance, which are natural waterways where we, by no artificial means, by excavation or otherwise, affect the flow of the water. Then we do not accept responsibility for bridges. This is the established policy of the government. Wherever --and this goes back beyond the administration of this present government-- wherever, through construction work we affect the flows in a watercourse, whether it be a surface watercourse or whether it be a river, we do accept responsibility for the bridges, but where we do not undertake in any way to change the flows in that river we do not accept the responsibility for it and I could give you examples. For instance, in the floodways in the area that the Honourable Member for Rhineland represents, such as the Hespeler Floodway, there is no question about it; or the Aux Marais Drain, there's no question about it, but if it were a natural water channel that for any purpose we felt should be designated a provincial waterway, if we had not in any way interfered or reconstructed the channel, or enlarged the channel, or affected the size of the bridges, then in that case we would assume the responsibility, but I think that your fears are not well grounded and I really couldn't accept the responsibility that you are proposing here because it would mean that we would be responsible for every culvert and every crossing, regardless of its magnitude, in Manitoba.

MR. MOLGAT: Mr. Chairman, I think the Member for Rhineland has brought up an interesting point here though, because with the changes that are proposed insofar as the provincial roads are concerned, the roads that are going to be taken over, where does this leave a municipality who has a large number of bridges over what will become a provincial waterway which may be on roads that are purely municipal responsibilities. At the moment a good number of those roads, and therefore the bridges over them, would be I presume eligible for grants from the Department of Public Works on a 60-40, and I believe in certain cases where it is a major problem it goes beyond that. Now, what is going to happen with the shift in the policy in the highways end as compared to the waterworks end? Where will some municipalities who may have a large number of provincial waterways on which the Minister

(Mr. Molgat, cont'd). . . has made no improvements, and therefore where he accepts no responsibility --is there not a danger that they will be adversely affected?

MR. HUTTON: Mr. Chairman, let us suppose that we had the policy of community connectors and we let drainage remain as it is today. On the drains, floodways, where the government participates and where there is work done on the channels, we would contribute. On those projects where the --on those roads where there is nothing done to improve a water channel which the road may cross, the municipality would be responsible for providing the crossing. Now, because we come in with a program of 100 % drainage, we cannot assume responsibility of I could take the honourable member's suggestion and probably with it in another way and that is to very much limit the designation of certain channels which are natural and which do not require any improvement to carry adequate flows of water, to provide adequate protection. But, this section here enables us to designate these certain natural waterways, or water forces, as provincial waterways, which in certain sections, in certain sections may require improvements. But it doesn't necessitate that we should accept responsibility, for instance in the upper regions where no work may need to be done. We wouldn't become responsible for every single crossing over. Now I realize that we're not, this clause as it is worded is not nearly as good as the one that is suggested by the honourable member for Rhineland, but I might suggest that the honourable member for Rhineland is being overly generous in this case.

MR. E. R. SCHREYER, (Brokenhead): Mr. Chairman, I think I understand the Minister's explanation but still he must certainly admit that there is something very strange and almost offensive about a provision which seems to require a municipality to maintain crossings over a senior government's public work. I can't conceive of, for example, the provincial government being held responsible to maintain some sort of crossing, etc. over some federal government public work, and similarly, I don't see how he could want to insist that a municipality be held so responsible in this case. However, I certainly see the veiled threat that he gave us, namely that if this word "not" were deleted he would simply resort to limiting the number of drains so designated and so perhaps there isn't much to be gained in any event.

MR. T. P. HILLHOUSE, Q.C. (Selkirk): Mr. Chairman, I've got a question. Supposing a natural water channel runs through private land, and supposing you declare that to be a provincial waterway, who is going to be responsible under those circumstances for bridging it?

MR. HUTTON: If we designated a drain that ran through private property, and it was an artificial drain in any sense of the word, that it was an improved. . . .

MR. HILLHOUSE: a natural water channel running through private property, where riparian ownership exists.

MR. HUTTON: All right, we do not accept in that case the responsibility for providing the crossing. But if we were to go in and improve that channel, if we were to go in and improve that natural water course in any way, then we'd become responsible for any crossings that are required. What we're saying here is that where there is a natural waterway, where there is a natural water channel --and maybe it should say, maybe it should go a little farther than that and say unimproved, but I think that this is implicit-- where there is a natural water channel we are not automatically responsible for the bridge because we designate that total drainage as a provincial waterway.

MR. HILLHOUSE: a drain that goes through private land--

MR. HUTTON: who is responsible on private land, the owner of the land is responsible for providing a crossing, for himself.

MR. HILLHOUSE: for the general public. . . .

MR. HUTTON: Oh. . . .

MR. FROESE: Mr. Chairman, when I proposed this amendment I was thinking of the upper regions of the Hespeler. The Hespeler no doubt is going to be designated as a provincial waterway and already we have places where bridges have been torn out on roads crossing the Hespeler, which were too costly for the municipality to maintain. Now, if the government is going to declare it a waterway they will improve it, and they will naturally widen the water course so that it means that larger bridges will have to be installed, and I feel that the

(Mr. Froese, cont'd), . . . municipality will balk at this. They will not be prepared to pay the cost for those bridges, and that is my reason for bringing this in. I feel that the provincial government should come to the assistance of the municipality in this way.

MR. HUTTON: Mr. Chairman, the answer to this is very simple. The Hespeler Floodway is not a natural water channel. It may have been one time. But it is no longer.

MR. JOHN P. TANCHAK, (Emerson): I have a question to ask and this is a question that was asked of me too. Supposing the government proclaims a natural flow or stream, a natural water channel, then farther up somewhere the government releases more water into this natural channel without touching the next stream, or diverts the water from one natural channel to another. Now this is still a natural channel and I have in my constituency some people who have made private crossings, and the way they do it is simply put some stones in the bottom of the natural flow and then gravel over the top of it, and as long as the flow is not too high they can use it for crossing. What if the government diverts some water from a different channel without touching this one, makes a heavier flow through it. Who is responsible if the farmer cannot take care of this crossing himself? That is the question I would like the Minister to explain.

MR. HUTTON: Mr. Chairman, I would say that wherever by our actions we in any way affect the flow, increase the flow, so that the existing structures are not adequate to carry, there is no question, I think, that the government is responsible to provide the crossing, because then this is no longer a natural water channel. It has been affected by our overall drainage program.

MR. MOLGAT: Mr. Chairman, we do have a definite assurance though from the Minister, have we, that wherever any improvement is made to the channel, it will then become a provincial responsibility for that crossing?

MR. HUTTON: That depends on which end of the channel the improvement is made. I wouldn't say that if we at the outlet improved the outlet that we would be responsible for all the crossings back up stream for 30 miles. But I think that you have a much better assurance than the word of the Minister, and it's the fact that the Minister has to go to the people in a democracy every four years, and the fears that are expressed in this Chamber by the Honourable Member for Emerson and the Honourable Leader of the Opposition about the good faith of this government and the fears about what they fear to be dictatorial policies and so forth, make me a little bit sick to the stomach, because surely you have some faith in your democratic institutions. Surely you have some faith in the democratic process of government. And surely you must realize that in carrying out these policies we are going to do our very best to accommodate that which is in the best interests of the people in this province. This provision here limits our responsibility and I admit that, but it only limits it because if we didn't limit it in this way we couldn't live with it. We'd have every crossing in Manitoba which we declared a provincial waterway, regardless of whether any action on our part carried a responsibility, the responsibility for providing crossings or not. And there is a great difference between doing work on the outlet of a provincial waterway and in interfering with channel flows upstream. Because anything that we do in the upstream area affects the flow of water in the whole area below. If we do something in the downstream area, there may be small crossings in the upper areas, in the natural water channel, for which no logical argument could be made that we should assume 100% responsibility for it.

MR. E. R. SCHREYER: I can understand that explanation and I would ask the Minister then why he couldn't have inserted some proviso here having to do with proximity or nearness to where the departmental or the government work was undertaken, I think that would have solved the problem and we would have saved about 20 minutes of time here.

MR. MOLGAT: Mr. Chairman that was certainly an interesting discourse on democracy. I didn't really know exactly what it had to do with bridges over natural water channels but my honourable friend the Minister of Agriculture apparently does. What exactly, could he tell me is going to be the policy insofar as the drainage maintenance districts? I'm sorry I could not be at the committee when this came up and I don't know if it was introduced at that time, but on the second reading of the bill it was one of the questions that was asked of the Minister and at that time he was not too clear as to exactly what was going to happen to drainage maintenance districts where there is already a joint provincial

(Mr. Molgat, cont'd). . . .and municipal responsibility but overlapping the municipality boundaries, because most of the districts include more than one municipality, and I asked him then whether they were going to be dissolved or whether they would continue and what would be the policy. I don't know if he wants to discuss it under this item or another but somewhere along the line I would like to know what the policy is going to be.

MR. HUTTON: Well Mr. Chairman, as the Honourable the Leader of the Opposition knows, the organization and operations of the DMDs are provided for under legislation, and at the present time the government makes annual grants to the DMDs to enable them to carry on their work of maintaining the drainage channels which have been given to them as their responsibility. These too are designated drains and they're designated by Order-in-Council. At the outset, of course, the financial assistance that has been going to the DMDs from the government will be withdrawn, because we will be assuming the total responsibility for the construction and maintenance of all of their major drains, and I'm referring to those drains which at the present time qualify for six and two thirds grants because they carry foreign water. So these will be removed from their responsibility. Now I believe that it may be possible --and I say it may be possible-- that in certain areas some of the drainage maintenance districts may want to remain active until they see just how this new policy is going to work for them. Although we intend to remove the majority of the drains that are of an inter-municipal nature, there may be some which, although they probably won't flow through as many municipalities, undoubtedly there are going to be drains where the water rises in one municipality and flows through another, so at this time I wouldn't want to go on record as saying that the DMDs will all immediately go out of existence. I do not foresee in the future the necessity for continuing such an organization, but we would like to be able to consult with the officials of the drainage maintenance districts, and as a matter of fact we look forward to the opportunity of meeting them all and going over our policy with them all, so that each one of these districts knows the exact impact of this new policy in respect to drainage that they are responsible for at the present time. What they will decide, whether they want to continue in the future to operate in respect to their local drainage, I can't say at this time. I'll have to wait a little longer and find out a little more, I think, before I can give a categorical answer to the Leader of the Opposition.

MR. CHAIRMAN: The motion before the House is that the word "not" be deleted from the second line of subsection (3) of Section 25. All those in favour of the motion?

MR. CAMPBELL: Mr. Chairman, before that motion is put I would like to, if possible, act as a peacemaker between the Honourable Minister and my honourable friend from Rhineland. Quite frankly I think that the honourable member for Rhineland's motion is rather drastic, much as I sympathize with his position, but when we have legislation here that says quite frankly the government is not responsible, then we with an amendment attempt to change it directly to that it is responsible, that's a complete reversal of the position, and I can understand the government not wanting to be declared in the statute to be responsible so directly as that; but isn't there an intermediate position? It seems to me that when we declare in the legislation that the government is not responsible there is a tendency for a government department and officials to take the position that that is almost mandatory to not hold themselves responsible. It's almost a direction to not provide bridges, and I would think that even the courts would be inclined to interpret it that way. I don't think that is really the intention. I think the intention is to --and this probably isn't legal language at all --the intention is sort of to say that it's not necessarily responsible just because they do some work, or that it is not automatically responsible, or something of that kind. Couldn't we get, rather than --because I have sympathy with my honourable friend's position but I don't-- with all respect I think it's too much of a variation of the present --couldn't we get an amelioration in there that would not appear to prohibit doing anything and yet would not directly put the responsibility on the government to do something. Would my honourable friend the Minister be prepared to accept some kind of a -- or suggest some kind of a wording that might be a half-way measure?

MR. FROESE: Mr. Chairman I would be quite happy to any compromise that the Minister has to offer.

MR. HUTTON: Mr. Chairman, it's very difficult for the Minister to compromise at this time. You know I've told this Assembly --this committee-- that I'm a plodding pragmatic farmer. When we were in the Special Committee of the Whole House and this bill was before us, we had the advantage of legislative counsel and we had the advantage of the director of the Water Control and Conservation Branch being in attendance to consult on this matter. I frankly do not feel that I can entertain at this time, without benefit of their counsel --because water is a very tricky matter to deal with. Men have fought with one another over water; they've threatened one another with forks and shotguns, and you know if we weren't as good-tempered people in this Legislature I'm sure that we could come to blows about it too. I would beg your indulgence to let the clause stand as it is under the circumstances, because I don't think any of us would know just what we were doing if we amended it at this time.

MR. CHAIRMAN: Contrary? The motion is lost. Subsection (4) passed, (5) as amended passed, section 26 passed, section 27, clause (a) passed.....

MR. CAMPBELL: Mr. Chairman.....clause (5).

MR. CHAIRMAN: Oh, it's just the correction of the spelling of the first word "notwithstanding".

MR. CAMPBELL: Oh yes.

MR. CHAIRMAN: 27 (a) passed, 27(b) as amended passed, (c) passed.

MR. TANCHAK: Mr. Chairman, on 27, subsection (b). We had a little discourse from the Honourable Minister. He wason democracy in action and I appreciate what he had to say, and when I said that that was dictatorial before, I was referring to another clause before where the Minister "may" abandon or "may" designate, and at that time I did not know that the Minister would be willing to co-operate with the different municipalities but now I understand there is assurance that he will co-operate and he will give notice to the municipalities and work together. That would be democracy in action and I wish to thank the Minister, but the way the Act read it didn't mention anything. It just "may" and that's all, and there was no reference to any consultation with any municipalities.

Now in section (b), if it was not amended, and I understand it is being amended now, then any man or woman who had taken a pail of water from the river could have been liable to prosecution and even to a fine exceeding \$500, but I understand that this section is amended and it just reads "divert" or release any water, and I wish at this time to thank the Honourable Minister for acting on my recommendation to amend this subsection. I thank him for considering that at the present time.

The remainder of Bill No. 9 was read section by section and passed.

MR. CHAIRMAN: Bill No. 11. Section 1, subsection (3) passed, 1 passed, 2(a) passed, 2 passed.

MR. LAURENT DESJARDINS, (St. Boniface): Mr. Chairman, I have an amendment here of --moved that Section 2 be deleted. I know that we talked about this this morning and then we listened for an hour to the Honourable the First Minister telling us about the taxes, how much he wants to help the homeowners in this province, and we've been told by a Minister tonight that we should have good faith in the government and I don't think that this is too much possible when we get a bill like this No. 2 anyway. This 20 percent was there for a purpose at one time. It was there to protect the owners of these hospitals, be they religious or otherwise, and it was there to protect their independence, and now we are told that the principles still exist. Well the protection was because they were paying that themselves through donations that they received and so on. This was why they had protection. Now they are not raising this any more. The people of Manitoba are paying for this. They are paying 80 percent through the Provincial and Federal Government and now 20 percent through Metro, and I think that it is not really honest to say that the principle still is in effect. I can't see this at all --I can't see where if somebody else owned 80 percent, one 80 percent and the other 20 percent-- if you don't own anything I can't see where you are protected at all. Before that, yes, that 20 percent meant something and now it doesn't.

Now this is just an out and out tax and it is a tax against the homeowners and the people that live in the Greater Winnipeg area. I'm talking about this now in the Greater Winnipeg area because this is a Metro bill and not the municipality, but it's the same thing.

(Mr. Desjardins, cont'd). . . It's unfair in certain parts of the province, in the rural parts of the province also. A certain hospital --and I was told this wasn't out of order this morning when we were in front of committee, and I was asked also by the First Minister who told us that we never bring any constructive criticism at all and my friend the Minister of Education told us the same thing, that we had no alternative. Well the alternative, is very simple. This is a care for the people of Manitoba. They are paying for it and they should pay for it. It's very simple. Let the people of Manitoba pay for it. Let the province pay for it. Now there's no need for the province to go and stick their nose in there either. I'm not advocating --let's not try to mix it up because I'm saying that Manitoba should pay for it that they should interfere, but I can't see the difference if you have half of the people, which is Metro, interfering with the whole province. It doesn't matter if the province is levying this extra 20 percent or if Metro is. This is just a tax. Now just in Greater Winnipeg we are told that there is at least \$35 million worth of hospitals needed right now just to keep up the hospitals. Well that means \$7 million. Now what was this great idea that we had to protect the homeowners. There's \$7 million and I'm not only talking about half the population here in Manitoba, the people here in Greater Winnipeg, and this is what they will have to pay and this is an out and out tax, and there is no reason for this at all.

Now we are told that this is a privilege. It's a privilege that the people can do without. They are not interested in this and if it's a privilege why don't we ask them? The Minister told us not long ago that he's tired of being accused of having dictatorial ways and so on. Well this is a good example right here. Metro didn't ask for this. The people of the area didn't ask for this. It's something that's not asked for and it's not a privilege and let's not kid ourselves. If there was a way that it would be worth it, if we can pay for this to keep the economy of the hospital -- but this is not being done and let's not kid ourselves. If I can't pay for 20 percent somebody else pays for it. If there are two partners owing it, that's not going to help me-- it's the same thing as if there was only one. And we don't need any more interference than we have now. I don't know where there can be much more interference anyway. The Manitoba Hospital Commission dictates everything now and we know it. They approve every budget. They're going to tell you when a hospital is going to be built and so on. There's no need for any more of that and I don't think there is much room for it either.

Now I am told that --somebody that had discussion with this-- I can't verify this. I don't know if this is the real reason --but I am told that the reason for this is that the government is afraid of its responsibility. Not so much in Metro but this is what they are doing in the rural areas. If the municipalities do not keep on paying this 20 percent, they are afraid that a lot of different districts, a lot of different people will come in and say, "We want a hospital", and, I don't know, I guess they haven't got the courage to say, "No, we are following the Willard Report. This is not where a hospital is going." So I am just as fed up as the Minister of Agriculture to hear this principle because this is not a principle at all, and nobody can honestly say that it is.

Now this is the first reason why I make this motion. The second one is that it's an unfair tax on the people of the Greater Winnipeg area. As I said before there are a lot of people that live outside the Greater Winnipeg area that are taken care of in these hospitals. At no time have I said anything against the doctors or the hospitals of rural Manitoba. Not once; and I still feel that it would be ridiculous to have all these extended services and so on in every smaller hospital in rural Manitoba. I'm not debating this at all. This is part of it. Part of the care for the people of rural Manitoba is their local hospitals and part of it something that can't be done there, they have to go a little further and they come to these hospitals here in Greater Winnipeg. It's normal. They deserve --I'm not suggesting that they should have less care. I'm not suggesting that at all, but I'm suggesting that the people of Manitoba should pay for this and I can't see why half the population should pay for the full amount, full percentage of their 20 percent plus maybe more than half of the 20 percent of the people in rural Manitoba, and this is the same thing with your policy, this is the same thing; some rural points are punished also. Around Brandon --well Brandon is not rural but it's outside the Greater Winnipeg area. It's the same thing -- a lot of people outside of Brandon will come out to these hospitals. It's the same thing around Portage la Prairie and so on. The only fair way if we want is for the province to pay for this, and

(Mr. Desjardins, cont'd). . . there is no reason why they should interfere more. Now I have the figures at St. Boniface Hospital for one. Thirty four percent of the people in St. Boniface Hospital occupying beds come from Winnipeg; eighteen percent from St. Boniface, seven from St. Vital, five from Transcona, three from East Kildonan, two from Fort Garry and one from St. James, and I think if you add that up you will find that it's seventy percent. There's another thirty percent there. And it was admitted this morning, and I think it's safe to say that it is really true, that most of these people, this thirty percent coming here, are here for extended, for specialized services and these are the costly ones too, so that doesn't even represent the true percentage of the cost.

Now again I'll repeat, because some of my friends are pretty touchy on this. I'm not suggesting that they should have less but I'm certainly not suggesting that the people of Metro should pay for this. I think that the people of the Greater Winnipeg area have plenty of taxes to pay. They're ready to pay for their share, definitely, and they're also ready --it was stated this morning -- we're ready. If you want to have some taxes with the ability to pay, well that's fine --go ahead and have it. We'll go for that too --gasoline tax, any tax. It doesn't matter, but the taxes should come from the Treasury, from the Province of Manitoba, and it's quite a thing that after listening to the Premier for an hour and a half tell us he wants to save money and we don't bring any constructive criticism and so on, and another Minister is tired of being accused, well let's get -- this is constructive criticism. This is the truth and you know it. There is no reason for this at all, and let's not get all the people involved and be unfair to these people because the government is not ready to take their responsibility. Now we've heard today, I think it was a clear case. The chairman of the Manitoba Hospital Commission was asked a few questions by the Member from St. John's and I think he made it very clear that the commission will still decide where the hospitals will be built, and the people running these hospitals, either the Salvation Army or in Concordia it's another group, or the Misericordia or St. Boniface, they're not going to be forced to build if they don't want to build. Who's going to operate them? But we know that Metro's not going to decide and it would be an awful thing if Metro that doesn't do anything on this planning, and we were told that they will, but the Commission is still planning this; I can't see where Metro is going to decide to do --what if all of a sudden-- the chairman was asked what happens if all of a sudden Metro decide "No, we've spent enough money this year," or "We don't want to raise this tax." They have elections too. Maybe there'll be an election and they won't want to raise this money. What will happen? The chairman told us, "we'll cross that bridge then." That was pretty obvious, and this is what we are talking about, so this is not an honest clause. It's not a fair clause for the people of Metro, and I think that the government should take the responsibility, have a little more courage and delete this clause.

MR. PAULLEY: Mr. Chairman, I want to thank the Honourable Member for St. Boniface for introducing the motion calling for the deletion of Clause 2 in this bill this evening. I want to reciprocate the support that he gave to the motion proposed by my colleague the Honourable Member for Elmwood this morning, dealing with the same clause.

At the hearings this morning, or at the meetings held this morning, in connection with this very important matter, namely as to whether or not the Metropolitan Corporation should assess upon the taxpayers of the Metropolitan area up to 20 percent of the costs of hospitalization or hospitals built in the Metropolitan area, it was pointed out that at the present time there are at least three hospitals that are concerned with developing, expanding, or new construction in the Greater Winnipeg area, namely the Victoria, Concordia, and Children's Hospital. It was pointed out to us at the committee meeting this morning that it appeared as though the source of revenue in the private sector had dried up, but whereas previously, when hospitals wanted to embark in hospital expansion and construction, there was not too much difficulty in obtaining from the public through public subscription and private individuals the necessary twenty percent, which is a rule of this government in its Hospitals Act, but this source is now apparently dried up --if not entirely, to a considerable degree. Now it is recognized that the twenty percent which has to be raised other than the eighty percent joint federal and provincial contributions, it is proposed that this should be done by the Metropolitan Council.

(Mr. Paulley, cont'd).

During the hearings this morning we heard, as the Honourable Member for St. Boniface has pointed out, from the Commissioner of Hospitals as to who will decide as to where the hospitals should be, and we discovered this morning that notwithstanding the collection by Metro of twenty percent of the construction costs, the Commissioner is going to decide where the hospital is going to go, or what hospital is going to benefit as a result of the grant.

Now many of my honourable friends in this House have attempted to correlate the fact that in the rural areas of Manitoba at a municipal level the contributions of 20 percent are being made. But, Mr. Chairman, I think one very important fact is being overlooked that in those particular areas the municipal councils decide exactly where that hospital is going to go. This will not be so, this will not be so with the grants proposed insofar as the Metropolitan Council is concerned. They may decide in their wisdom the hospital will be built in Fort Garry, or some other location, and yet the people in the whole area who are making the contribution of this tax will have no say as to where the hospital shall be built. Indeed, Mr. Chairman, it was pointed out clearly this morning that a hospital will make a request for a grant to Metro Council after they have received the approval of the Commissioner of Hospitalization that they may go ahead with their construction, Metro Council might consider it, they may reject it, they may accept it, but then after that, if they accept it they'll have to go to the Municipal and Public Utilities Board to get the approval to do it.

Now we've been dealing in this Special Session with the Michener Commission Report. In that report it was definitely stated by the Commission that hospital construction should become now a responsibility of the Provincial Treasury. The First Minister this evening -- well he did deliver a very fine oration in the process of which he said that Michener and his committee did not recommend any municipal tax relief. If you recall, Mr. Chairman, when he made that statement I questioned it by saying, "What about welfare?" Insignificant. But Mr. Chairman, the Michener Commission did say the cost of hospital construction, this 20 percent, should be borne in addition to the present provincial contribution.

My honourable friend the Minister of Municipal Affairs says, "What about unconditional grants?" Well, what about unconditional grants? What about them? Certainly, certainly the Michener Commission did say, in return for other services you should stop the unconditional grants but providing you undertook, providing you, the government, undertook all of the recommendations of the Michener Commission which would have had the effect of cutting in half, of cutting in half the cost of education at the local level, and what is the net result? And so I say to my honourable friend, the Minister of Municipal Affairs, let's not throw in "what about unconditional grants?" Oh yes -- he still nods his head. I respectfully suggest, Mr. Chairman, that my honourable friend should go back and take another look at the Michener Report.

But notwithstanding this, another argument that I've heard from the members of the government in the question of the use of hospitals and the cost of construction, is to whether or not citizens from outside of the Winnipeg area are in our hospitals I don't care a continental. All I care about is the provision of an adequate number of beds for the people who require them in the Province of Manitoba. This is the important thing. And if we're talking about the money sources -- we often talk about 50 percent of the population being in the Greater Winnipeg area, but I think it's also a fact, Mr. Chairman, that while we may have only 50 percent of the population in the Greater Winnipeg area the Provincial Treasury is enhanced by about three-quarters at least of the revenue it receives from the Metropolitan area, and I think you should take the two hand in hand.

So I say, Mr. Chairman, that insofar as Section 2 in this bill is concerned, it's going absolutely contrary to the recommendation of the Michener Commission in respect of hospital construction; it's going absolutely contrary to the concept of the Michener Commission which says we must alleviate the burden on the local taxpayer. And once again as we are dealing with the Metropolitan Act, may I once again reiterate what I said this morning in connection with this matter, that Metro Council insofar as Winnipeg, the Greater Winnipeg area is concerned, is having enough difficulty at the present time trying to get along with the ratepayers and the people of the Greater Winnipeg area with their areas of jurisdiction at the present time.

(Mr. Paulley, cont'd.) . . .

I was a supporter and am a supporter of Metropolitan government in Greater Winnipeg, but I want to say that it's a difficult enough job now, Mr. Chairman, as a supporter of Metro to try and convince the ratepayers, in the suburban areas particularly, of the desirability of Metro, to try and explain to them what value they are getting for their tax dollar and why it's necessary for the imposition of taxes for the Metro level of government, and this government, this government, Mr. Chairman, who was responsible and I supported them, for bringing into being Metro, is not helping out Metro government at all by asking them to become the whipping boy for hospital construction in the Greater Winnipeg area, and I appeal once again to the members of this committee and this House to at least withdraw Section No. 2 until the legislation is clearly spelled out, so that everybody knows exactly what this clause means, and in the meantime as I suggested this morning, put up the necessary 20 percent of the costs required for the construction in respect of Victoria, Concordia and Children's Hospitals. And if you ask me, Mr. Chairman, for a constructive suggestion as to where the money is coming from, I refer you to the Speech of my honourable friend the Leader of the House, the Premier and Provincial Treasurer, when he gave his opening statement on Bill No. 2, when he says that he is going to collect an additional million dollars over a 12-month period as the result of the new taxes that he is going to impose on the people of Manitoba.

MR. M. SMERCHANSKI (Burrows): Mr. Chairman, I'm not going to nearly be as long in the half hour as the Honourable Member for Radisson but, Mr. Chairman, I do feel that the government has more or less made up its mind in leaving this section in, and I would simply like to leave a few suggestions in that in the first instance Metro should not be asked to be in a position to give a grant of the 20 percent simply for this reason, that not only is it an additional tax burden on the Metro taxpayer but then it's an additional burden on those hospitals that are now operating in the area who have provided their 20 percent equity, and now you're going to turn around and make these people pay an additional 20 percent equity in the construction of new hospitals, and I say to you that this is completely unfair and it doesn't take a mathematician, it simply takes ordinary common thinking. Why do you want to penalize those people who are aggressive and get together and will raise the 20 percent equity and will build the hospital and will operate the hospital, and they you're going to have Metro coming in and levelling on the same people, the same taxpayers, an additional 20 percent to supply equity for somebody else's hospital. Now this is completely unfair. And if the provincial government feels it cannot provide this 20 percent equity, then I would say to the government, reconsider, remove, this section and place it squarely back with the original owners and the moving spirit in these new hospitals that are going to be constructed. Let us give it the proper honour, pride and give the group that are sponsoring the new hospitals the privilege to be partial owners. And let us not overlook that, because I think that in the final analysis it is this group that provides the nucleus, that provides the enthusiasm of being part and parcel of new construction. I think that the government should not overlook this group. They provide the initiative; they are proud of being able to contribute to the community something in a formidable way.

This is the way that hospitals were built in Winnipeg prior to the government taking over a large percentage of the administration and construction of our hospitals in Manitoba, and I think that the government, if it cannot bear this responsibility, should not place it on the backs of Metro.

An interesting observation in today's committee meeting was that allowance, Mr. Chairman, is made for depreciation on the 20 percent equity, and I for one cannot understand how you can make allowance for depreciation on 20 percent of this equity and then be told that by a quirk in the method of bookkeeping that you're not allowed to depreciate 20 percent of this equity. I don't understand this, and I for one would like to be shown how this is done, because this is a new gimmick in the matter of bookkeeping and I'd like to acquaint myself with it.

I think, Mr. Chairman, that there are two important points: 1 - You are taxing double those citizens of Metro who have already provided a 20 percent equity in some of the hospitals; and No. 2. Please do not destroy the last bit of initiative of the people of the community who do want to render a social function to society, please do not remove that privilege. I heard in Committee today some of the Honourable Ministers mention that they would like to retain that nucleus of public interest, that nucleus of social service, because there are people in our

(Mr. Smerchanski, cont'd.) . . . community that take a distinct pride and have contributed many hours of work in this direction. Why do you take it upon yourself to kill that initiative? Is this the proper thing? I know that one of the Honourable Ministers is frowning at me but look. Lay it on the doorstep of these proposed hospitals and tell them, look, this is your bowl of soup. You provide the 20 percent equity and you can go on with your construction, and if you have the proper type of citizenship in there and if you do the proper selling job on it, and if you do the proper cultivating in the selling of that job you're going to get these hospitals built, and neither the government nor Metro will have to put up the 20 percent equity.

Mr. Chairman, I would strongly recommend to this government that they reconsider, remove Section 2, and you're going to be doing a service to society and a service to Metropolitan Winnipeg. Thank you.

HON. CHARLES H. WITNEY (Minister of Health)(Flin Flon): The last speaker in this matter rather interested me because I wasn't quite sure which side of the question he was on as he continued to talk, because he spoke about the fact of retaining initiative and allowing people to have a pride in their hospitals, and that's exactly what we want to do.

The basic issue here is whether or not we do away with the 20 percent equity, and I gather from the members of the Opposition that they want to do away with this 20 percent equity in this province. That's the interpretation I have of what they are saying, and our position here is that we do not intend to do away with the 20 percent equity. We do not intend to do away with the hospital board having to raise its particular part of the capital cost of the development of a hospital, and I think in this position that we are supported by the hospital boards across this province. I have had conversations with many of them over the past few months that I have been the Minister of Health, and only today there was a hospital board in my office after we left from the Committee and we had been through this argument, and I said to them -- the hospital board -- I said, "What's your opinion on the 20 percent? Do you want to retain it or do you want to agree with those in the Committee who said it should be abolished?" They said, "We want to retain it."

Now this was a rural board. Now we come into a Metro board and only this weekend I was talking to heads of a Metro board, a Metropolitan hospital board. I said "What's your position on this? Do you want to retain the 20 percent or do you not?" And they said, "We want to retain the 20 percent." So the majority, the vast majority of the hospital boards across this province in the Metropolitan area and in the rural areas, want to retain the 20 percent equity. This does not affect ownership. They still own their hospital. They want to have that privilege still, and I may be criticized for using this term "privilege" -- I notice it was brought up a couple of times and it might be an expansive word, I don't know -- but I don't back away from it because I gather from them that they want to retain the right and the initiative and the pride to go out and raise the 20 percent local equity. They want to do that.

Now in the rural parts of the province, 58 of them at the present time raise the owner's equity through local taxation. There are 10 voluntary hospitals in rural Manitoba that raise a portion of it through local taxation and who raise some of it through private donations. And of the 10 that we have in Winnipeg only three are having any difficulty at the present time in raising their 20 percent local equity -- three out of the whole 10 -- and they can still go out and try to raise voluntary money if they wish to, and if they can raise 10 percent of the 20 percent then they can apply to Metro for the other 10 percent on a local levy. Now all we are doing in this case is for those three hospitals -- and let's take Victoria as an example. Victoria wants to build. There's a hospital board that has come in and said, "We want to build this hospital. We can't get 20 percent. Now what are you going to do about it?" We still feel, and I think they agree with us, that the 20 percent equity should remain and we have found for them another avenue where they can obtain it, through going to Metro and obtaining a levy on the local taxpayer.

Now, the Victoria Hospital is a hospital that has people from all over Metro -- people from St. James, people from West Kildonan, people from Transcona, people from Winnipeg, people from all over. They come into the Victoria hospital. What is wrong with having a levy over the whole of the Metropolitan area? Over all the people that are going to use the Victoria Hospital or the Concordia Hospital or the Children's Hospital? We do not want to cross that fine line yet as to the point where the province puts up everything, because when we do we will

(Mr. Witney, cont'd.) . . . lose local initiative, we will lose local pride, and believe me, when you speak to the hospital boards that I have spoken to in the Metropolitan area and in the rural parts of this province, there's initiative, there is pride, and there is an interest in that hospital; and I maintain they want to retain the 20 percent equity in Metro and in the rural areas of the province.

I note that there has been some comment about the rural people who are going to come in to use the Metropolitan hospitals. Well, let's take a look at Brandon. There are people who come from Dauphin, people who come from Flin Flon, people who come from The Pas, down to the Brandon Hospital, who are raising their 20 percent through local taxation. But they don't take this attitude at all and I don't think the hospital boards in the Metropolitan area do either. There might be. I don't know what the figure is with respect of St. Boniface. I understand from the Honourable Member from St. Boniface that it's about 20 percent. The Hospital Commission said today, I think that it was around about 21 percent of people that come into this area. And I say that the Metropolitan hospitals and their staffs benefit from that, and I don't think they want to particularly do away with it because this is a big medical centre here in Winnipeg, in the Metropolitan area. And the benefit that they can have from cases coming from other environmental areas of this province, not just from Metro, are of value to all the professions that work with these hospitals and to the hospitals themselves. And so I don't think that has any real significance at all.

I've noted the concern about the Manitoba Hospital Commission, and we've always heard that it's dictatorial and I suppose that that connotation can be given to it -- not given to it, but the people who are angry because there's had to be a decision made and maybe the decision has not been the way they wanted it to be, perhaps at that time they say they're dictatorial. But this is a \$46 million plan in this province. It has to have planning. It has to have co-ordination. It has to have integration. There has to be one source to do it, and the Hospital Commission in the Province of Manitoba are the people who have been given that responsibility. I argue that they have done a good job. I argue that that Commission is responsible, the men on it are responsible, the men come from not only the professional field, they come from the municipal field and they come from the financial field, and they have spent the last few years and months in designing an integrated hospital system in this province and I say they have done a good job; and they have done that in co-operation with the hospital boards.

When you talk about complaints I understand that on the budgets, the budgets which are first of all prepared by the board and then submitted to the Manitoba Hospital Commission, there was only about seven of them that challenged a ruling of the Hospital Commission on the budgets for 1964, out of 99. And out of that there were only about four of them who actually decided they wanted to appeal directly to the Commission. So I think that speaks very highly for the Commission and I think it speaks highly for the Boards. It shows the responsibility that they have had, the initiative, the pride and the interest in their hospital, in the budgeting and in the raising of the 20 percent equity. So I do not agree that we should delete this clause at all. I think this is going to provide an area where the Victoria Hospital, who said: "We can't raise our 20 percent by voluntary contributions," but who I believe also said, "We still believe in this 20 percent equity principle," they can now do so by having a levy on the Metropolitan people. The same with Concordia, the same with Children's. The same with any of them, but remember, only three in the Metropolitan area are having difficulties at the present time.

So I say, Mr. Chairman, that the amendment to the Bill should be defeated. I think in the interests of the hospital boards in this province, the voluntary citizens, some of them elected representatives on those boards, that in their interests it should be defeated and in the interests of having a good development of hospitals in this province, in the interests of retaining the initiative and the pride and the interest, and in the interests of helping to control costs, that we should encourage these boards; and those boards are saying, as I understand them, "Retain the 20 percent equity." We are doing it and we are providing in the Metropolitan area an area to raise it that they have in the rural areas of the province at the present time.

MR. CHERNIACK: Mr. Chairman, I'm going to be in trouble with my leader, Mr. Chairman. However, I must say that the enthusiasm of the Minister of Health has really buoyed me up to the extent where I just couldn't stay down once I heard how happy he was about the work

(Mr. Cherniack, cont'd.) . . . of the Hospital Commission, and I for one will say nothing whatsoever in derogation of the work that they do. As far as I know they are doing an excellent job -- as far as I know.

I am really terribly impressed with the enthusiasm for the hospital boards and for the Hospital boards local pride, that local equity which is so important to the hospital boards. They want the right and the initiative and the pride to raise and control that local equity, and how are they going to do it through this Act? By going to the Metropolitan Council and saying, "We can't raise the money so we are going to have the right to come to you and ask you to raise it. We are going to have the initiative to come to you to ask you to raise it. We are going to have the pride that once you raise it we will have the local equity of 20 percent raised by you so that we can say that we are doing the work that was set up for us." -- (Interjection) -- I didn't hear that but . . .

MR. WITNEY: in the rural areas right now.

MR. CHERNIACK: Exactly, and that's the point I wish the Minister would understand, that the rural areas consist of areas with probably one, two hospitals with a participation in the work of those hospitals to the extent that the people know what's going on, and the people have a very much closer say, but this government which created the Metropolitan Corporation of Greater Winnipeg gave to that corporation certain responsibilities, and as far as I know -- and I think I'm in a position to have had some time to reflect on what the purpose of the Metropolitan Corporation was -- the problems of health and hospitalization were certainly not those that were given to the Metropolitan Corporation as their charge. And now this government in mouthing the words of local equity and in support of this board, the hospital boards, is busily putting on the Municipal Corporation the responsibility of raising these funds.

Now I don't understand it. To me this is a complete nonsequitur. It's just a method whereby hospital boards will be given the illusion to maintain this false feeling of right, initiative and pride in their local equity where I say they should have it, fully have it, in the administrative control of their organization. Give them the right to control, to administer, to run the hospital, and don't put on them this false facade of raising money which they don't raise at all. They could still have the pride in administration, the pride in ownership which they have earned and which they have a right to maintain, but not through going to the Metropolitan Corporation, not hand in hand but with a demand. Raise the money or else. And I use that term more or less advisedly because the impression I got this morning was that if the money wasn't raised somehow or other it would be seen to that the money was raised on a municipal level. I know that's an awkward sentence but I don't have time to phrase it properly. Thank you, Mr. Chairman.

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

Madam Speaker, the Committee of the Whole House has considered certain Bills and directed me to report as follows: Nos. 5 and 9 without amendments, directed me to report same and ask leave to sit again.

MR. JAMES COWAN: Q.C. (Winnipeg Centre): Madam Speaker, I beg to move, seconded by the Honourable Member for Turtle Mountain, that the report of the committee be received. Madam Speaker presented the motion and after a voice vote declared the motion carried.

MR. ROBLIN: Madam Speaker, I beg to move, seconded by the Honourable Minister of Industry and Commerce, that the House do now adjourn.

MADAM SPEAKER: Until when?

MR. PAULLEY: ask, Madam Speaker, before the motion is put, whether the First Minister is now in a position to answer the question I raised when we went into Committee of the Whole respecting Bill No. 2 and public representation.

MR. ROBLIN: No, I'm not prepared to answer it now, Madam Speaker.

MADAM SPEAKER: The House is adjourned until

MR. ROBLIN: Until 10:30 tomorrow morning.

MADAM SPEAKER: Thank you.

Madam Speaker presented the motion and after a voice vote declared the motion carried and the House adjourned until 10:30 Thursday morning.