

## THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Thursday, February 17, 1966

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

Before the Orders of the Day I would like to attract your attention to the gallery where there are some 49 Grade XI students from Gimli High School under the direction of their teachers, Mr. Keryluk and Mrs. McKenzie. This school is situated in the constituency of the Honourable the Minister of Education.

There are also some 30 Grade XI students from Ste. Agathe School under the direction of their teacher, Mr. Delaquis. This school is situated in the constituency of the Honourable the Member for La Verendrye.

There are some 36 Grade VI students from Centennial School under the direction of Miss Larter and this school is situated in the constituency of the Honourable the Member for Seven Oaks.

On behalf of all members of this Chamber I welcome you.

Orders of the Day

HON. STEWART E. McLEAN, Q. C. (ATTORNEY-GENERAL) (Dauphin): Madam Speaker, before the Orders of the Day, there is a matter about which I should like to inform the members of the House and I present this statement. The Honourable Mr. Justice R. G. B. Dickson, of the Court of Queen's Bench has been appointed a Commissioner to enquire into certain matters pertaining to the expropriation by the Manitoba Government of lands owned by Totogan Farms Limited in connection with the Portage la Prairie Diversion Channel. One of the shareholders of Totogan Farms Limited is John A. Christianson, a former member of the Executive Council. While Mr. Christianson resigned from the Executive Council on January 31, 1963, it has been considered in the public interest to examine all the facts and relevant circumstances in connection with the ownership of the said land by Totogan Farms Limited and its relationship to the Portage la Prairie diversion channel. Morris J. Arpin, Q. C., has been appointed counsel to the Commission. The Commission was established under the provisions of The Manitoba Evidence Act. It will be known as The Totogan Farms Limited Commission. If the page boys would be so kind I would send over to the Honourable the Leader of the Official Opposition and the Leader of the New Democratic Party, a copy of the statement I have just read and a copy of the Order-in-Council under which the Commission was appointed.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Madam Speaker, I wonder if I could ask a question of the Minister who has just spoken. Does the Order-in-Council have the terms of reference laid out?

MR. McLEAN: Yes, in full.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party) (Radisson): Madam Speaker, if I could just make one brief comment. On the fact of the setting up of the commission, it seems to me an indication that the Government of Manitoba are being a little more wary than they were previously insofar as expropriation of lands are concerned.

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. GEORGE HUTTON (Minister of Agriculture and Conservation) (Rockwood Iberville): Madam Speaker, I would like to table the 5th Annual Report of The Manitoba Water Supply Board for the year ended March 31, 1965.

I would like to take time to answer two questions that were put to me early in the week. One was a question put to me by the Honourable Member for Lakeside in respect to the breakdown of a figure of \$30 million which I used to describe the magnitude of the program now being administered by the Water Control and Conservation Branch. The 1965-66 budget for programs administered through the Water Control and Conservation Branch breaks down into the following figures: Provincial Waterways, less transfer for 1965 flood fighting, \$1,515,860; flood fighting and repairs \$167,000; ARDA research \$98,400; ARDA construction, \$1,241,000; The Manitoba Water Supply Board - construction and operation, \$1,828,000; the Portage Diversion and Shellmouth Project, \$8,451,250; the Red River Floodway, \$16,864,000; the Seine River Diversion, \$150,000; the total \$30,315,510.00.

At the same time I would like to answer another question that was put to me with respect

(MR. HUTTON cont'd.) . . . . to the estimated cost of the Portage Diversion. The last firm estimate was made on January 26, 1965 - the estimated cost at that time was \$13,450,000 as compared with the original estimate of \$11,500,000.00.

HON. CHARLES H. WITNEY (Minister of Health) (Flin Flon): Madam Speaker, before the Orders of the Day, I should like to answer a question that was put to me by the Honourable Member for Portage la Prairie. He asked me about the number of people that had been retired on pension and then brought back on staff, and if so are they or is he or is she receiving a salary and a pension. As of February 1, 1966, there are seven on staff of the Department of Health who are receiving both salary and pension. They are doing so in conformity with the rules and regulations of The Civil Service Superannuation Act.

I'd also like to lay on the Table of the House, Madam Speaker, the Annual Report of The Manitoba Hospital Commission for the year ended December 31, 1965; and I would like to lay on the Table of the House the Annual Report of The Alcoholism Foundation of Manitoba for the period January 1 to December 31, 1965.

HON. OBIE BAIZLEY (Minister of Labour) (Osborne): Madam Speaker, before the Orders of the Day, I'd like to lay on the Table of this House the Annual Report of the Department of Labour for 1965, and also the Annual Report of The Labour Management Committee commonly known as the Woods Committee. Honourable members will recall that this committee was approved by a resolution of this House last year and the resolution provided for the tabling of an Annual Report which I do at this time.

MR. NELSON SHOEMAKER (Gladstone): Madam Speaker, before the Orders of the Day are proceeded with, I would like to direct a question to my honourable friend the Minister of Agriculture. I wonder would he undertake to supply me or all members of the House with the most recent Farm Analysis Survey that has been prepared. I take it that he knows to what book I refer.

MR. HUTTON: Madam Speaker, I'm not quite clear. I think he's referring to the Annual Analysis of certain farms whose operators belong to the farm business groups. Is this . . . . ? I will endeavour to do that.

MR. SHOEMAKER: . . . . and a subsequent question. If the department has issued a summary supplement to that book - I mean the propoganda machine, for the lack of another term, generally put out a summary in addition to it. I would like to have the both.

Now, Madam Speaker, I want to direct a question to my honourable friend the Minister of Public Utilities. In light of the fact that we are fast approaching the date on which we must purchase our vehicle licence plates for this year, I was wondering if he would tell the House what his policy is, or the government's policy in respect to autoboggans or skidoos or call them what you like. Is it necessary for them to purchase a licence in 1966. Are they to be licensed vehicles?

HON. MAITLAND B. STEINKOPF, Q.C. (Minister of Public Utilities and Provincial Secretary) (River Heights): Madam Speaker, the policy of licensing auto toboggans, or these vehicles has not changed from last year and any changes that may be made will of course have to go through the proper course, and we intend - as the Honourable Member for Neepawa knows there will be a complete revision of The Highway Traffic Act brought up at this session. Any amendments to it or any changes will be in the Act.

MR. J. M. FROESE (Rhineland): Madam Speaker, I would like to get some information in connection with the 1967 Exposition in Montreal. What is the province's contribution to this Exposition and in what form is it made? Is it a gift, a grant, or is it something that we will own?

HON. GURNEY EVANS (Minister of Industry and Commerce) (Fort Rouge): If my honourable friend will submit an Order for Return I think we'd be pleased to accept it.

MR. LAURENT DESJARDINS (St. Boniface): Before the Orders of the Day, may I ask the Honourable the Minister of Health if he obtained the answers to my question of a few days ago in regard to the Deer Lodge Hospital?

MR. WITNEY: Madam Speaker, I hope to be in a position to answer the question tomorrow.

MR. SHOEMAKER: Madam Speaker, a further question to my honourable friend the Minister of Public Utilities. I wonder if he is able to tell the House the number of auto toboggans, skidoos, and vehicles of this nature that are presently in use in Manitoba. Is there any way of arriving at a figure through sales, or is he aware of a figure that he could supply the House with?

MR. STEINKOPF: Madam Speaker, I have no knowledge of the number of these type of vehicles that there are in Manitoba and I don't know of any record that we have in any one of our departments that would produce that kind of figure, or where I would go to find a list of the sales of these things.

MR. GORDON JOHNSTON (Portage la Prairie): Madam Speaker, I'd like to address a question to the Honourable Minister of Utilities. Would the Honourable Minister consider having the Motor Vehicle Branch offices held open on the Saturday, the 26th of February, in some of the larger offices to facilitate motorists who may wish to purchase licence plates. The last day is on a Monday, the 28th.

MR. STEINKOPF: Madam Speaker, we've been watching the sale of plates this year, as we did last year, having in mind that if there was a rush towards the end of the year, we would keep open on Saturdays and extra hours, and although we were all geared up for it last year, we found it wasn't necessary. As a matter of fact the day before the due date, there was very little business, particularly in the afternoon. We're watching it again this year and if it looks like there will be a rush at the end, and the public can't be serviced properly, we would certainly keep open on that Saturday.

MR. JOHNSTON: A further question, Madam Speaker. Will this practice, if entertained, will it be considered for Portage and Brandon and other larger centres outside of Greater Winnipeg.

MR. STEINKOPF: Sorry, Madam Speaker, I didn't get the first part of that question.

MR. JOHNSTON: If this matter is entertained and gone ahead with, will offices outside of Greater Winnipeg, such as Portage la Prairie and Brandon and other larger centres, will they have the same consideration?

MR. STEINKOPF: Yes.

#### ORDERS OF THE DAY

MADAM SPEAKER: Order for a Return standing in the name of the Honourable the Leader of the New Democratic Party.

MR. PAULLEY: I beg to move, seconded by the Honourable Member for Seven Oaks, that an Order of the House do issue for a return showing: The number of superannuated employees of the Government of Manitoba who are in receipt of pensions of less than \$100.00 per month, broken down to show the number in each category of \$10.00 units from \$40. to \$100.00. That is, by \$10.00 groupings. Secondly, how many are receiving less than \$40.00 per month as a pension?

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

MADAM SPEAKER: The adjourned debate on the Second Reading of Bill No. 7. The Honourable the Member for Hamiota.

MR. B. P. STRICKLAND (Hamiota): Madam Speaker, that was on Second Reading and inasmuch as it was closing the debate, I adjourned that for the Minister so that he could make a reply.

MADAM SPEAKER: The Minister will be closing the debate.

MR. PAULLEY: Madam Speaker, before the Minister closes the debate, I wish to re-emphasize the objections that have been made to the propositions which were raised by the Honourable Member for St. John's, namely, there is a vast difference in principle between the bill as proposed by the Honourable the Attorney-General at this time, than the principle already established by legislation in the Province of Manitoba. I want to make it clear to my honourable friend the Attorney-General that I appreciate the fact that many people find it convenient to pay parking conviction assessments other than appearing before a Justice of the Peace or a Magistrate, as a matter of convenience. That was the main purpose as I understand it, Madam Speaker, of the original consent legislation. Many people were finding it more expensive to appear before a Magistrate or a Justice of the Peace, by loss of wages than they were by simply paying the 2 or \$5.00 fine. Now as I mention; as my colleague and others in the House have mentioned, there is a difference of principle in the legislation before us at this time.

I want to say to my honourable friend the Attorney-General that in my opinion, unless he can come up with some reasonable explanation as to the change, that he should not proceed with this legislation. I also want to say to my friend that even under the present legislation there seems to me to be a little bit of looseness in the administration or in the method of consent, because I have had a number of complaints drawn to my attention that where there is a minimum

(MR. PAULLEY cont'd.) . . . . . and a maximum fine the clerk of the court, the police court, seems to decide as to whether or not the minimum or the maximum or somewhere in between the two, should be the penalty that's imposed on an individual. So it seems to me that even with the present legislation there is an area where an individual or individuals are taking advantage of the consent legislation to impose differences of fines. I'm sure, Madam Speaker, that this was never intended by the Legislature when approval was given by the Legislature to that particular legislation.

And I want to point out, as was drawn to the attention of the House by my colleague from St. John's, of how a terrible consequence can result to an individual if the present legislation is enacted whereby under our present merit or demerit system of licensing, licence cards are marked up. My colleague from St. John's pointed out quite clearly that the demerit system is operated under a system of regulations, and as we know, Madam Speaker, it's so easy to change regulations. It's so easy for the Lieutenant-Governor-in-Council to change regulations that we in the Legislature do not know of these, can take no action whatsoever, in between meetings of the Legislature. It's difficult enough now, Madam Speaker, for people to be aware of the contents of The Highway Traffic Act so that they know what they may be able to do or they are prohibited from doing.

It is my understanding that during this session, providing the government doesn't decide to go to the people, that there will be placed before us a complete revision of The Highway Traffic Act. Madam Speaker, what does this mean to the 100,000 automobile drivers in the Province of Manitoba? Every year since I've been a member of this House there have been changes in legislation; and if the suggested legislation as proposed by the Honourable the Attorney-General insofar as consent on conviction is enacted by this House, with the ever-changing types of legislation, the different sections of the Act, the motorists in Manitoba are going to be more confused than ever; they are not going to know where they stand, and they can quite conceivably appear before a clerk of a police court or a magistrate or a Justice of the Peace even now, without legal counsel, and for a matter of convenience, say that they will pay a fine rather than go into the higher priced having legal advice.

So I say, Madam Speaker, I think it is a duty of us in this Legislature, first of all to make it as convenient as possible for those who may have to lose remuneration from their work in order to pay for minor traffic violations, such as parking fees and the likes of this; but, Madam Speaker, when that legislation is to be changed as suggested by the Honourable the Attorney-General, I think it is incumbent upon us to be very very clear in what we are doing and to see that justice is done, as well as appearing to be done, for the motorists of the Province of Manitoba.

MR. JOHN P. TANCHAK (Emerson): Madam Speaker, I move, seconded by the Honourable Member for St. George, that the debate be adjourned.

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

MADAM SPEAKER: The adjourned debate on the Second Reading of Bill No. 25. The Honourable the Member for La Verendrye.

MR. ALBERT VIELFAURE (La Verendrye): Madam Speaker, I adjourned the debate for my leader.

MR. MOLGAT: Madam Speaker, I regret I was not here when the bill was originally introduced, to hear exactly what the Minister had to say on the introduction. I have read it in Hansard and it does not quite answer the particular questions that I have on the proposals found here. I don't propose to oppose the bill at this stage; I'm prepared to let it go to committee where we can get a more complete explanation in detail from the Minister. But it seems to me that on the face of it, this Act puts the operator of a concern coming under the Livestock or the Livestock Products Act in the position where he is not only deemed that he has to show in a sense that he is not guilty but he is almost judged in advance as being guilty, because the Act says that simply having certain products on his premises is judged to be an admission that the action has been one that is a violation of the Act. I appreciate the difficulties in the administration and I want us to arrive at a reasonable administrative structure. On the other hand, I am concerned when in an Act we say automatically because a certain thing exists on a location, whether it is owned by the individual who owns the concern, whether he has had any connection with it at all, whether it is there by his knowledge or not, he is nevertheless judged to be guilty. This seems to me to be an extension beyond what may be required to enforce the particular Act. So I make that reservation; I will not oppose the bill at this stage but I hope that

(MR. MOLGAT cont'd.) . . . when we get to the committee that the Minister can show us that this is an absolute essential and that there are no other means of enforcing this particular Act.

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

MADAM SPEAKER: The adjourned debate on the second reading of Bill No. 31. The Honourable the Member for Assiniboia.

MR. ELMAN GUTTORMSON (St. George): Madam Speaker, can we have this matter stand, please?

MADAM SPEAKER: The adjourned debate on the second reading of Bill No. 10. The Honourable the Member for St. Boniface.

MR. DESJARDINS: Madam Speaker, we are asked today to amend The Revenue Act and certain other acts dealing with taxation here in Manitoba. I believe that before doing this, the government should announce its tax policy. It seems that since 1961 we have no tax policy, we started one way only to reverse - the government has started one way, only to reverse its field.

In 1961 the Diefenbaker government changed the tax-sharing formula and we were asked to accept an equalization factor that equated us with the Canadian percentage, when previously to that the provinces had been equalized to the two highest provinces. Now of course this was not to the interest of Manitoba; it was to say the least not very popular, and in forcing the Roblin government to accept this proposal, Diefenbaker was to say the least embarrassing the government. This was not popular, as I said. So the government did not bring in a separate bill to deal with this, but it had to take some of the sting away from this unpopular formula, so it brought in - it had to think of something that would be a little more popular, so it took advantage of the offer of the Federal Government to collect the added income tax and corporation tax for the province at no extra cost; and it reduced the hospital premiums which had been increased but a few months before by 50 percent, which we were told had been bringing in a surplus. The government then announced that a six percent income tax and a one percent corporation tax would replace the loss of revenue of the premiums.

The Premier when introducing this was most emphatic to explain that the government finally had had a change of policy, in its tax policy -- and if I may, Madam Speaker, I'd like to read some of the things that were said by the Premier at the time. "Thus under the tax collection agreement Ottawa will collect whatever rate of tax the province desires to impose without charge. And I would like to say, Sir, that we are taking advantage of this provision to raise an additional tax of one percent on the taxable personal income of our people and one percent on the corporation tax in the Province of Manitoba, and we are going to use this money to reduce the hospital premium that we are asking our people to pay, that the tax is at the same rate of tax, the same number of dollars on all citizens regardless of their ability to pay." Rich or poor alike had to pay the same share the Premier says. "This rate was imposed when, in our opinion, at the time there was no alternative to doing so because we did not have an alternative means of raising the money and it must be raised somehow." They had no alternative previous to this deal with the Diefenbaker government. "We did not have an alternative means of raising the money unless we introduced a sales tax, which some gentlemen opposite us were advocating to find this money to pay our hospital premiums." Well you see, Madam Speaker, at the time the Premier wanted to introduce this ability to pay. Now the Liberal Party wanted to have this hospital tax earmarked as a hospital tax and the Member from Selkirk brought in an amendment at this time, but the Premier, the government, voted it down, but the Premier did say enough to commit himself to this hospital tax.

Now last year my leader asked the Premier would the First Minister make a commitment that the contribution would be at least the equivalent of one percentage point in income tax which had been decreased. This is after the one percent had been decreased. The Premier answered "The Government has already in 1962 given its commitment."

Well this was, as I said, lumped in a single bill, two very different principles but to try and force the members of this House, the members of the Opposition to vote for something that it didn't believe in, this was lumped into one single bill. Now we refused to be intimidated at the time, Madam Speaker. Of course during the election campaign, the election of 1962, the Premier wanted to misrepresent it, said on television and in speeches that the Liberals had voted against the reduction of hospital premiums. But we said then, and we repeated many times, that we agreed with this ability to pay principle, we accepted this part. Now we might say that we could go now to Phase II of the Roblin Government tax structure.

We had another special session in 1964 to talk about tax matters. During that time

(MR. DESJARDINS cont'd.) . . . . everything possible had been done to condition the people of Manitoba to expect a sales tax and at the last possible moment -- and this is not a too well kept secret -- the government panicked and it brought in a partial sales tax but being sure to lay the ground for a general sales tax in future years. Now mind you, it is true that the government chose to call this sales tax by any other name but a sales tax. Well after this government only three years previously had announced a new policy, a policy based on ability to pay, they placed a sales tax on heat. This was the same government that said we were waiting for this, now we have our chance, we will go on this ability to pay, and this government brought in a tax on heat. Madam, I wonder if you could explain this or if any member from the front bench could explain this, could show us how this tax on heat was based on the ability to pay. We might go to Phase III now of the Roblin Government tax structure. (Interjection) -- Yes, it's true that the Attorney-General mentioned that there was no special reason for this heat tax.

MR. McLEAN: Madam Speaker, just for the record if I may, I would like it to be noted that I had always indicated to the Honourable Member for Gladstone-Neepawa that I did not make that statement.

MR. DESJARDINS: Well then, Madam Speaker, the Attorney-General knows all the ropes; I think he should sue the press.

Well Phase III the Income Tax and the Corporation Tax in the last session, this was removed by one percent and we were told that this was the tax earmarked for hospitals, if you remember. We were told then, at the time, that there was more money brought in by the income tax, this was the reason. Now at the same session, it's true that this was pretty well at the end or practically after the session, a famous pension bill tailored for the cabinet members was brought in, but that vicious sales tax was left on. Of course, we were working on the formula of "ability to pay" taxes. This tax last session was defended by the members of the government caucus, and especially by the Member for Churchill, who stated that his constituents realized that some taxes had to be -- money had to be raised and that they agreed with this tax. He thought it was a good tax at the time.

Now during this session and before the session the Premier purposely misrepresented the facts to the people of Manitoba. He said that although there had been more spending, the spending on hospitals had increased, this had been done at no cost to the people of Manitoba. Why? Because they had received a gift from the Consolidated Fund. Madam Speaker, how can any responsible person make such a statement? Where does the money for the Consolidated Fund come from? Is there a secret; is there a money tree in the Premier's office or in the Conservative caucus room? The hospital premium did not increase since 1961, Madam Speaker, not because we received a gift, the people of Manitoba received a gift, but because it was decided in this House that the money needed to pay for this hospitalization would be raised by an income tax and a corporation tax keeping in mind the ability to pay principle.

Now last year, the Premier said that the income tax had been reduced by one percent because the Consolidated Fund had received more money from the income tax source, but he tells us that this money needed for the hospitalization and the hospital premium increase -- that the hospital premium will increase. This is something that just a few years ago we decided that the premiums were too high. They try to blame the Liberal members for voting against this while it was conveniently lumped with something else, and now, all of a sudden we are told by the Premier and by the Minister of Health that there will be, there's bound to be an increase in premiums. Where is the logic in this, Madam Speaker? Unless of course, the government want to abandon the principle of ability to pay. But they say no, that this will not be done; and we are assured that the new tax on heat, and on utility had nothing to do with the reduction of one percent. Who is the government trying to fool? Certainly they know they won't fool the members of this House; it must be the people of Manitoba, Madam Speaker.

Now the income tax, the hospital tax, the six percent has been reduced. The six percent has been reduced. The income lost by this reduction we were told but this income was still needed -- we were told that this would be replaced by money from the Consolidated Fund. This is what the Premier said last year. The Consolidated Fund, in turn, is depleted so much that new taxes, including this famous heat tax is imposed. I wish that the Premier, the members of his cabinet, and his government would not try to insult the intelligence of the people of Manitoba and I challenge the Premier once and for all, or the government of this province, to clarify their tax position. Maybe we should have a white paper on this tax structure here in Manitoba.

Let us talk a little bit about this heat tax. There was a surplus last year we were told;

(MR. DESJARDINS cont'd.) . . . . and if a surplus is contemplated for this year, well why will this tax be removed next year? This is what it is, Madam Speaker. Yes, I say that even the government did not anticipate the cold weather that we are having now and therefore did not anticipate the revenue that we are having this year. And just to give you an example, Madam Speaker; last year my tax, what I paid on tax, just the heat tax, was \$24.05; and this year, not including February -- and I think it's 30 below right now, Madam Speaker -- I have paid over \$19.00. Nineteen dollars without counting the month of February; last year \$24.05. Now the Premier would like to pretend to give the impression that his kind gesture will make the Consolidated Fund poorer by \$1½ million, and I say that the difference in revenue from this tax from '64-'65 will be very small, if any. Another thing, I asked the Premier if he was going to charge this to the schools. Well my Leader has already stated that we will bring in an amendment stating that this tax come off from January 1st and I say that certainly it is my intention to bring in an amendment to make sure that the schools -- and I say schools, I say private schools as well as public schools, should not have to pay these taxes, Madam Speaker.

Now on the second point of the bill we talked about the school tax rebate. Again we have had some misrepresentation. Ten million dollars were needed to bribe the people of this province and this was charged to the Education Department. I'd like the Minister of Education, the Premier or anybody from the front bench to show me how they can justify charging the \$10 million to education. I won't elaborate any more on this; I think that you know what I mean, Madam Speaker.

But, we have been told that this rebate was for the poor home owner and that this -- we needed it, we never debated this, that the home owner needed it -- but we were told that this would be done without discrimination, that everyone would be treated the same. Well, Madam Speaker, we found out a few days ago that this was not the case. The Minister of Education told us that the farmers were receiving an average of \$150 rebate, while the people in the Greater Winnipeg area, the other people were receiving \$50.00. Oh he did say, maybe I should not mention this; maybe this is dangerous -- and it was dangerous, because this is discrimination, Madam Speaker. And he added that the revenue, three quarters of the revenue for this tax was collected right here in the Greater Winnipeg area. I demand, Madam Speaker, that this discrimination should stop immediately. I don't believe in favouritism. I want the farmers to get a good deal but I think that all the people of Manitoba should get a good deal. And if anybody needs it, it is the people of Greater Winnipeg area with more added costs, the added costs of Metro, the 20 percent -- which is most unfair -- the 20 percent cost of construction of all the hospitals in the district, which are catering to all the people of Manitoba. Madam Speaker, this is discrimination; the government admits that it is discriminating and I think that it should stop immediately. I don't believe that any government should collect more money than it needs especially for purely political reasons, collect this money only to hand it back to some people -- and this at a very high cost to the people.

We were told not too long ago last year by the Minister of Municipal Affairs to figure it out. They needed one clerk and a few stamps, and he turned around and he said "Gurney, it's your department; you're the expert" -- these are his words. "Gurney, how many stamps would we need?" This was a big joke. Well I'd like to know Gurney, how many stamps we need? I'd like to know how much this cost? How much did the people of Manitoba pay for this bribe that they received, their own money? The Minister of Municipal Affairs also said at the time that the teachers of this province would subsidize this rebate. Oh yes, he did because he was asked -- maybe I'd better read this, it'll be accurate. I asked the Minister last year, this is March 19 on Page 802 of Hansard: "Wouldn't larger grants from the government reduce the amount that would be needed by the school board, and if this is so, wouldn't it reduce the tax on a property owner?" Mr. Smellie: "Well as I told my honourable friend, Mr. Chairman, the school trustees didn't believe that there was any way that we could be assured that larger grants to school organizations would be reflected in a lowering of taxation. They told us that quite frankly." Mr. Hillhouse: "Wasn't the answer by the school trustees given on account of the fact that they could not guarantee that they could control education costs?" Mr. Smellie: "They also pointed out that one of the biggest costs in the field of education, one of the biggest costs to a school board is the cost of teachers' salaries; and they admitted quite frankly that almost all the increase in taxation since 1959 had gone to increase teachers' salaries." And I could go on.

Well, this only means one thing -- if we give this rebate, where it should, to the trustees for education -- it's earmarked under Education, it comes under the Department of Education --

(MR. DESJARDINS cont'd.) . . . . if this was done, well the school board could not pass the saving because it would cost more, they would have to pay to increase the teachers' wages. So that must mean that the only people that could stop this would be the government. Well the government this year, after having the teachers subsidize this rebate, the government this year, in this white paper that we found out that Ottawa was paying for, most of it anyway, it says "A revision of the scale of salary grants will enhance the ability of school districts to retain trained teachers in Manitoba."

Is it any wonder, Madam Speaker, that we call this a confession of failure? Is it anything else but a confession of failure? No, Madam Speaker, we certainly let this bill go to second reading. This is something we've been advocating - get this tax out of there as soon as possible; but we certainly will have something to say in committee.

MR. SHOEMAKER: Madam Speaker, I know that this is a hackneyed phrase but I did not intend to speak on this resolution or the bill that's before us until my honourable friend the Attorney-General interjected, and I want to remind him once again what he is reported to have said by the Free Press at a convention on November 14, 1964, in respect to the heat tax, and I think I should read it to him again and remind him again that he should take legal action against the Free Press. He should take legal action against them, because certainly the reporters have no business misquoting anybody in this House. That is if they are going to use quotation marks, then I take it for granted that this is what the fellow said -- and here is what he said -- It is from the Free Press, November 14, 1964, headed "Fuel tax heats up the critics. Attorney-General Stewart McLean said Friday there had been 'a good deal of criticism'." That is in quotes. A good deal of criticism is in quotes. "Of the government's recently imposed tax on heating fuel, Mr. McLean was asked by a delegate to the Manitoba Conservative Association Convention during a round table discussion why the government had chosen to tax heating fuel" -- and in quotes again -- "in this climate. There was no special reason, he replied. The government needed a certain amount of additional revenue and it had been a matter of judgment which items would be taxed and how much. Certain items were chosen and that was the combination that supplied the required revenue. It could have been a different combination. Mr. McLean said some people claimed it was not fair to put the new tax on something so necessary as heating fuel but gasoline was also necessary for many people who had to drive, and further increasing the tax on that would hurt them too, he said." Well, he either said it or he didn't say it and if he did not say it, then the Press should apologize and put a statement in there and say "We're sorry, Attorney-General, we're very sorry. We don't believe you were at that convention at all" and let it go at that.

Now I think we should clear this up because it's pretty important. I might even get misquoted here and somebody would remind me and it would be very embarrassing as it is to my honourable friend.

Now in respect to taxation, and I guess, Madam Speaker, we can talk for a long time on this one, if we felt like it. I'm prepared as usual, but I do recall my honourable friend the First Minister speaking to the annual meeting, or was it the semi-annual meeting at Neepawa, on this very subject matter and his purpose -- I'm not certain, Madam Speaker, whether my honourable friend the Attorney-General was there or not -- but the purpose -- (Interjection) -- Pardon?

MR. McLEAN: What did the newspaper report say?

MR. SHOEMAKER: I don't know what the newspaper had to say about that but I'll tell my honourable friend this, that I have an exact copy of what the Premier said there because he handed a copy to the press, of his speech; and furthermore, he sent a copy of it in nice little booklet form to every one of the municipal officials that were present at that meeting -- and if my honourable friend the Attorney-General would like a copy of what the First Minister said there, I shall be most happy to see that he gets a copy of it -- (Interjection) -- at no cost -- and he can check that against the original and see whether there are any errors in it. I know one thing that my honourable friend the First Minister said: he said the whole purpose of him being there was to tell the Assembly what the Michener Commission had made in the way of recommendations to "ease the tax load" and it wouldn't take any . . . . .

MADAM SPEAKER: Order please. In my opinion I do not think that you're speaking to the principle of the bill in this particular case

MR. SHOEMAKER: Well, I haven't checked the bill but it referred to taxes. . . . .

MADAM SPEAKER: I would suggest that the honourable member try and . . . . . principle please.

MR. SHOEMAKER: I was referring to the heat tax and that certainly is taxes and the impact on it, on the province as a result of it. The revenue - revenue, yes.

So the Honourable the First Minister, at Neepawa, suggested how the proposals that he was about to make would ease the burden of the taxpayer in many fields -- and indeed that special Speech from the Throne that was just delivered to us on the 20 - when was it? - our special session in August, I guess it was. That was the extent of the Throne Speech - everyone knows that - there was about three paragraphs - the whole purpose yes, the whole purpose of that special session was to impose \$22 million, was it not, of new taxes, on the one hand, so that the people could be relieved of about twice that much on the other hand. And one of the things that the Premier said it would do for the Town of Neepawa was that it was - this article is headed "A sixfold grant increase" - sixfold grant increase on government property at Neepawa. That's what it was. Now he forgot to tell the assembly there that the Town of Neepawa pays to the Manitoba Hydro approximately \$12,000 a year for their street lighting; he forgot to remind them that the new tax would mean an additional \$600 in taxes that the Town of Neepawa would have to pay; and he also forgot to tell them that this was a lot more than the grant in lieu of taxes would be - a lot more, in Neepawa's case.

And on that same subject matter I believe that I have a copy of a similar comparison in Portage la Prairie -- and naturally they're a lot bigger city than Neepawa -- and I find that in Portage la Prairie that the cost to the City of Portage la Prairie, the cost of their power, their gas account, their fuel oil and their telephone and their fuel for their special street maintenance equipment, machinery, from January 1 to December 31, 1963, amounted to \$80,828.29, and when you apply a five percent tax to all of that - and that's what you have to do - anybody could figure out what five percent of \$80,000 is - it's \$4,000.00. So that if your grant in lieu of taxes is less than \$4,000 then you're losing money. My honourable friend the Minister of Agriculture likes to define farm net income - and I know, Madam Speaker, I'm getting off the subject matter -- as the difference between the cost of producing it and the gross. Well it's just as simple here. It's a simple matter of subtracting one from the other.

Now, Madam Speaker, we will have the opportunity on many occasions when we are discussing the estimates to further delve into the whole problem of taxes and the effect of same on our population and I intend to make some further comment then from time to time. But I did want to get into this little "annual" argument with my honourable friend the Attorney-General and recommend to him once more that perhaps it isn't too late for him to take legal action against the Press; and if it is too late, perhaps, perhaps we will adjust these Acts. He could bring in a special Act, certainly: we are the highest Court in the land. He could bring in a special Act that would permit him to take legal action against the Free Press.

MADAM SPEAKER put the question.

MADAM SPEAKER: The Honourable Member for St. John's.

MR. SAUL CHERNIACK (St. John's): Madam Speaker, in August of 1964 we were called together in a dramatic way to deal with a new tax impost which this government decided to bring into being. It was obviously not prepared during the regular session in 1964 to bring in this material and it obviously felt that it couldn't wait until the regular session in 1965 to bring in this material, and it rushed in with this exciting bit of business which was going to relieve the municipal taxpayer of a burden which the government finally admitted was an onerous one, and was going to see to it that there be some form of redistribution. And one of the exciting ways in which this government thought it could accomplish that purpose was to impose a sales tax on certain necessities of life.

I need not do more than just recall to the House that part of the taxes to be brought in at that time was a Land Transfer Tax; and I recall that after the Honourable the Provincial Treasurer introduced the subject matter, he gave the figures of the expected increased revenue from the various sources of revenue and then indicated the manner in which this would be disbursed. And not feeling too experienced in the field of high finance, I didn't take as strong a stand as I might now take, when I did at that time in 1964, indicate that it seemed to me that the figures presented by the Honourable the First Minister indicated a very large cushion and I suggested then that there was extra money going to come out of the income in excess of what was going to be paid out, in the manner described by the Honourable the First Minister. I think I calculated then that out of - in excess of some \$20 million, there would be, even according to his figures, about a million dollars of revenue in excess of monies that were to be disbursed. And then we debated the question of the Land Transfer Tax and we succeeded in convincing the government that this was a wrong tax, it was difficult to administer, it would fall inequitably on the shoulders

(MR. CHERNIACK cont'd.) . . . . of the people who would be paying it, and the government eventually - firstly did not bring it into being and then repealed it.

In spite of that, I had occasion on March 23, 1965 - and I note the page, 899 in Hansard - I then for the first time spoke on the question of the revenue as against the expenditure and I informed the House that I had calculated that there was up to \$5 million excess revenue over disbursement in this field; and I again with great temerity requested the Provincial Treasurer to clarify my figures to indicate wherein I was wrong. And not having heard from him, I brought it up again, and I had I would guess, four or five occasions during the session of 1965 to repeat my statement and to -- as the time went on I felt more firm in my conviction that I was right because I didn't get an answer - and finally the session ended and I still didn't get an answer. I stated then, and I'm repeating it now, that according to my calculations, what I could deduce from the figures that we had, the government in imposing this tax in The Revenue Act had collected about \$5 million more than the government paid out. It seems to me that this is the first time that I have received an answer, in a round about way, because now we are informed by the Honourable the First Minister that because of the situation that now exists, it appears possible that this heat tax can be eliminated. There was a great deal of debate last year on that question and the government did not budge; the government did not feel that it was possible. But now and I quote from the speech of the Honourable the First Minister on Page 66 of Hansard of this year, said on February 7, "All I want to say is that if our budgetary situation had not changed from what it was when the heat tax went on, the heat tax would still be there." Well I'm suggesting, Madam Speaker, that the budgetary situation in August of 1964 would have indicated, even with the care that a Conservative government should take, or would be expected to take, that there was a surplus being budgeted for; and in March of 1965, I suggested that there was a very substantial surplus coming about and I am wondering if it has taken until now for the Honourable the First Minister to learn that the budgetary situation has changed and now the heat tax could be eliminated. So by doing this we never did put through the Land Transfer Tax; now it is proposed that we eliminate the heat tax, and still the budgetary situation seems to be liquid.

Well I suggest, Madam Speaker, that if one reads the speech made by the Honourable the First Minister in August of 1964 - that's almost two years ago - one can gather from that a clear cut undertaking that the extra taxes that were being imposed by this Revenue Act were going to be paid back, given back, to the municipal ratepayer, to the person who was paying the taxes on the municipal level, to relieve the burden on him; and I say that it was a matter of trust for this government to see to it that revenue raised in that way should have been returned. I argue strongly with the manner in which the government did it, but I certainly feel that as an indication of the good intentions of the government to gather special taxes to disburse them to a special group of people, that any monies received in excess of that are trust monies, and I think that the government owes an accounting to the municipal taxpayer, to indicate how much money was received by this special tax and whether or not it was all disbursed to him. So I say that with this accounting - I am suggesting a breach of trust in that respect -- that with this accounting must go a proper return of the monies that were taken in excess. And yet the Honourable the First Minister says it is not going to be carried out, that any retro-active features will be brought in in the return of the heat tax. And that's why he says he rushed in so that everybody could get ready for February 28. Well I say that this money still can be traced, should be traced, and should be returned to the people from whom it was collected or given to the people for whom supposedly it was collected.

There is something peculiar with this entire Revenue Act, Madam Speaker, in regard to the Land Transfer Tax, in regard to the imposition of sales taxes on items which are necessities such as heat, telephone, power, and we even find in this act itself - the bill that we are now dealing with - an arbitrary 80/20 percent split between the cost of heating and the cost of the supply of power or gas fuel for other purposes. I hope that we will get an explanation as to why it's 80 percent and why it is not 85 percent or 75 percent. Surely this government with all the ability it professes to have in working with figures, should be able to justify this arbitrary statement that 80 percent of the cost is for heating and 20 percent therefore is for other uses. I don't know whether they've taken into account the summer months, where in my home we cook with gas, we use gas in forms other than just heating, and in the summer I suppose we'll be getting 80 percent back in a reduced tax on the gas we use other than for heating. This indicates to me poor planning, poor forethought and a poor attempt to get money where the government thought it might be easy to get, where it would not hurt, or not appear to hurt,

(MR. CHERNIACK cont'd). . . . . and the government is gradually moving back on it. I am now waiting for the government to come along and repeal the tax on telephones, on power, on utilities which are also onerous and unfair.

Incidentally, I mentioned that the First Minister did not think that there ought to be any retroactivity involved in the heat tax, and yet I see one of the proposals in this bill before us, is to add to the section in the Revenue Act, an additional subsection reading: "A regulation made under this part may be made retroactive." I don't know what is meant by that but apparently the Lieutenant-Governor-in-Council will be able to approve a regulation with a retroactive feature in it; but we do not as yet know what is planned and whether or not this contradicts the statement of the First Minister that there will not be any retroactivity. Possibly this is some form of escape hatch which is being constructed in this bill in order to make it possible to back track again before the next election.

I want to step for a moment, Madam Speaker, to the question of the school tax rebates and remind the House of the various discussions that we had in regard to the manner of same. We are dealing in this bill with certain extensions of the availability and payment of school tax rebates and I want to remind the House of how the Honourable the Minister of Municipal Affairs said we could handle this readily; the bills will come in, the bills will be sorted, they will be dealt with computers, the money will be sent back -- and I think he said, and I suppose I could find it in Hansard -- that this would be a matter of a week. Well, need I tell members of this House that it has taken as much as ten weeks -- two people. Well I know of some as well -- ten weeks to get that school tax rebate. I am not aware that any one of them was offered interest on the rebate, but certainly those who paid taxes late certainly paid interest on the same \$50 rebate which they got some two and two and a half months later. I remember we pointed out those difficulties and the government was unable to deal with it and still does not propose to do so.

I point out, Madam Speaker, that we have here, finally, a provision that premises occupied by members of housing co-operatives would now carry with them the rebate of taxation -- school tax as it is called; misnomer, the misnomer of the government. I note that in Hansard on August 26, 1964 there is a report of a speech I made where I referred to housing co-operatives and I said that even if you're not going to permit tenants to get the benefit and tenants do pay the taxes, here are people who are buying equities in homes and they ought to be taken care of -- that was in August 1964. Again on March 8, 1965, Page 390 of Hansard -- I referred to the problem and the unfair and inequitable manner in which co-operative housing was left out and I was told then, "Well we don't know how to handle it," and we then had a lecture from the Honourable Minister of Municipal Affairs on condominiums and how they could in some way qualify them. It was a very difficult problem apparently; it's a matter of a year and a half that the government has tussled with the problem and lo and behold the solution takes just a very few words. A little late, Madam Speaker, a little late in recognizing something which we pointed out a long time ago was a matter that should be considered. And when one deals with this school tax rebate, I again, and I won't expand on it, I again mention the fact that tenants pay taxes and that tenants should be entitled to get the benefit of tax rebates from their landlords. Now in a single house, they can go to the landlord and say, "Now, you've just gotten back \$50, I want my rent reduced accordingly." In a multiple housing unit, they cannot do it because the landlord has only received back one \$50 cheque for no matter how many units he has. I had the exercise, which I enjoyed to some extent, of taking certificates of titles of certain of my clients on which they had several homes -- in one case there were five homes on one certificate of title -- and by merely making out new legal descriptions that would separate the houses one from the other and putting the Metropolitan Government of Winnipeg to a great deal of trouble, I was able to get five tax bills for this man and get him \$250 rebate instead of the \$50 rebate. As compared with that, you take row housing -- that they couldn't do because there was a common wall. As compared with that, was it the Minister of Agriculture who pointed out that because of the assessment policies, administrative policies of this government, farm land is automatically assessed on the basis of quarter sections; and there we have another arbitrary administrative matter in which there is unfair, inequitable distribution of the monies which this government proudly announced it was going to distribute, return back to the people who paid municipal taxes.

I would like, Madam Speaker, some day, somehow -- and it had better be soon -- for this government to explain something about the taxation philosophy behind the entire tax that we are discussing. I would like an understanding. We were told that this is a substitution for a

(MR. CHERNIAK cont'd)..... sales tax. There was no explanation made as to why a sales tax was needed, nor do I understand what a substitution for a sales tax is, if in effect it is a sales tax but on limited items. I would be much happier if this government was prepared to indicate to us why it was necessary and continues to be necessary, to impose a sales tax on public utilities, on necessities, and avoid a sales tax on luxury items; on tuxedos - I'd like to see a sales tax on that. I think I heard one of the members of the government side say we all wear tuxedos. Well maybe THEY all wear tuxedos. I would like to see a sales tax imposed on automobiles of say a value in excess of \$5,000.00. I don't think that one need have a five or six or \$10,000 automobile to go about his daily needs. I must say that there was an income tax provision that said that no person who was using in his business an automobile which cost more than \$5,000 could charge the depreciation as an expense and that seemed reasonable. I don't know why the present Liberal Government in Ottawa has seen fit to eliminate that form of sales tax. Possibly my friends on my right can explain why it is that this government that we now have in Ottawa thought it advisable to do that. I deplore that; I think it would have been worthwhile to get revenue from those matters which are luxuries.

I would like to see an explanation of this philosophy. I would like to see an explanation of the philosophy of the Liberal Party on taxation. I believe that although we have been laughed at - our Party - that we at least did come up with a philosophy. We came up with a philosophy that stated very simply: services that are required by property should be paid for - taxed on property; services required for personal needs should be taxed and paid for out of the income of persons. That was a simple statement. We were glad of course to see that when the report of the commission which was headed by Dr. Murray Fisher came out that almost the same words were used by that report, that it wasn't exclusively a New Democrat idea and I don't think we claim that ideas are all exclusive. I claim that we fight for them in many respects all alone, but gradually people do come around to seeing it our way.

It was nice to see that the commission which was I think set up by the government and by the municipalities did find the same thing, and we therefore said then and we say now that if it is necessary to reduce the load on the municipal taxpayer, the best way to reduce it is for this government to take over the cost of those uncontrollable items which are now forced onto the municipalities such as welfare costs, such as health costs, such as education. That would be the way to handle it. You don't charge education on a piece of property. You charge education on the people who benefit from it.

At least we feel that we have come up with a philosophy for taxation which stands up. It can be criticized; it can be discussed; but how much better it would be if we were given a philosophy of taxation by the Conservative Party and by the Liberal Party so that at least we could discuss their philosophy and come to understand it and then deal with it in a way which would bring to the people a choice, a clear-cut choice between a philosophy - an approach to this problem and with a catch-as-catch-can method which was used in The Revenue Act which is gradually being altered and amended from year to year, last year and this year. I'm looking forward to that type of statement from both Parties.

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MR. T. P. HILLHOUSE Q. C. (Selkirk): Madam Speaker, perhaps I have no right or authority to speak on behalf of the Liberal Party, but I would like to remind the Honourable Member for St. John's that the theory which he has just expounded as being the theory of his own Party regarding taxation, has always been the theory of the Liberal Party.

Madam, in Manitoba we have two utilities I think of which we can be justly proud. We have the Manitoba Telephone System and we have the Hydro Electric Board, both of which are publicly owned and purchased and operated for the benefit of the people of this province. I believe the Manitoba Telephone System is the successor in title of the old Bell Telephone System which was the first to operate in this province, and I believe, too, that the Bell Telephone System was purchased by the Province of Manitoba while the present Premier's grandfather was Premier of this province.

Then we have the Hydro Electric Board, and I don't believe that there is any person in Manitoba to whom more credit is due for our hydro electric program in Manitoba than to my deskmate from Lakeside. It was during his tenure of office, first as Minister of Agriculture, that the hydro electric program for the Province of Manitoba was first envisaged; and it was during his premiership of this province that 93 percent of the farms in this province became electrified and electricity was made available to all settled portions of this province. It was also during his tenure of office that we purchased the hydro electric plant and the transmission lines of the Winnipeg Electric on the Winnipeg River, and the reason why we did that, Madam, was to ensure to the people of Manitoba an adequate supply of electrical power and energy and to ensure to these people that that power would be . . .

MADAM SPEAKER: I cannot understand what this has to do with the principle in the reading of . . .

MR. HILLHOUSE: The principle of the Bill, Madam, is the tax on electricity. That's one of the principles - and the telephones as well. The whole revenue act comes up for discussion once you bring in an amendment -- the whole principle of the legislation.

MADAM SPEAKER: I agree with you, but I would think that the tax -- referring to the tax -- it's an Act to Amend The Revenue Act.

MR. HILLHOUSE: I know that, but the whole principle of The Revenue Act comes into issue in this House. You can't confine your argument to the amendment. The whole principle of the taxation system becomes an issue, and that's the point that I am raising.

MADAM SPEAKER: Well, I would think if you confined it to The Tax Revenue Act rather than the building of these . . .

MR. HILLHOUSE: That's all part of my build-up, Madam, to show that these utilities were created for the benefit of the people of this province; that these utilities exist for the benefit of these people; and why should a government tax people for using services or utilities which are furnished them by their own corporations? That's the point that I want to bring home. I think that's the most iniquitous type of taxation and I don't think it could be supported on any principle at all, Madam, and that is the point that I want to raise, that this government in taxing the people of Manitoba for using public utilities is stepping into a field of taxation which in my opinion cannot be justified by any stretch of the imagination. It's an act of a government which doesn't know where to turn, and it taxes anything and everything where there's any chance of getting any revenue, but it cannot be justified on any grounds of logic or reason.

Now, Madam, my friend from St. Boniface suggested to the government that the second reading of this bill should be held up. His reasons for making that suggestion were based on the fact that there might be certain changes made in the tax rental agreements between Manitoba and the Federal Government. I suggest to the government that it withhold the consideration of this bill for a different reason. I suggest to the government that this bill be held up pending the bringing down of the budget so that we can take a look at the whole taxation picture in Manitoba and deal with taxation in an intelligent and rational manner and to get away from this piecemeal attack and this piecemeal imposition of taxes which have so characterized this government since it took office. I know that I have very little chance of succeeding, or having the government accept my suggestion or recommendation that they hold this matter back, and for that reason, Madam, I will deal with certain of the items that are discussed in this bill.

Now the first item dealing with Part I, relieving the home owner partially from a tax on electricity, I suggest to the government that the whole of Part I of this bill should be repealed. I suggest to the government too that the whole of Part III of this bill should be repealed; and I further suggest to the government that if they are going to give any tax exemption, that that tax exemption in respect to these various taxes should not only be given to individuals but it should

(MR. HILLHOUSE, cont'd) . . . be given to corporations.

I think, Madam, and I raised this point back in 1964 when we were discussing the imposition of a provincial income tax, I suggested to the government then that Manitoba, due to the fact that it did not have the climatic conditions enjoyed by other provinces of this country and due to the fact too of the distance that it had to transport raw materials for the purpose of manufacture, that we had to, in order to induce industry to settle in this province, try and keep this province as a low taxation province so as to make it as fertile a field as possible for new industries to be established here. Now the government hasn't seen fit to follow that policy and I think the facts are quite clear that Manitoba has not developed to the same extent as other provinces in Canada industrially, and I think that the government should take a look at its taxation policy now for the purpose of ascertaining whether or not the taxes that have been imposed by this government are in any way hindering or preventing new industries from settling here.

My suggestion therefore, Madam, is that this act should be repealed insofar as it imposes taxes on the use of electricity, on the use of telephones, on the use of gas, or on the use of any of the methods by which homes or places of business — or the methods by which any place is heated. In other words, that all these taxes that we put on in 1964 should be taken off, because I don't think one of them is justified, particularly when you consider that we are not relieving any of the schools of Manitoba from the imposition of any of these taxes, and when you consider too that we are discriminating against industry by imposing a tax on industry which is not imposed upon an individual for the using of the same commodity. I think this whole act, Madam, should be repealed or should be committed to a committee of this House for specific study.

Now dealing with this tax rebate on school taxes — the Honourable Leader of the NDP speaking yesterday I think, referred to the fact that the Grits had changed their attitude or frame of mind towards this school tax. I wish to assure the honourable member that we have not done so. The point that was raised at the annual meeting of the Liberal Party was that we were faced with a situation, and since we were faced with the situation, as practical individuals we must deal with it in a practical way, and that was the reason why my friend from Lakeside and I suggested that in the interval while the whole matter was being further studied, that the tax rebate be made at the municipal level. But we're still opposed to that type of rebate of taxes.  
-- (Interjection) -- No, you can't.

Dealing with the amendment to Part II of the Act which allows school tax rebates to be made to the surviving spouse in respect of a joint tenancy, and to a mortgagor or vendor who has acquired title to the property either by foreclosure or by cancellation of Agreement for Sale, and dealing with giving the rebate in respect of housing co-operatives. Now it seems to me that there is one other matter in respect -- there's another situation in respect to which that school tax rebate should be allowed, and that is in the case where an individual purchases property at a tax sale and acquires title thereto. As lawyers know in this House, when a person buys it at a tax sale he pays the municipality the amount for which that land is advertised for sale, and before that person could get title that person has to pay all subsequent taxes. Now there's no reason in the world why that person should not be entitled to a school rebate in respect of taxes paid by that individual, so I would ask the Minister to consider that suggestion when he deals with the matter in committee.

But all in all, Madam, I'm very disappointed that this Revenue Act of 1964 ever became law in Manitoba, and I think the sooner that we get rid of it the better it will be for us and the better it will be for the welfare of the people of this province.

MR. FROESE: Madam Speaker, after hearing a number of the members speak on this particular bill, I can't help but also take part in the debate. I am particularly interested in a particular section but that doesn't necessarily mean that I will just be discussing that particular section either, but it contains a principle and I would just wonder whether it's sound or not. This has to do with the Section 5 under Part II of the bill in connection with co-operative housing. They set out the requirement that the co-operative has to have 80 percent -- or the members of the co-operative have to put up 80 percent of the capital in order to participate in this tax rebate under the legislation. I just wonder how they arrived at this particular 80 percent. From the way I know the co-operatives set-up in Manitoba, we find that all the capital that is there is provided by the membership as such, and unless you are a member you cannot hold stock in a co-operative, so that in my opinion all of the share capital would be put up by shareholders.

The members of a co-operative will now be able to avail themselves of a tax rebate. The \$50 that is coming to this particular co-operative will be split up by the people that are using the facilities of that particular co-operative. This amount that is being invested by the shareholders

(MR. FROESE, cont'd) . . . in that co-operative could be very small, very minute, because most of the capital that is required in a co-operative is borrowed money. On very many occasions this is borrowed money so that they could probably borrow 80 percent of the total required. Of that 80 percent, or of the balance of the 20 percent, 80 percent would have to be owned then by the members of that co-op.

Now the membership in that co-operative - one person could hold 90 percent of the share-holdings whereas other members could probably only altogether hold 10 percent, so that any individual member in such a co-operative could have very little holding, and he would be entitled to a benefit of a refund. Yet we find that under corporate housing the tenants will not be afforded the same opportunity and I feel this is wrong. If we're going to extend the legislation to one particular group, why not extend it to the other group? Why not give them the same opportunity, because the owner under corporate housing could be able to extend that rebate to them, so why not provide the same thing for those people as well?

I was quite interested in hearing the comments of the Honourable Member for St. John's and also the member for Selkirk, and I could heartily join with the Honourable Member for Selkirk when he says that we definitely should not be taxing our utilities such as telephones and hydro because these are services that are being provided by a public institution set up by this government and why tax it. I think we should have other means. I think we should have other means of getting the necessary funds to operate this government and provide the services, and I think where we are so sadly lacking is in our productive growth and that our increase in this growth does not provide the necessary revenues for the increased services that our people require.

I notice that Ontario, the province to the east of us, is adding big huge new taxes where people will have to pay large taxes in the coming year. Then we look to the west coast and we find that British Columbia is reducing its taxes, yet at the same time their estimates for spending this year will amount to \$659 million; last year it was \$457 million. That's a very large increase, but after deducting the amount that the Federal Government is going to contribute in various grants, we find that they will still have to put up some \$100 million of additional monies in order to provide for the operating of that province, but all this money will come from their productivity, from the increase in the natural resources and so on, so they don't have to tax their people to provide these services. In fact, they're reducing taxes. They're removing the tax on all meals, on all clothing for those people 15 and under, so that their people will be paying less in taxes while the people in Ontario will have to pay more.

So we find, and we can see the difference in the way our provinces operate and where we should be heading for. I personally am not opposed to this particular section providing the tax rebate for co-operatives, but I think it should also be extended to those who are tenants under corporate housing and I would like to see this change made, that this legislation should provide for that.

As far as the heating tax, I welcome the decision by the government to eliminate it as far as residential purposes is concerned and I think they should have gone much further and taken off the whole heat tax as well as the telephone and the other utility taxes that they have.

With these few remarks I think I will vote for second reading, and I would ask for further discussion when the bill comes into committee.

MR. HRYHORCZUK: Madam Speaker, I beg to move, seconded by the Honourable Member for Lakeside, that the debate be adjourned.

MADAM SPEAKER: Does the Honourable Member for Seven Oaks wish to speak?

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

MADAM SPEAKER: The adjourned debate on the second reading of Bill No. 19. The Honourable the Member for Lakeside.

MR. CAMPBELL: Madam Speaker, I asked the Order to stand on one occasion because the Honourable the Provincial Treasurer was not in his seat and I see he is not with us today either, but I would not like to be responsible for holding up legislation and I can ask my few questions at a later time in committee or Committee of the Whole.

In the meantime, I would like to mention just in passing that, as I read the bill, that the new principle that's involved here is that not only the Lieutenant-Governor-in-Council may now raise, by way of loans, monies for The Agricultural Credit Corporation, but that in addition to that, authority is taken for the corporation to raise money on its own behalf, and I'm interested to know which method the government intends to employ. I'm also interested to know whether the government intends to, under a section of the bill, guarantee those loans if they are made by the

(MR. CAMPBELL, cont'd) . . . corporation itself.

This is a principle that is already in effect with some of the other emanations of the Crown in this province, and if the Honourable Provincial Treasurer were here, why I might have some discussion with him as to the reason for that method being adopted. It seems to me that perhaps this corporation is a little less able to do its own financing, especially if it has to do so without a government guarantee, than some of the others to whom that authority has been extended. But any further questions that I have in that regard can wait until the Honourable the Provincial Treasurer is here and I have no objection to the passage of the bill at this time.

MR. FROESE: Madam Speaker, I beg to move, seconded by the Honourable Member for Dufferin, that the debate be adjourned.

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

MADAM SPEAKER: The second reading of Bill No. 13. The Honourable the Attorney-General.

MR. McLEAN presented Bill No. 13, an Act to amend the Interpretation Act, for second reading.

MADAM SPEAKER presented the motion.

MR. McLEAN: . . . that I venture on this in view of my experience with the other bill. There are just one or two matters here to clarify in the provisions of The Interpretation Act. Certain matters with respect to time, making it clear that time means official time under the terms of The Official Time Act of the province.

A provision to make it clear that when referring to a city, town or village, that that refers to that particular corporation as its boundaries may be altered from time to time or established from time to time. This will avoid the necessity of individual bills or amendments that are required because the boundaries of a municipal corporation have been altered, and it just simply allows, when reference is made to a particular municipal corporation, that it always will be a reference to that corporation as its boundaries exist at the time. I think these are clarifying provisions in The Interpretation Act.

MR. FROESE: Madam Speaker, when this bill was passed on a previous occasion - the one that's referred to in Bill 13 - I was under the impression that any municipality that wanted to change their time would have to have a referendum, but I found later on that they were just passing by-laws to the effect that the time change would take effect and that was all there was to it. Maybe I was under the wrong impression, but this was the impression that I was left with when we passed the original bill.

MR. McLEAN: Madam Speaker, this bill does nothing whatsoever to The Official Time Act and is only to indicate that when there is a reference to time, it is whatever the time is under the provisions of The Official Time Act. This bill does not affect that Act in any way.

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

MADAM SPEAKER: The adjourned debate on the proposed motion of the Honourable the Minister of Mines and Natural Resources. The Honourable the Member for St. George.

MR. SHOEMAKER: In the absence of the Honourable Member for St. George, I wonder if the House would be good enough to allow the matter to stand.

MADAM SPEAKER: The proposed resolution standing in the same of the Honourable the Provincial Secretary.

MR. STEINKOPF: Madam Speaker, I beg to move, seconded by the Honourable the Minister of Municipal Affairs, that this House doth concur in the Report of the Special Committee of the House appointed to study the Law and Business Procedure in the field of Consumer Credit, received by the House on Monday, February 7th, 1966.

MADAM SPEAKER presented the motion.

MR. STEINKOPF: Madam Speaker, the widespread use of credit in its variety of forms and availability has become a simple fact of our life and times as we've stated here in the report. It is becoming as complex a subject as the use of credit itself. The report, I believe, is a pretty clear and concise statement of the results of the various meetings that the Consumer Credit Committee had and I would strongly recommend the concurrence of this House in the report as presented by the committee.

MR. HILLHOUSE: Madam, as a member of this committee, I would like to say a few things regarding the report of the committee. I believe that every opportunity was given to the general public to make submissions to the committee, that these submissions were made, and I

(MR. HILLHOUSE, cont'd) . . . believe that the report of the committee actually represents the consensus of the thinking of the various members of the committee.

It may be that the report doesn't go quite far enough to suit every individual in this House, but I believe, Madam, that taking into consideration the fact that credit is now part of our way of life and credit is the foundation of business, we must, in enacting laws respecting credit, be mindful of the fact that we can only enact legislation for the general benefit of all and not to take care of individual cases that might arise and in which there might appear to be a foolish use of credit or perhaps an unconscionable act committed on the part of some creditor. I think, Madam, that the report of the committee does truly and faithfully set out the feelings of the majority of the committee and I think that it should be passed by this House.

MR. CHERNIACK: Madam Speaker, I too was a member of this committee and enjoyed very much the meetings that were held in a common purpose in the recognition of a common problem. It seems to me that it points out the great benefit that is derived from having a special committee of the Legislature sit together and study the problem over a period of time, hearing representations and being able to become aware of the problem, and then look for the solutions. This marks, I think, a giant stride forward for this Legislature in recognizing the need for the type of legislation which is recommended in this report.

As the report says, it is not in itself a final answer- there probably never will be a final answer. One of the reasons is that business practices and the speed of our society are such that they vary from time to time to suit what are the requirements in the minds of people for carrying forward their business. I recall reading to this House - I think it was two years ago, or thereabouts - an excerpt of a speech that was made by the credit manager of one of the large department stores in Canada, wherein he pointed out that the business was such that even the most worthy organization with the best intentions and the highest moral regard for the people with whom they deal, very often find themselves in a position where they are competing for the customer dollar and use means which might be questionable if they had time to sit back and reflect on what they were doing. So that this will be a continuing problem with us, and yet I am pleased that we are now in a serious way tackling the entire problem and offering a number of suggestions which will, I hope, bring to the attention of the consumer the protections that he has or will have and the education which he needs.

I looked over the notes which I had prepared in April of 1964 on this entire question and the broader question of consumer protection, not just on consumer credit, and I am pleased to note that almost all of the items that I had listed that I felt I wished to bring to the attention of this House have been dealt with in a positive way in this report. The one difference which stands out strongly is the reluctance of the majority of this committee to set up a department of government to be empowered and instructed to deal with the question of consumer protection. Page 8 of the report deals with the recommendation of the committee that the responsibility should be entrusted to an outside agency. I don't agree with that. I think that it is and should be a function of government to lend to such a department, be it a separate ministerial department or be it under an existing minister, the full power and influence of the government behind the work that I think is so necessary. I have had occasion to point out previously that the consumer is probably the largest unorganized group in our society, and that consumer finds it impossible to protect himself as an individual but must look to a proper agency which has the power to inform and the power to enforce.

Now I think this is a weakness in this report; I think it is one that will become apparent over the time. I do not by any means disagree with the fact that it at least says that there should be such an agency. I feel only it should be an agency of government with responsibility of government and with power of government. Other than that, I think that there are a number of matters that have come up in the report which are worthy of enactment and I will only hope that as we go along and deal with these items piece by piece that we have legislation following the recommendations which this report makes.

MR. CAMPBELL: Madam Speaker, I move, seconded by the Honourable Member for Selkirk, that the debate be adjourned.

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

MADAM SPEAKER: The proposed resolution standing in the name of the Honourable the Provincial Secretary.

MR. STEINKOPF: Madam Speaker, I beg to move, seconded by the Minister of Highways, that this House doth concur in the Report of the Special Committee of the House appointed to examine, investigate, study and report on all matters relating to Highway Safety and Highway

(MR. STEINKOPF; cont'd) . . . . Traffic Administration, received by this House on Monday, February 7th, 1966.

MR. DEPUTY SPEAKER presented the motion.

MR. STEINKOPF: Mr. Speaker, this report is rather a short one. It was tabled in the House and I think all the members have had an opportunity of perusing it. The point that requires rather early action is one of the recommendations that the committee has made, that when the revision of The Highway Traffic Act is before this House, and it is intended that it be brought before the House within a very short period of time, that after it has received second reading that it will be referred back to that committee for further study and for the usual representations that can be made. Therefore, I would strongly recommend that if we could get on with the concurrence of this report we do so, because there will still be opportunities for members to discuss the main problems in the recommendations as they come up in the revision of The Highway Traffic Act.

MR. HILLHOUSE: Mr. Speaker, I wish to move, seconded by the Honourable Member for Lakeside, that the debate be adjourned.

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

MR. DEPUTY SPEAKER: Adjourned debate on the proposed resolution of the Honourable Member for Brandon. The Honourable Member for Gladstone.

MR. SHOEMAKER: Mr. Speaker, I adjourned this debate for my honourable colleague the member for Selkirk.

MR. DEPUTY SPEAKER: The Honourable Member for Selkirk.

MR. HILLHOUSE: Mr. Speaker, I was a member of this committee on Municipal Affairs and I concur in the report of the Standing Committee which is before the House, and I would recommend to the House the acceptance and concurrence in this report. I think it truly sets out in detail all of the discussions which took place before that committee, all of the various recommendations that were made before that committee, and the final recommendations of the committee which were based on motions made in the committee by members of the committee.

MR. FROESE: Mr. Speaker, I too was a member of the committee and I concur in the first part of the report in connection with Bill No. 20. I think the report is self-explanatory and therefore not any number of remarks are necessary, but in connection with Bill No. 118, I take a different attitude. I am not in favor of appointing a commission to look into this matter. I think we have had one or two commissions in the past already who have commented on this very subject that is contained in the previous Bill 118, and I feel that we should have a committee of the House look into this and report on it and make recommendations.

It seems to me that whenever there is a matter which the government doesn't go along with, and they want to have a recommendation come forward that is not in accordance with the will of the people, then they set up a commission and have a commission bring in a report to their liking. I don't go along with this and I feel that this should be referred to a committee of the House.

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

. . . . . continued on next page

MR. EVANS: Madam Speaker, I have a message from his Honour the Lieutenant-Governor.

MADAM SPEAKER: The Lieutenant-Governor transmits to the Legislative Assembly of Manitoba estimates of sums required for the services of the Province for the fiscal year ending the 31st day of March 1967, and recommends these estimates to the Legislative Assembly.

MR. EVANS: Madam Speaker, I beg to move, seconded by the Honourable the Attorney-General, that the message of His Honour the Lieutenant-Governor and the Estimates accompanying the same be referred to the Committee of Supply.

MADAM SPEAKER presented the motion.

MR. EVANS: Madam Speaker, on behalf of the Provincial Treasurer I wish to read the following statement.

It has been customary for the past several sessions to bring down the estimates on the same day as the budget presentation. It was my hope to continue the practice this year, but at this time it is deemed advisable to postpone the budget for a few days. I will give the House notice of budget day.

The estimates of expenditure, however, are now before you, and they call for an appropriation of a record sum of \$230,890,478, being an increase of 24.6% over the amount shown in the form in which these figures have been presented in the past. We are adopting a new form of statement for the coming year. The format that was used last year is based on a system of net expenditures in which no account was taken of the contributions received from other governments. This description must be further qualified to point out that the netting principle was not employed on a consistent basis but in some few instances gross amounts, including contributions from other governments, were shown. This in my view is unsatisfactory.

In order to preserve continuity and for the convenience of members, the old system of netting expenditure of which I have spoken is continued in the estimates before you now, but we are also showing for the various votes, the total sum to be expended, including contributions from other governments. This new system of totalling amounts, therefore, is being carried forward side by side with the old system of showing net amounts so that members may see the whole expenditure proposed, and at the same time conveniently compare the estimates for 1965-66 with the estimates for 1966-67. I believe that the new method of showing total expenditures will be adopted in some of the other provinces of Canada as well, if they have not already done so, in order to present more easily comparable public accounts to our people. The significance of this will not be lost on those who have been following the course of Dominion-Provincial fiscal relations and the effect of the "opting out" formula on the financial statements of the various provinces.

The Comptroller-General will be asked to provide a reconciliation of the public accounts of 1966-67 on the net and total basis. For the fiscal year 1967-68 it is intended to show total expenditures only.

I have already noted that on the net basis, proposed expenditures for the coming fiscal year will rise by a total of \$45,652,311 or an increase of 24.6%. To look at the same expenditures on a total basis Members will note that expenditures for the coming year will amount to \$298,043,477. This will be an increase on the total basis over the present year of \$52,915,522 or 21.6%. All departments but one share in this very significant increase in the public services. The exception is the Department of Agriculture and Conservation where the decreasing expenditure on the Red River Floodway as it nears completion is reflected in a decrease in the total departmental expenditures.

Education: On the basis of total expenditures, Education receives the largest vote amounting to \$82,965,000. This is an increase over the current year of \$22,441,000 or 37.1%. Education will absorb 27.8% of all our expenditures. On the net basis which we are abandoning, Education would have received 30% of all 1966-67 expenditures.

Provincial grants to local school authorities will rise to \$37,767,000 being an increase of \$5,380,000 or 17%. The vote for the school tax rebate will increase from \$10 to \$11 million.

Our grants for Higher Learning, in which we include the University of Manitoba and Brandon College, will total \$9,753,000 reflecting a 13% increase or \$1,135,000. When the increased per capita grants by the Federal Government are included, the sums available for Higher Education from the public purse in the coming fiscal year will rise by \$4,305,000. Capital grants to the University of Manitoba involving \$4 million will be recommended separately.

The expenditures for operating the technical-vocational educational system will rise from \$6,538,000 at present to \$9,187,000 in the coming year, an increase of 41%. It is expected that this category of expenditure will escalate rapidly in the coming years.

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

A program of new construction for vocational and technical training institutes and other educational structures will be proposed, totalling \$12,720,000 in the coming fiscal year. Details will be given by the Minister in due course.

Scholarships and bursaries will be increased by 41% in the coming year to total \$514,850.

Health: Some indication of the annual outlay by the Province for health is indicated by the total of \$69,720,000 recommended for 1966-67. The total vote reflects an increase of \$6,227,000 over the current year.

General Hospital Services for our people form the largest public outlay. The total vote for the Manitoba Hospital Commission in the coming year is \$51,300,000. This represents an increase of \$4,144,000 over the present year and augments the enormous expenditures being made on public health. Included in this program is the provincial contribution for 25 new building projects planned for 1966 in the neighborhood of \$21 million.

When the report of the Manitoba Hospital Commission is placed before you, you will notice that the deficit for the current year is calculated at something over \$1 million. This is over and above the provincial contributions to the Hospital Commission for 1965-66 which totalled \$12,585,000, being the equivalent of \$3 million plus the revised estimates of 6% personal and 1% corporation income levies. The House should be informed that a further deficit is to be expected for 1966-67. The building program alone will guarantee this, to say nothing of the need for meeting the wage requirements of the hospital system. It is obvious that greater efficiency in our hospitals must be sought, and the Commission has been given instructions to take the necessary steps to approach this goal. We are hopeful, however, that the expanding economy of the Province along with greater operational efficiencies will provide, as the year proceeds, a closer approach to a balance in income and expenditure.

The appropriation for Mental Health Services is again increased by almost \$1 million to \$10,243,000. You will note the emphasis on rehabilitation services and out-patient care.

Other votes in the Health Department will show increased appropriations for treatment and cure of alcoholism, workshops for the handicapped, cottage facilities for retardates, and the expansion of public health laboratory and X-ray facilities to 60,000 more of our people.

The appropriation recommended for the Highway Department will total \$40,665,000. This compares to \$19,268,000 in the present year. The increase amounts to \$21,397,000 or 111% more. It is not expected that recourse will be needed to public borrowing for highway construction during the next fiscal year. The full expenditure will be met out of revenue. I am sure the House will be interested to know that under present conditions of buoyant revenue and money market circumstances, the Province will finance its highway outlays from income.

Welfare: Welfare appropriations for the coming year amount to \$29,650,000. This is an increase of \$2,746,000 or 10.2% more than the present year. A portion of this increase will go to an expansion of our services to Indian and Metis citizens to bring them into the self-supporting stream. Community development expenditures of \$805,000 will more than double the current appropriations for this service. The recommendation for increased allowances under The Social Services Act is included herein, as well as funds necessary to take over a substantial portion of welfare costs now being borne by the City of Winnipeg and other municipalities. Fitness and Amateur Sport provisions are also enlarged.

You will be informed of a very large increase in a number of projects for housing, hospital and care homes. This is being made possible by a new pattern of government support calling for part payment of principal and interest to assist more of the many public-spirited agencies involved.

Agriculture: The estimates also include augmented services in the Department of Agriculture and Conservation. Although there is a decrease in the total expenditures under this department, because of the cost of the Red River Floodway operation, there is an increase in other sectors amounting to \$1,562,000. The Crop Insurance vote will be increased to \$588,000 to make the service available to 90% of our farmers. Agricultural research will require an appropriation of \$350,000 more. Water Control and Conservation outlays will rise to \$3,435,000 in order to meet increasing demands for service. A capital revolving fund amounting to \$100,000 for loans to Indian and Metis co-operatives is included. A sum is included to provide for the commencement of a new Farm Business Advisory Service which will supplement and expand the already large existing program in this field.

Attorney-General: The requirements of the Department of the Attorney-General will increase by 25.7% to total \$8,783,000. The costs of our RCMP service will rise by about

(MR. EVANS cont'd).....one-half. A large new provision is made for capital construction of the facilities coming under the administration of this department. Provision is also made for increased probation and rehabilitative services.

The appropriation for the Department of Mines and Natural Resources will increase by 5% to \$9, 144, 000, largely reflecting the development of the provincial park system.

Expenditures in the Treasury Department will increase by 7% to \$3, 727, 000. Increased emphasis is placed on internal audits of efficiency. The fully self-supporting computer centre, which is being expanded, will help increase efficiency in record keeping and clerical services.

The Department of Public Works vote will be increased by \$10% to \$4, 063, 000 in which is included a new Land Acquisition Branch.

The Department of Industry and Commerce vote will increase by 25% to \$3, 051, 000. There will be a major expansion of tourist promotion, which is increased by 42 percent.

Other development activities in the field of manpower training and trade promotion also require more money.

Expenditures of the new Department of Urban Development and Municipal Affairs will increase by 31% next year to total \$3, 757, 000. Included in this are a new vote for urban transit assistance of \$250, 000, \$100, 000 for the Northern Commissioner and a capital appropriation from income of \$313, 000 for urban renewal.

In the estimates of the Provincial Secretary, we have placed an amount of \$1 million to provide for salary increments and re-classification contingencies. This will be in addition to the normal staff increases for the coming year which themselves amount to \$769, 425.

The Canada Pension Plan will require a new contribution of about \$1/2 million in respect of the Civil Service Superannuation Fund and for other civil servants not now included in that fund. An amount of about \$600, 000 additional will be needed to take care of the responsibilities of the Teachers' Retirement Allowances Fund to the Canada Pension Fund.

An additional amount of \$682, 000 or 5.3% will be provided for public debt amortization, sinking funds and interest charges. This sum will be required to support public investment already authorized by the House. I shall, however, not propose any further capital loan appropriation for direct government account in the fiscal year 1966-67. We believe that all our requirements of a direct capital nature are already provided for in the estimates for 1966-67 which are now before you.

Attached herewith are two tables. The first gives a summary by departments of estimates for the coming fiscal year based on the TOTAL system of accounting, which we are adopting for the future. The second table gives the same information based on the PRESENT system of accounting. A comparison of these two tables will enable members to relate expenditures for the coming year with those which they set for the present fiscal year.

The estimates placed before you totalling almost \$300 million are the largest public expenditure recommendations ever made by a Government of Manitoba. They reflect important and necessary public investment in almost every field of our provincial life. They are related directly to the growth of the provincial economy, and I look forward in a few days to presenting to you ways and means by which the government proposes these expenditures shall be paid. In the meantime I commend the expenditure estimates to the study of the Committee, and I shall not read the tables because copies are available of this statement and will be distributed immediately by the pages.

That concludes the reading of the statement on behalf of the Provincial Treasurer, and it's my understanding that there's some desire on the part of honourable members to have some time to read these estimates before the presentation of the first department, and at a little later stage it would be my intention to ask whether it met the wishes of the House to adjourn at this point and resume again tomorrow. But before I do so, I wonder, Madam Speaker, if I do require unanimous consent - I don't know whether I do. But to lay on the table of the House the report of the Board of Internal Economy Commissioners for the fiscal period that ended the 31st day of March, 1965, if I could have the indulgence of the House to do that. I find that this is the last day on which this can be presented, and if I have your permission I'll lay it on the table of the House in that way.

MADAM SPEAKER: Are you agreed to do this? Agreed.

MR. EVANS: Thank you. Now, it seems to me, Madam Speaker, that it might suit the wishes of members, instead of continuing with another piece of business for the next half hour, to have the evening to study the estimates and resume again; and with that in mind, I move, seconded by the Honourable the Minister of Welfare, that the House do now adjourn.

MR. CAMPBELL: Madam Speaker, on a point of order. The former motion has not been put.

MR. EVANS: Perfectly correct. I thank my honourable friend. I think the procedure which was discussed some days earlier was that on presentation of this motion -- there was some indication, I think, from the Leader of the Opposition, that he might wish to adjourn the motion so that time could be allowed for studying the estimates.

MADAM SPEAKER: Moved by the Honourable the Minister of Industry and Commerce, seconded by the Honourable the Attorney-General, that the message of His Honour the Lieutenant-Governor and the Estimates accompanying the same be referred to the Committee of Supply.

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

MR. EVANS: I think then we'll accomplish the same purpose in another way. I think it might be convenient if we delayed putting the motion for just a moment or two until the pages have had a chance to distribute the several papers which are being passed out.

I move, seconded by the Honourable the Minister of Welfare, that the House do now adjourn.

MADAM SPEAKER presented the motion and after a voice vote declared the motion carried, and the House adjourned until 2:30 Friday afternoon.