

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Wednesday, December 14, 1966

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions
Reading and Receiving Petitions
Presenting Reports by Standing and Special Committees
Notices of Motion
Introduction of Bills
Committee of the Whole House

HON. GURNEY EVANS (Provincial Treasurer) (Fort Rouge): Mr. Speaker, I beg to move, seconded by the Honourable the Attorney-General, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the Resolutions proposed on the Order Paper.

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

COMMITTEE OF THE WHOLE HOUSE

MR. EVANS: Mr. Chairman, His Honour the Lieutenant-Governor having been informed of the subject matter of the proposed Resolutions recommends them to the House.

MR. CHAIRMAN: Before the committee proceeds, I would ask members rising to speak if they would just give me a moment to identify their constituencies. It makes it difficult for the printers, particularly with the voices of the new members. The first resolution stands, the first resolution on the Order Paper?

MR. EVANS: If you please, Mr. Chairman.

MR. CHAIRMAN: The second resolution on the Order Paper: RESOLVED THAT it is expedient to bring in a measure to amend The Mineral Taxation Act by providing, among other matters, for the payment of tax calculated under the Act by the owners of potash in, on, or under, lands in producing areas. Are you ready to speak?

MR. EVANS: Mr. Chairman, presumably I'm identified.

MR. CHAIRMAN: The Provincial Treasurer.

MR. EVANS: The resolution contains the principle very clearly that it is intended to impose taxation on any potash mines in the same way that taxation is imposed on other minerals.

MR. GILDAS MOLGAT (Ste. Rose): Mr. Chairman, did I understand the Minister correctly to say that the sole purpose of this is to impose taxation on potash mines in the same way as other mines? Were they excluded in the past?

MR. EVANS: I think it's not clear whether they were included or not. The intention is to clarify the situation with regard to the taxation of potash and to make sure that it is regarded as a mineral in this sense and for this purpose.

MR. MOLGAT: Well this I presume will be establishing them on the same basis as anyone else. It won't be any extra amount of tax or any lesser tax. For example, we have gypsum mines in the province and these basically are almost identical to the potash mines. The process I think of extraction is roughly the same; it can be done either by a straight shaft or by the newer methods of slanting conveyor type. It don't think the solution mining has been operated there at all, but will it put them in a different position as gypsum or anyone else?

MR. EVANS: No, my understanding, Mr. Chairman, is that it will bring potash in under the same conditions as the other minerals under The Mining Taxation Act. I'll get that title right, The Mineral Taxation Act.

MR. RUSSELL (Leader of the New Democratic Party)(Radisson): Mr. Chairman, I wonder if I might ask my honourable friend whether there is any revenue being derived from the extraction of potash at the present time, or whether any is contemplated in the near future? Another question too, Mr. Chairman, would be under the proposed resolution of my honourable friend. Is there allowances for tax exemption for a period of time on new mines coming in similar to what I believe is contained in some of the other clauses dealing with mineral extraction, etcetra?

MR. EVANS: To answer my honourable friend's question, if I could have the understanding that I'll correct this statement if I'm wrong, I understand there is no revenue at the present time from taxation on potash in Manitoba. Any such revenue anticipated would have to depend on the

(MR. EVANS cont'd) opening up of potash development. I am not able to forecast the future in that regard, and the imposition of taxes and the periods in which taxes are not collected will be the same in this case for potash as for the other minerals.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Chairman, just one question. Are we as a government committed in any way through certain concessions made to parties operating such mines as being unable to collect the tax?

MR. EVANS: Mr. Chairman, I have no knowledge of any case in which we have been unable to collect a tax that has been levied.

MR. FROESE: I'm not quite sure whether he got the question correctly. It was whether we are prohibited from collecting a tax because of certain concessions made to the parties operating mines. Is there any such thing?

MR. EVANS: I think I can say to my honourable friend that there is no understanding or agreement or undertaking by the government not to collect any tax to which this resolution of this nature would refer. I think I can say to my honourable friend the answer is "no".

MR. CHAIRMAN: Resolution be adopted? The third resolution on the Order Paper: RESOLVED that it is expedient to bring in a measure to amend The Mining Royalty and Tax Act by providing, among other matters,

- (a) that the tax imposed under that Act will not be payable in respect of the production of potassium salts and the ores thereof; and
- (b) for the method of calculating income by the deduction of certain expenses and in the case of mines owned and operated by or under the same management.

Are you ready to speak to the resolution?

MR. EVANS: Mr. Chairman, I don't know that I can clarify the content of the resolution any further than it is stated here. I'll be prepared on second reading to give the detail and a further explanation of it and I would ask the committee to consider the resolution in the light of the desirability of providing this kind of legislation and I'll be prepared to deal in more detail with it when the Bill is before us.

MR. DOUGLAS CAMPBELL (Lakeside): Mr. Chairman, if I might ask the honourable the Provincial Treasurer, is it not a fact that the reason for this particular wording and for the type of legislation that my honourable friend undoubtedly intends to bring in is a device to escape the charge that it might be considered an indirect tax. Is this not the real reason? That's not the reason?

MR. EVANS: I think my honourable friend can see that I am not expert in these two Acts which are really touching on the same subject and if it would be agreeable to him I'll prepare myself to discuss that question if he thinks this is satisfactory at the time we have the bill before us.

MR. CAMPBELL: Mr. Chairman, I certainly do not consider myself to be expert in them at all, but the Honourable the First Minister suggests that my suggestion was incorrect, so if he wanted to tell us what the real reason is then. The way the (a) part is worded, "To provide that the tax imposed under that Act will not be payable in respect of the production of potassium salts and the ores thereof" indicated to me that the pretty clear intention was to have a method of collecting the tax that could not in a court case or dispute of any kind be considered an indirect tax and thereby rendered outside the authority of the provincial government. If that's not the reason I'd be interested in knowing from the First Minister what the reason is.

HON. DUFF ROBLIN (Premier) (Wolseley): I hope I know what I think I know in respect to this subject, Mr. Chairman, but I think what these measures really do is to recognize the fact that you cannot - in competition with other provinces we have to consider our taxing statute on minerals in connection with the competition; we have to stay in line with it, and potash has to be taxed on a bulk basis rather than on the royalty basis. In other words so much per ton, and that kind of thing is a bulk tax rather than a royalty which is a different system of taxation. It's very complicated, I really don't pretend to be explaining it at this moment. I merely say that it is a measure to make sure that we handle potash in accordance with its physical characteristics. It's different from hard rock mining, it's different from oil. It has to be taken care of specially and we are by these pieces of legislation recognizing that it exists, that it should be subject to a specific tax treatment and that we should include it in our taxing statute. Now that is the bare bones of what we're trying to do. The details of it and the technology is something that we'd do better to discuss at a later date when somebody knows more of the actual details of the taxing mechanism; but it's really not an attempt to avoid a constitutional problem.

MR. SAUL M. CHERNIACK, Q.C. (St. John's): Mr. Chairman, it would have been helpful had the person drafting this himself probably understood more about what he was doing because the First Minister's explanation as to Item (a) I think has helped me considerably in understanding what is proposed. The wording itself that a tax imposed will not be payable is to me a contradictory sentence that seems to be peculiar and possibly it's not meant that way. If a tax is imposed it must be payable. Possibly they want to repeal the application on this. The clause (b), I don't pretend to be an expert in grammar even, but I don't think it's grammatically sound because it speaks of calculating income by deduction of certain expenses and in the case of mines owned and operated by or under the same management something should happen and in the case of then some other things should happen, so that that is completely confusing. I almost think that it defeats the purpose of bringing this into committee in order to even give us a lead when there is obviously something missing - and I have to assume something important missing in clause (b). Now the Honourable the First Leader didn't even attempt to tackle (b). I don't know if he proposes to attempt to do so, but I think that by passing this resolution we will be by-passing the intent of bringing it into committee because the fact is we don't know why it is here and when the committee rises we will not be any clearer than we were when it agreed to sit, so that I'm hoping somebody can clarify or withdraw this.

MR. ROBLIN: Mr. Chairman, I can't really clarify it, nor am I lacking in sympathy with the point my honourable friend raises, because the language of taxing statutes is certainly the most convoluted and difficult exercise in the English language that we come up against and the proof of the pudding is that it takes a good many lawyers of a calibre equal to my honourable friend to try and understand what the taxing statute means after the taxers have imposed it, and it's one of the great problems.

I don't really know whether my honourable friend's complaint about sub-paragraph (b) is justified or not. He's usually a pretty logical fellow and I pay attention to what he says. In view of the fact that it is on the Order Paper at the present time and the fact that we are going to discuss it at further date in our other stages it perhaps would be not unreasonable to let it go at the present time and if there are any further explanations that are required, and there may well be, they can be furnished at the time of second reading, or more particularly, when we have the actual statute in front of us; though I have to admit judging from the way these taxing statutes are worded, that's going to be a pretty confusing exercise too, but perhaps we can get along on that basis.

MR. T. P. HILLHOUSE, Q.C. (Selkirk): Mr. Chairman, might I suggest that in clause (b) that perhaps that "and" in the second line should not be there and it would read "for the method of calculating income by the deduction of certain expenses in the case of mines owned and operated by or under the same management".

MR. ROBLIN: That makes sense.

MR. EVANS: Mr. Chairman, I will undertake to review Hansard and endeavour to clear all these points when we consider the next reading.

MR. CHAIRMAN: Resolution be adopted? Committee rise and report. Call in the Speaker.

Mr. Speaker, the Committee of the Whole has adopted certain resolutions and asks me to report same.

IN SESSION

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

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

MR. EVANS introduced Bill No. 19, An Act to amend the Mineral Taxation Act; and Bill No. 20, An Act to amend the Mining Royalty and Tax Act.

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

HON. STEWART E. McLEAN, Q.C. (Provincial Secretary) (Dauphin): Mr. Speaker, if I may, referring to a question that was asked of me yesterday, by the Honourable the Member for Gladstone, concerning the sections of the Highway Traffic Act that have not been proclaimed. I have given him a list but I thought it advisable to give the answer here, so that it would form part of the record. These sections were not proclaimed: Section 15, sub-section (3); Section 18,

(MR. McLEAN cont'd) sub-section (2); Section 18 sub-section (3), Section 33, sub-section (2); Section 40, sub-section (2); Section 168, sub-section (1); Section 296 and Section 303.

MR. MOLGAT: Mr. Speaker, I would like to address a question to the First Minister. Is the First Minister in a position to confirm or deny a new story that appeared today in the Winnipeg Free Press indicating that the \$30 million Simplot Chemical Company Plant in Brandon received a loan of \$20 million from the Manitoba Development Fund at an interest rate of 7%?

MR. ROBLIN: Mr. Speaker, I'm not in a position to confirm or deny it. All I can say is that if the Manitoba Development Fund made a loan to the Simplot Company, that it undoubtedly is part of the public record insofar as registration of mortgages etc., are concerned, and as is every loan they make in which that kind of a document or other legal documents which require registration are involved, and to that extent, if that is part of the public record then I suppose it is a fact, but I myself have no knowledge of it.

MR. MOLGAT: Mr. Speaker, a subsequent question. The Premier tells me he has no knowledge of it. Was the request last year for an increase in the amount of money in the fund connected with the very large loan which was made to this Corporation?

MR. ROBLIN: Mr. Speaker, I'm looking forward to making a statement on this whole topic maybe tomorrow if I'm lucky and I hope to deal with those matters.

MR. CHERNIACK: Mr. Speaker, I wonder if I might offer the Honourable the First Minister an opportunity to correct a statement which he made on December 12th, recorded in Hansard page 110, when he replied to a question asked by my Honourable Leader, who asked whether the government did not have the authority to investigate into the use of public funds in the Province of Manitoba, dealing as he did with the Manitoba Development Fund, and the Honourable the First Minister said, "Not unless we change that statute, we haven't". May I direct to the Honourable Minister, page 110 middle of the page, sub-section (2) of section 30 of the Development Fund Act of 1966 reads "The Lieutenant-Governor-in-Council may at such times, and as often as he deems it necessary, require the Board to furnish to him such reports or information respecting the business and operations of the Fund as he may direct and the Board shall comply with the requisition." Of course, section 32 provides that the Legislative Assembly may not enquire as to the application for a loan or other information furnished by the applicant, but there is no reference to information regarding the nature of the loan itself and I think probably after the First Minister looks at sub-section (2) of section 30 and section 32, he will agree that the government does indeed have the right -- and I assume therefore, the responsibility - of looking into matters affecting the use of public funds and that when he does give us his answer, as he has indicated today that he hopes to do tomorrow, that it will have full information regarding the nature of the loan to Churchill Forest Products, the manner of repayment, which he may know is not a matter of public record and which suggests that there probably is a side agreement along with the registered document which would have some indication as to manner of repayment and anything else which should be of interest to the people of Manitoba whose money is being loaned at this ridiculously low interest rate of 6-1/4%.

MR. ROBLIN: Mr. Chairman, I'll certainly be always glad to take the member's suggestion into account but as I read the statute and certainly as it is the policy of the government, although we may enquire as we are going to enquire with respect to our previous conversations about whether or not they are complying with the statute with respect to the rate of interest. If my honourable friend expects me to enquire into the details of a particular loan I'm sorry to disappoint him, because I have no intention of doing so - none whatsoever.

I should like to say to my honourable friend that I am sure that if the full details of this transaction or any other transaction the Development Fund enter into were a matter of public record, it would disclose that there are all kind of business arrangements that are made respecting the security for the loan, respecting the method of repayment, respecting the use of the money and the method in which it may be employed, how it may be drawn down and 101 different particulars that apply to this transaction or any other. Now the Industrial Development Fund, the Manitoba Development Fund has made loans to scores of people and if we are going to enquire into one, I want to tell the House we are going to enquire into them all. We would be in that position. And if we do that, we might just as well disband the Manitoba Development Fund because that is not the purpose for which it is created and that is not the basis on which it can do business. The Manitoba Development Fund within the terms of its statute have given assurances to the people who deal with them that they would not be the subject of a political inquisition and that is exactly what is being proposed by those who ask us to make these matters a matter of public record . . .

MR. PAULLEY: Mr. Speaker, I regret very much the words being used by the First Minister in imputing political motives when our endeavour is the protection of the public treasury.

MR. ROBLIN: I must say that if my honourable friend doesn't like the language that I use, I'll choose other language which I hope will not be offensive to him, but I simply have to say that from my point of view, that is what is going to be the end result of this. What's happening now is that members on the other side by the attitude they are taking on this are creating in the public mind, the suggestion that there has been - and the press called it the other day "a shocking deal".

Now, Mr. Speaker, we can't carry on business that way in Manitoba Development Fund and we might as well get this through our heads that if there is going to be this kind of a charge, this kind of application made against that Fund, we have got to haul the directors of that Fund in here - people like Maurice Neeman, people like Mr. Croston, people like John A. MacAulay, people like Mr. Hill of Portage la Prairie, a former director - all the people who are on this Board and who running the affairs of this corporation.

Now if we want a Royal Commission into the operations of this Board then we've certainly destroyed any usefulness it has. I think that it is unfortunate that people should seize on the facts of the operation of this Board the way they have to impute that there is something wrong going on behind the scenes here or that special deals are being made that are not justifiable or that some subsidy, some hidden subsidy is being given. I'm sure that that is not the case. I might say that I have asked the auditors, McDonald, Currie who audit this Corporation to examine the question raised by the Honourable Member for St. John's and to find out just what the situation is with respect to this particular interest rate and I am satisfied that it will be found to be within the terms of the Act.

But this is question period and I'm not going to trespass on the good nature of gentleman opposite in speaking any more on this subject but I expect tomorrow, with any luck, in the course of the debates that take place, to say something further about the whole of this matter.

MR. CHERNIACK: Should I say a supplementary question, Mr. Chairman.

MR. SPEAKER: I do believe what went on yesterday and again today, searching questions have been asked and the First Minister has promised a complete statement tomorrow. I wonder if the House may not proceed on that account.

MR. CHERNIACK: Mr. Speaker, I appreciate what you have just said, especially after having listened to the answer which was just given to us in the form of a speech. My understanding was that when you ask a question you are entitled to, was it, two supplementary questions? I suppose it would be presumption on . . .

MR. SPEAKER: I wondered if the statement of the honourable gentleman previously was a question or somewhat of a speech. I gave him the latitude to carry on but I believe he has a question now.

MR. CHERNIACK: Mr. Speaker, I intend to read my question in Hansard when it appears tomorrow and see whether there's any speech involved. If there is I will be happy to apologize to you and to the Honourable the First Minister who had an opportunity to make a speech attacking a number of people on this side in answering a question.

Now if you feel that we shouldn't carry on and respond to what he said, I'm quite prepared to wait till tomorrow in the anticipation that I will be able to make a similar speech for the same length of time as the Honourable Minister has taken in answering what I thought was a simple question, or proposing to answer the question and not really dealing with what I said. Therefore I don't propose to make my speech now, Mr. Speaker, but I do suggest that your statement that my question was a speech will not stand up to scrutiny after you examine it tomorrow.

MR. SPEAKER: I don't wish to infer that I suggested it was a speech, I said it gave an impression of a speech; I didn't say it was a speech itself, and my point in rising was simply to appeal for the good will of the member concerned.

MR. CHERNIACK: Then, Mr. Speaker, I wish you had risen after the Honourable the Minister started to make his speech and interrupted him.

MR. SPEAKER: The Honourable Provincial Treasurer.

MR. EVANS: May I indicate a correction in Hansard at Page 100. It's the Edition No. 7 -2:30 p.m. Monday, December 12th, at page 100, about two-thirds of the way down the page, where I think my honourable friend from Inkster was posing a question and I am indicated there as replying, but I think that my honourable friend from Inkster continued on, that that whole paragraph, should be attributed to him because my answer follows immediately afterwards.

(MR. EVANS cont'd) And if I may while I'm on my feet, Sir, lay on the table of the House, the Report of the Board of the Manitoba Farm Loans Association for the period ending March 31, 1966.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN (Inkster): Mr. Speaker, may I first say that my honourable friend is correct that the remarks attributed to him do in fact come from me. I think there would be no doubt of it to anybody reading Hansard, that the Minister could not have made those remarks.

While I'm on my feet Mr. Speaker, I'd like to direct another question to the First Minister with respect to the Act respecting the Manitoba Development Fund. When he is answering or making his statement which he indicates he will be making in the House tomorrow, would he also in view of the arms length relationship that he described between the government and the fund, would he answer the question as to whether the Fund has sought any assistance from the Minister in charge or any of his predecessors or any Minister who was in charge of the Fund at all material times, in encouraging the owners of capital to invest funds in industrial enterprises of the Province, as is set out under Section 4(b) of The Manitoba Development Fund Act; and also, whether or not the Fund has used the facilities of the Department of Industry and Commerce under Section 16(4) which says, and I quote: "The loan committee may in respect of any matter seek and obtain the advice and assistance of the officers and employees of the Department of Industry and Commerce and it shall not seek or obtain advice or assistance as provided in sub-section 3, and that is independent advice, if in the opinion of the Board, the advice or assistance may be obtained as provided in this section". And also in passing, Mr. Speaker, I think that the First Minister should answer the question put by my honourable colleague from St. John's as to whether he doesn't have the legal right to make these inquiries or whether he is not going to make them whether he has that right or not.

MR. RODNEY S. CLEMENT (Birtle-Russell): Mr. Speaker, before the Orders of the Day, I would like to direct a question to the Honourable the First Minister; a question that's in somewhat lighter vein than those that have been directed in his direction up to now.

I received a resolution signed by some 275 pupils of the Birtle Collegiate asking that January 11th, the Birthday of Sir John A. MacDonald be declared a national holiday due to the fact it is in the Centennial year. Has he had any further request for this, and if so would he consider this?

MR. ROBLIN: That's one of the best suggestions my honourable friend has made for some little time. I'm heartily in favour of it. I thank him for his courtesy in sending me a note about the question. I regret that I have no information that the Federal Government is seriously considering this suggestion, although I think they are missing a Canadian opportunity in this respect.

MR. SPEAKER: The Honourable Member for Hamiota. Order please. Order please.

MR. EARL DAWSON (Hamiota): Mr. Speaker, I'd like to direct a question to the Honourable Minister of Health. If because of financial reasons, an elderly person can no longer pay their Manitoba Medical Premium, and applies for a Medicare card, must he give up his own doctor or doctors and attend a medical clinic that he has been directed to by the department that issues the Medicare card.

HON. CHARLES H. WITNEY (Minister of Health) (Flin Flon): Mr. Speaker, the answer is no.

MR. SPEAKER: The Honourable Member for Logan.

MR. LEMUEL HARRIS (Logan): Before the Orders of the Day, I'd like to direct a question to the Minister of Welfare. I'm sorry I didn't give him notice of this in advance. Due to the eminence of Christmas, are you going to bring in Legislation to provide cost of living increases in Manitoba welfare schedules as proposed in the Throne Speech?

--(Interjection)-- Before Christmas, that is, yes, I have it down here.

HON. J. B. CARROLL (Minister of Welfare)(The Pas): Mr. Speaker, a statement will be made on this in due course. I'm not prepared at this time to be able to make that announcement.

MR. SPEAKER: The Honourable Member from Hamiota.

MR. DAWSON: . . . a question to the Minister of Health. Sir, if the answer is no, do I understand you correctly that they are not directed to go to any particular clinic - they may keep their own doctor, specialist, or whatever they've had? Is this correct?

MR. CARROLL: Possibly I should answer that, Mr. Speaker. If a person qualified for a Medicare card, he does so by applying to the Provincial Department of Welfare and if he gets

(MR. CARROLL cont'd) a card he can select the doctor of his choice and get medical treatment or whatever other kind of health treatment is required.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN (Elmwood): Mr. Speaker, I would like to direct a question to the Minister of Education. Since I gave my version of the statistics yesterday I'd like to give him an opportunity of giving his, which are probably more accurate. Could he give us the approximate percentage of students in high schools in the following courses:- in the University entrance course, the general course, the commercial course and the technical vocational course; and then could he tell us the approximate percentage of students that he would like to see in these courses or that his department is working towards. What is the ideal to which we are working towards and what is the present situation. I'd be willing to take this in general or perhaps more specifically.

HON. STERLING R. LYON, Q. C. (Attorney-General) (Fort Garry): Mr. Speaker, I hesitated to rise on a point of order when the honourable member started to put his question after his editorial comment, but it seems to me, and I did this out of deference to his newness in the House and the newness in the House of many of the members here, because we all have to learn, including myself, we're all still learning; but I do suggest that questions of this nature are out of order. This calls for an Order for a Return. Statistical information of this sort clearly is out of order on the question period and if the honourable gentleman wishes this kind of information it's available if it is put in the form of an Order for Return. I'm merely suggesting that the question is not in order.

MR. SPEAKER: The Honourable Member for Brokenhead.

MR. BEN HANUSCHAK (Burrows): Mr. Speaker. I would like to direct a question to the Honourable the First Minister. Can the government guarantee that since thousands of people have apparently lost their life savings and expected security brought about by the collapse of Companies such as Atlantic Acceptance and Prudential, that there is legislation governing trust, insurance companies, loan companies adequately protecting the people of Manitoba from a recurrence of such circumstances?

MR. ROBLIN: Mr. Speaker, I can give no such guarantee.

MR. PAULLEY: to the First Minister who answered the Honourable Member for Burrows. Then will the Honourable the First Minister

MR. SPEAKER: I've called the Honourable Member for Rhineland.

MR. ROBLIN: Is it a supplementary question? I'd be happy to accept it if it's a supplementary.

MR. PAULLEY: It is, Mr. Speaker, a supplementary question. The Honourable the First Minister says he can give no guarantee of this. Will he guarantee then to the members of the House that subsequent legislation will be introduced into this House in order to adequately protect the citizens of Manitoba?

MR. ROBLIN: Mr. Speaker, it's hard to answer these questions without launching into a dissertation on the situation in which we find ourselves. If we are aware of legislation that should be introduced to strengthen the situation I'm sure that we will introduce it. I want to tell my honourable friend and I think this is rather important and I hope I may be allowed to make a short statement on this subject, that my colleague, the Minister of Public Utilities will be in Ottawa next week, and one of the things that he will be doing down there is consulting with the federal authorities in respect of the companies that are operating in Manitoba, because we are also anxious to satisfy ourselves that everything that should be done is being done with respect to organizations of this kind.

I would also like to enter a caveat however that I don't think there's any government in Canada that is altogether satisfied that the regulations we have for these new fiscal agencies, near banks and the like, are really satisfactory in the present day circumstances, and I know that in this Province as in others we are looking at ways and means of strengthening that legislation. The trouble is it is one of the most difficult fields in which to operate effectively that one could imagine, and I don't really think that anyone should be under any misapprehension that there are any measures on the statute books of this Province or any other Province or the Dominion of Canada at the present time which guarantee anything in that sense to the people who invest their money in these organizations. It's caveat emptor - the buyer must still be aware. My fear is that when you hear of things being advertised like guarantee this and guarantee that, that the public thinks that somehow the government is guaranteeing these things. Nothing could be farther from the truth. All the governments do in any jurisdiction, generally speaking,

(MR. ROBLIN cont'd) is inspect the companies, look at their books. We have seen from what has happened in Ontario, that that is not necessarily any guarantee of anything at all - it is a precautionary measure. But just how these matters are to be controlled in the modern development of financial institutions is a very good thing, and the Government of Manitoba is considering how we should approach our consideration of the whole problem. My own view is that it should be done by the National Government. It seems to me that most of these organizations are in a sense near banks and it should be handled by the National Government and I know the National Government are considering it and that would certainly be the view that we take.

I'd like to say in reference to the two problems of which I'm aware, the Prudential and its associated assurance company - what was it the North American something or other - that neither of those two companies operated in Manitoba. The Prudential in 1962 had four or five customers in this Province, obtained, I think, by advertising in a national paper. When that was discovered by the Utilities Board here, they were told to cease and desist, which they did and they haven't sold as far as we know anything in this province since then and the insurance company which is involved was also not licenced to operate. Neither of these two bodies were licenced to operate in Manitoba. So I think the matter is of real public concern. I only wish there was some way of making the guarantee that is spoken of, but I think that I should inform the House of some of the difficulties involved in the whole question.

MR. PAULLEY: Mr. Speaker, I want to thank the Honourable the First Minister for his very short, concise reply to my question. I might give him a solution to the problem, one that I have advocated in this house is no further expansion in these fields in the Province of Manitoba, we have enough at the present time.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I would like to direct a question to the First Minister. Could he inform the House of the dates when the services of the three former Cabinet Ministers terminated in their official capacity. I'm referring to the three that served in the 27th Legislature at the time the election was called, but are no longer in office.

MR. ROBLIN: I think my honourable friend would do well to listen to the suggestion of the Attorney-General. Questions like that are obviously matters for an Order of Return or some other system than a question at question time.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I would like to direct a question to the Minister of Education. Is he aware that the upgrading class in Portage la Prairie, who are presently taking a course have been taking this course now into the fifth week and they were promised their allowance cheque would be mailed to them on a two week period. I would ask him if he was aware of this and also I am told by the Department when I made the complaint myself that it is an administrative problem and it is not only confined to Portage, that there are students throughout the Province who are overdue in receiving their allowances and if he is aware of this, what steps is he taking to correct this situation?

MR. JOHNSON: Mr. Speaker, I'd be happy to look into it. I was not aware that they were overdue.

MR. SPEAKER: The Honourable Member for Kildonan.

MR. PETER FOX (Kildonan): Mr. Speaker, I'm not certain which Minister to direct this question to, it's a question on safety. A self-starting remote control unit for automobiles is being sold on the market. Has any consideration been given whether any safety hazards are being created to the public, especially children, with an unattended vehicle running.

MR. McLEAN: Mr. Speaker, the piece of equipment to which the honourable member has made reference would not be legal in Manitoba under the provisions of The Highway Traffic Act.

MR. PAULLEY: Mr. Speaker, a subsequent question then to my honourable friend. If it is so that it is not legal in the Province of Manitoba, should not some department of government step in immediately to protect purchasers of said equipment within the province, it being unlawful. --(Interjection)-- Yes, they are being sold, Mr. Chairman, or advertised . . .

MR. McLEAN: . . . Mr. Speaker, by saying I don't know, because I'm not really certain how one goes about preventing people from breaking the law in advance when you don't know they are going to break the law.

MR. PAULLEY: Mr. Speaker, if I may follow this point with a further question, then is it not the duty of Government as custodians of the law, to see that it is not broken. I'm not satisfied with the answer of my honourable friend. We are here as public protectors, he said so the other day, we are public protectors. If my honourable friend wants a written

(MR. PAULLEY cont'd) . . . communication, the question is - do you intend to take action against what you claim to be an illegal action in the Province of Manitoba or should I direct my question to the Honourable the Attorney-General. We deserve an answer. We need an answer, we must get one.

MR. LAURENT DESJARDINS (St. Boniface): Mr. Speaker, I wonder if the Minister that just . . .

MR. SPEAKER: Is this supplementary to what is being discussed?

MR. DESJARDINS: Yes, it is. I wonder how this would come under the Highway Traffic Act? I doubt if the Minister understood the question correctly, maybe . . .

MR. McLEAN: Mr. Speaker, as I understand the Law, it is not permissible for a motor vehicle to be operating when an operator is not personally present in the vehicle. I recognize that sometimes people have been known to start their motor car and leave it running even though they are not in it, but that particular course of conduct has never been permissible under the provisions of The Highway Traffic Act, so that it follows very clearly that if there is any kind of a gadget that will start a motor vehicle by remote control, it would then be running without the attendant being in the vehicle and obviously it follows, if I recall my legal training correctly, that that would be contrary to the law.

MR. CAMPBELL: Mr. Speaker, I have a supplementary question on the same matter. I would like to ask the Honourable the Minister who has just spoken, is it not a fact though that that legislation refers to the car on the highway?

MR. McLEAN: I'm getting advice now that I should look at the Act. Maybe that's a good idea.

MR. GREEN: Mr. Speaker, this is not on the same subject - have we exhausted this . . . On the same subject if my learned friend will indulge for a moment, we took the trouble to look at the Act and it doesn't say on a roadway, but I would just like to ask the Honourable Minister whether the sale of such a vehicle, whether he would look into the question of whether the sale of such an instrument constitutes the aiding or abetting in the Commission of offense.

MR. McLEAN: . . . Attorney-General would have to deal with that.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. MOLGAT: Mr. Speaker, my question is addressed to the Provincial Treasurer. Last Friday we had a discussion prior to the Orders of the Day on the question of the increase in insurance rates and I suggested at that time that the government should re-establish the Committee of the House and reconvene it at once. The Minister replied to me that he would give this consideration. Subsequently the First Minister indicated this as well. Could the Government now indicate when the committee will be established and when it will reconvene?

MR. LYON: Mr. Speaker, we are hopeful that all of the standing committees of the House and any special committees such as my honourable friend has reference to, will be established very shortly after the reconvening of the House - always working on the presumption this present House is going to adjourn very shortly - but I believe there have been private communications with my honourable friend with respect to the complements of standing committees and this matter will be taken up and followed upon immediately the House is reconvened.

MR. MOLGAT: Mr. Speaker, a subsequent question. Will the government then not consider in the case of this special committee, reconstituting it before this House takes its recess so that the committee could get to work before the next session, when the house reconvenes, and get some of the work done during the recess?

MR. LYON: Mr. Speaker, I think the period of recess is going to be from what we have heard probably a brief one. I think the Committee will not suffer by virtue of the fact that it is brought into being some time in January and we get down to work at that time. I daresay if experience in the past is any guide, the bulk of the work of the committee will probably not be done until after the House prorogues finally in the spring.

MR. MOLGAT: Mr. Speaker, but the increases are due to take place on the first of January, isn't it urgent that the committee get to work on it and not wait until spring.

MR. LYON: Mr. Speaker, I am not aware of any way at all that the committee could stop that increase from taking place.

MR. SPEAKER: I wonder if I might direct the attention of the House to the gallery on my right, where there are a number of students from the Elmwood High School under the direction of Mr. Graham. The school is situated in the constituency of the Honourable Member of Elmwood.

(MR. SPEAKER cont'd) On behalf of all the Members of the Legislative Assembly, I welcome you.

MR. LYON: Mr. Speaker, before the Orders of the Day are proceeded with, I should like to lay on the table of the House, a report of the Comptroller-General's statement of Assets and Liabilities Profit and Loss account for the fiscal year ending 31st March 1966 of the Liquor Control Commission; and also the annual report of the Liquor Control Commission for the fiscal year April 1, 1965 to March 31, 1966. Copies of this annual report have previously been distributed to honourable members by mail.

MR. SPEAKER: The adjourned debate on the proposed motion of the Honourable Leader of the New Democratic Party. The Honourable Member for St. Boniface.

MR. DESJARDINS: Mr. Speaker, I adjourned this debate because I wanted to check, I remember that last year we had made such a request in the same form - the form of an Order for Return - and this information had been promised to us -- of course the House prorogued without getting this information but we had been advised that we would get this information anyway.

Now the wording of the motion does not ask for as much information as last year and I felt that this would probably be satisfactory to the members of the NDP party because they certainly would get their information and another very important reason is that the government has accepted this motion last year, this Order for Return last year, so I would like to move an amendment now Mr. Speaker. I have already sent a copy of the proposed amendment to the Leader of the House as well as the Leader of the NDP and the Social Credit Party, so my amendment, seconded by the Honourable Member from Gladstone would be that all the words after the word "showing" in the first line be deleted and that the following words be substituted "1. The number of Boards, Commissions, Committees, Agencies established by the Government of Manitoba since 1958. 2. The name of each of these bodies. 3. The date on which they were established. 4. Which ones are still functioning and which have been dissolved. 5. The names and addresses of all members presently serving on each of the Boards, Committees and Agencies. 6. When the members were appointed and term of appointment. 7. The individual annual salaries, allowances and expenses of all these members. 8. The total annual cost of these Boards, Commissions, Committees and Agencies."

Mr. Speaker, may I say if the members want to find this Order for Return it was in the Journals of 1966 on page 167.

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

MR. SPEAKER: Address for Papers. The Honourable Member for Ethelbert Plains.

MR. MICHAEL KAWCHUK (Ethelbert Plains): Mr. Speaker, I beg to move, seconded by the Honourable Member for St. John's, that an humble address be voted to His Honour the Lieutenant-Governor praying for: copies of correspondence between the Government of Manitoba and the Government of Canada with respect to live TV for Northern Manitoba for the last two years. I would like at this time, Mr. Speaker, to ask that the second portion be deleted until such a time there's an opportunity to scrutinize the above-mentioned correspondence.

MR. SPEAKER: Did I understand the honourable member to say that sub-paragraph (2) be not considered at this time?

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

MR. ROBLIN: I think it would be advisable to decline this question, not because we're not willing to produce the correspondence, it's a question of timing. We are still in the process of very active negotiations with the Government of Canada on this matter and I think it would be helpful if we were allowed to decline to produce this correspondence until such time as the negotiations have reached a conclusion. It isn't going to help matters in our negotiations if we don't have an opportunity to complete them. At that time, of course, we'll be happy to produce the papers, subject to the consent of the federal administration, but at the present time we'd ask to be excused.

MR. PAULLEY: In speaking to the motion, Mr. Speaker, I can't conceive of what situation the Honourable the First Minister has in mind. If it's something of a confidential nature contained within the correspondence between Ottawa and Winnipeg, well then I would respect that, but I do believe, Mr. Speaker, that a similar address for papers was ordered by this House not so very long ago, a year or so ago. There was no question at that time and negotiations have been carried on over a number of years, and I would like to ask the Honourable the First Minister if he would not reconsider the position that he has taken on behalf of the government, and I am sure that my colleague from Ethelbert and sure that the rest of the

(MR. PAULLEY cont'd) members of the House would agree that anything of a confidential nature that is subject to negotiation that is being pursued at the present time could not be produced in the House, and then also, Mr. Speaker, there's the other side of the picture as well, the rights of Ottawa too to agree to the tabling of the correspondence. We have to have their approval, of course, as well. So I think that what my colleague has in mind is finding out for himself what the picture is, and again I say that if there is anything of a confidential nature maybe the correspondence less that confidential correspondence could be tabled.

MR. ROBLIN: May I say a word, Mr. Speaker. I have no right to do so. May I have leave? On the assumption that we may exclude what we consider to be confidential I have no hesitation in asking the federal government for consent to produce the rest.

MR. PAULLEY: We have no objection to that reservation in this particular case.

MR. SPEAKER: Agreed?

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

MR. SPEAKER: Committee of the Whole House.

MR. ROBLIN: Mr. Speaker, I wonder if it would not be perhaps more convenient if we went on with the second readings, particularly of those two or three bills that we want to get through this session and then we'd have the Committee of the Whole stage to consider those three at any rate altogether. I don't know whether the House would agree to this, but I would very much hope that if not today, certainly tomorrow, even though it may be speeding things up faster than we're supposed to do so, that we deal with those three bills in the committee stage and the third readings.

A MEMBER: Which three?

MR. ROBLIN: The ones that are in question and I would like members, my colleagues to listen to make sure I give the right information. Bill No. 5, an Act to amend The Income Tax Act; Bill No. 7, an Act to amend The Department of Agriculture and Conservation Act; and a bill which unfortunately is not listed here for second reading, Bill No. 4. That's the one that provides for the payment of monies respecting the school referendum, and I would like to get the consent of the House to give second reading to Bill No. 4 today. It has been distributed and members have it, but it's not listed here for second reading. So if we can get the consent, I'd like to make sure that today we complete - I hope we may do this - we may complete second readings on Bill 3 and Bill 4 and that tomorrow we could deal with the Committee of the Whole House stage on Bills - I'm sorry, I keep saying Bill 3. It's Bill 5. Tomorrow we could deal with Committee stage on Bill 4, Bill 5, Bill 7, give third reading and receive the Royal Assent for tomorrow. So that would be our program in respect of those matters and I hope it's agreeable.

MR. FROESE: Mr. Speaker, I have no objection to bringing in Bill No. 4 for second reading, but I would not assure that it is proceeded with right through today - concluded.

MR. ROBLIN: If I may speak to the point of order raised by my honourable friend, I just point out to him that if he doesn't, we'll be sitting Friday. We'll have to keep on sitting until these bills are passed, and while I feel it would be wrong for the government to attempt to pressure any of these bills through the House, all I can do is ask for the reasonable co-operation of members in dealing with them.

MR. CAMPBELL: Mr. Speaker, I understood my honourable friend the member for Rhineland to say that he would not be prepared to proceed with that bill beyond second reading today. Was that not what he said? I don't think he excluded tomorrow.

MR. ROBLIN: My honourable friend means that he would not object to finishing second reading tomorrow and then going into Committee of the Whole and third reading. That of course meets my point of view and I would be very satisfied with that.

MR. FROESE: I thought I'd made myself clear, Mr. Speaker. I'm not objecting to bringing it forward into second reading, but not that it necessarily be concluded.

MR. ROBLIN: I think the real point is, are we going to clean them all up tomorrow and I think the House would like to know whether we are or whether we aren't. On the government side we're prepared to, and I take it so are most of the other members, but we'd have to be sure where we stood on that.

MR. FROESE: I'm quite agreeable so long as I get the proper answers to my questions later on.

MR. ROBLIN: I would advise honourable members to be prepared to come Friday morning.

MR. SPEAKER: . . . in accordance with the suggestion put forward by the First Minister?

(MR. SPEAKER cont'd) Agreed? I take it we'll deal with Bill No. 7.

MR. ROBLIN: I would suggest, Mr. Speaker, that we just omit the Committee of the Whole, Bill No. 7 at this moment, and proceed with the adjourned debates on second readings right down the second reading list and hopefully conclude those today. Commencing at Bill No. 10.

MR. SPEAKER: The Honourable Member for Rhineland. This is Bill No. 10.

MR. FROESE: Mr. Speaker, I adjourned debate on this bill after hearing the Honourable Member for Lakeside listing a number of questions and asking for more detailed information in connection with this bill. I'm wondering myself whether we're making provision here for isolated cases. If that is the case, I don't think it's wise to pass this bill and to make these provisions. Is there real cause or need for this provision? It seems to me it's quite drastic not to require any agreement or any co-operation with the owner under certain cases. Then too I would like to know from the minister, does this apply to railways or railway crossings, and does legislation also cover this area? Then does the provincial planning legislation give precedence over certain federal legislation in connection with the railways and the right-of-ways? In my opinion our planning legislation that we have on the books has too much power already and every time we're giving more power to the planners under legislation the owners have that much less in rights, and certainly I look forward to hearing further information in connection with the questions that were asked by the member for Lakeside and also in connection with some of the questions that are in my mind.

Planning, in my opinion, under this bill may even prevent certain development where under The Planning Act they may hold certain reservations but never act on them, and as a result even the owner cannot do anything towards developing certain properties, so that here's another area that I have a certain apprehension about. I'm looking forward to a fuller explanation on this bill.

HON. THELMA FORBES (Minister of Urban Development and Municipal Affairs) (Cypress): Sir, if no-one else wishes to speak, I move, seconded by the honourable . . .

MR. EDWARD I. DOW (Turtle Mountain): Mr. Speaker, I wanted to ask the honourable minister a question. I'm concerned in regards to the wording of this, reserving lands for new streets. Is the intention here of new subdivisions or for proclamations of old streets being into new streets?

MRS. FORBES: Mr. Speaker, I move, seconded by the Honourable Minister of Industry and Commerce, that the debate be adjourned.

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

MR. SPEAKER: Bill No. 13, an Act to amend The Real Estate Brokers Act. The Honourable Member for Selkirk.

MR. T. P. HILLHOUSE, Q.C. (Selkirk): Mr. Speaker, I adjourned this debate for the purpose of looking into the original Act and finding out what effect the amendment was going to have on what I considered to be a good Act and an Act which was passed for the protection of the public buying real estate. On checking over the amendment I find, Mr. Speaker, that this amendment will to a large extent deprive the general public of a protection which they at present have under this Act, and I would strongly urge the government to give the matter further and more full consideration.

Now I have no objection to the first (a) and (b) clauses where the offer is prepared by a solicitor. A solicitor is exempt from the present provisions of the Act. Nor have I any objection to that offer not applying to the Central Mortgage and Housing Corporation, because I don't think that under the original Act that it even did apply to the Central Mortgage and Housing Corporation, but I do have a strong objection to clauses (c) and (d). Clause (c) says "where the offer includes an offer respecting the construction of a building on the real estate in respect of which the offer is made." Now I think, Mr. Speaker, that that is a case where the offer should be in writing by reason of the fact that the construction of that building is a condition precedent to the purchaser entering or making that offer, and I think that Section 22 of the Act should be amended to include such cases. I also feel that the same provision should apply in respect of subsection (d), where the offer is an offer to purchase real estate on which a building is under construction.

Now I'll ask the members of this Assembly to bear in mind that this offer only applies to an offer which is obtained by a broker, a salesman, or an authorized official, and I think it is in the general interest of the public that all such offers be in writing so that the person who is making the offer knows exactly all the facts and circumstances with which he is confronted.

(MR. HILLHOUSE cont'd.) I feel that by deleting, or at least putting that amendment in opposite (c) and (d) you are taking away from a purchaser a protection to which that purchaser is entitled, because if a purchaser makes an offer to buy real estate, land, in respect of which a building is to be built, well surely that offer should be in writing to give that purchaser the protection to which that purchaser is entitled, because as I have already said, that the real reason why that purchaser buys the real estate is because a house is going to be built upon it, and to that extent the building of the house is a condition precedent to the buying of the real estate. And I would therefore urge the Minister to give this matter further consideration and not proceed with clauses (c) and (d) in the new Subsection 4. I think that by putting these clauses into the Act that you are going to take away from a purchaser a protection to which that purchaser is entitled and a protection which that purchaser now has under the present Act without this amendment.

I'm not going to oppose the second reading of it, because as I say I think this is a good bill, I think the Real Estate Brokers Act is one of the best Acts that you have passed in this Legislature, and I only make these suggestions so that the protection which has already been extended to purchasers will be retained and enlarged.

MR. McLEAN: Mr. Speaker, if there is no other member wishing to speak I would just say a word or two in conclusion. I suppose that the problem facing the Minister presenting this bill is clearly demonstrated by the comments of the Honourable the Member for Inkster who said there ought to be more exceptions to the Act, and the comments just made by the Honourable the Member for Selkirk. In referring to the Honourable the Member for Inkster, who advised that there ought to be legal advice obtained, I would of course associate myself with him very thoroughly irrespective of the merits of the Real Estate Brokers Act.

The Honourable Member for St. John's suggested that when this bill is in Committee that we ought to have the forms available and certainly we will be most happy to do that.

I appreciate the observations which have been made by the Honourable Member for Selkirk, and would suggest that at this stage we give second reading to this bill and would say to him that with respect to the matters to which he has made reference in Committee we'll be glad to have the officials of the Public Utilities Board present who are in day to day association with this, and certainly if the Honourable Member for Selkirk and others can persuade us that these two changes ought not to be made, he will find that we will approach the matter with that very generous approach that is so characteristic of our administration.

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

MR. McLEAN presented Bill No. 12, an Act to amend The Companies Act, for second reading.

MR. SPEAKER presented the motion.

MR. McLEAN: Mr. Speaker, I find myself in a somewhat difficult position because this bill as presented does not represent any matters of what one might say principle or policy, but rather are matters of detailed amendments proposed to The Companies Act which was substantially revised and enacted in 1964. These amendments are before us as the result of the views of the people in the Provincial-Secretary's Department who have the day to day administration of the Act, together with suggestions which have been made by members of the legal profession who believe that the amendments that are before us would help to make the Act workable and in keeping with modern practice.

I would like to suggest . . . the approval of the bill in its form on Second Reading without any detailed explanation by myself which I quite frankly don't understand many of the provisions that are suggested since I'm not a corporation lawyer, on the understanding that in Law Amendments Committee we would invite the chairman of the Committee of the Bar Association which worked on the revision of The Companies Act and to which we also submitted these proposed amendments and who have approved of them at this stage, to ask them to be present along with officers of the Department and they will be able to give detailed explanation to the Committee which will enable members of the Committee to assess the merits and the advisability of the provisions, and certainly I may say that we do not approach the presentation of the bill in any sense that it cannot be changed in Committee if that seems to be appropriate because there are no matters of policy, as it were, of government policy, but rather they are matters which are thought to contribute to a more workable Companies Act and are put forward on that basis.

MR. CAMPBELL: Mr. Speaker, I can say immediately to my honourable friend the Minister that I have no intention of opposing the Act going to the committee stage, and I think his suggestion is good that those who are familiar with the day to day operation should appear

(MR. CAMPBELL cont'd.) at the committee and give their views as to why these amendments are necessary.

There are two or three matters that I had thought I would raise, but in recognition of the time of the Session I hope that I will confine my remarks to just one, but it seemed to me that there is a principle, a confirmed principle suggested here, that until some further explanation is given of it, I for one do not agree with it, and that that principle is covered in the first section of the bill. As I understand, provision is now made for special meetings properly called, at which special resolutions can be passed which confirm decisions that have been arrived at by the Board of Directors, and the change as I read this Act - it's possible that my legal interpretation is not quite as perfect as usual. - but as I see it, it says that this can be done with or without variation. Now, it seems to me that it is not fair to the directors of a company that if they have made a decision on a matter, and then it comes before a special meeting with all the provisions that are involved there, and that special meeting for some reason or other decides to vary it, then I really think that it should go back to the directors, because Mr. Speaker, the directors of companies have certain specific duties and they must discharge them to the best of their ability, and I see no objection to the present legislation but I do see objection to the fact that such a specially-called meeting could in effect vary the decision of the Board of Directors and then that change in by-law or procedure or whatever it might be, should go into effect without the directors getting another opportunity to again vary, or if they feel it to be necessary, feel it to be appropriate, endorsed. I make this qualification and as far as I am concerned, Mr. Speaker, will be prepared to debate it at greater length at the Committee stage.

MR. CHERNIACK: Mr. Speaker, may I just indicate that I agree with what was said by the Honourable Minister in introducing this bill. I can't help but wonder whether the Honourable Member for Lakeside is confusing the responsibilities of the director, or Board of Directors, with its masters which is the group of shareholders. It seems to me the shareholders ought to be given the right to make decisions without necessarily consulting the directors in their capacity as directors at a meeting of directors. This question that he raises is very interesting and I'm looking forward to hearing more about it. Suffice it to say in this case that I think that it is a proper proposal that we discuss this in committee when we have experts here who will be able to guide us in our thinking and deliberations, and I propose that we go ahead and pass this for second reading.

MR. McLEAN: If there is no one else who wishes to speak, may I say that the Honourable Member for Lakeside has correctly come to the conclusion that this is a matter of principle that is involved, and of course the comment made by the Honourable Member for St. John's points out some of the aspects that will have to be considered in considering it. I would maybe make this comment so that it would be on the record at this time, that the amendment which is proposed would bring the practice under the Manitoba Companies Act in line with that which is now followed in the Province of Ontario. That doesn't necessarily prove that it is correct, but it would make it uniform with the Ontario practice.

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

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MR. SPEAKER: The Honourable Provincial Treasurer.

HON. GURNEY EVANS (Provincial Treasurer) (Fort Rouge): Mr. Speaker, in view of the shortage of time remaining today for continued debate of the Throne debate, I would ask that item No. 3 be allowed to stand - Bill Number 3 to stand. --(Agreed)-- Could I ask you, Mr. Speaker, now to call Bill No. 5.

MR. SPEAKER: Bill Number 5. The Honourable the Provincial Treasurer.

MR. EVANS presented Bill No. 5, an Act to amend The Income Tax Act of Manitoba, 1962, for second reading.

MR. SPEAKER presented the motion.

MR. EVANS: Mr. Speaker, I would be glad to repeat the statement that I made previously or to amplify it if I can. It seems to me that the principles behind the Bill were fully discussed at the Committee stage and I suggest that I confine my statement at this time to that remark.

MR. MOLGAT: Mr. Speaker, the information that I would like to have on the Bill is the answer to the questions that I asked the other day regarding the income from this bill. The bill is in fact proposing a major shift of taxation from the Federal Government to the Provincial Government. The Minister told us that there was to be no increase in the total tax on Manitobans but there is obviously a shift in the tax, and my questions the other day were what does this tax in fact bring in to Manitoba. What did it bring in under the previous bill and what will it bring in under the present bill?

The Minister told me at that time that this was a budget consideration, that he couldn't give me the information then. Mr. Speaker, I really cannot see how that follows. It may be obviously and will be part of the budget undoubtedly because it brings in revenue, but surely when the Minister is proposing to the House a taxation bill, then the members of the House have every right to know what amount of tax this bill is going to produce and what the various items in the tax bill are going to mean in terms of revenue to the Province of Manitoba and what the people of Manitoba will be paying under this tax bill. That is the question that I asked the other day and the question I would like to have answered before I commit myself to supporting the bill itself.

I really think that my request is reasonable. The Minister told me that this is tied in with other considerations, that it's part of an overall shift in the taxation agreements with Ottawa. This I quite understand and readily recognize, but it doesn't change the fact that here we are being asked to approve of a tax bill and I think that the obvious question and the question the government must answer is what does this tax bill really come to. So I would like to know from the Minister, in each one of these sections where there is a tax proposed, what the estimate of taxation is that this will bring in in the coming year and what the tax was in the past year, because surely the House should have this information prior to proceeding with approving of what in effect is a tax bill on Manitobans.

I would like to cover one other item and that's the -- going back to the time when this bill was originally introduced - and this I must admit may be anticipating the budget and the Minister may not be prepared to answer me at this time - if he is, I would thank him for it; if not, then I shall wait - and that is whether or not it is correct that when this was originally introduced the Province of Manitoba when it imposed its additional 5% did this in lieu of a sales tax.

Now if the rumors are correct that my honourable friends intend to proceed with a sales tax - and I don't suppose he'll be prepared to answer that question at the moment - will this bill be the one that will be in effect during all of next year, or are we likely to find that this bill will be presented or amendments to this bill itself will be presented to us in the course of this same session, that is after the budget is introduced.

MR. CHERNIACK: Mr. Speaker, I would be happy if the Honourable the Minister were allowed to reply to the question so that I could then deal with it, but since he would probably close the debate and that would be his intention, then I would like to refer particularly to the second point raised by the Honourable the Leader of the official Opposition. When there was some discussion between the Honourable Leader of this House and the Honourable Member for Rhineland as to how long we are going to stay here, I did not participate because they themselves were working things out that would indicate that there might be the possibility of extending debate beyond tomorrow, but I am at this stage indicating a strong interest in the answer to the last question asked by the Honourable Member for the Official Opposition.

I read what was said when this bill was introduced and I read the Honourable Minister's statement, the Provincial Treasurer, on Page 100 of Hansard, agreeing with my leader that it

(MR. CHERNIACK cont'd).... appears as if the bill deals solely with something generally termed methodology. And further, a very brief dialogue between the Honourable Member for Inkster - I thought it was a monologue but it was corrected to indicate that it was a dialogue between the Honourable Member for Inkster and the Honourable the Provincial Treasurer - wherein my colleague from Inkster stated, "All I am concerned with is whether or not the passing of this resolution will mean that the question of increased income or corporate taxes will be foreclosed during the budget debate". And the Honourable the Provincial Treasurer replied, "Mr. Chairman, in my opinion, no, certainly there will be the fullest opportunity to discuss all of the matters concerning the revenues, particularly of the province, and also the total expenditures and their relation."

Well I recognize that we have a number of opportunities in this House to discuss a number of matters but we do not have that many opportunities to deal with and decide a number of matters, and you will pardon me, Mr. Speaker, for making a distinction between what the Honourable the Provincial Treasurer meant when he said "to discuss all the matters", and what the Honourable the Member for Inkster may have meant when he asked whether the question will be foreclosed during the budget debate.

Now precisely what we are most concerned with is whether or not by passing this bill - enacting this bill this month, it will mean that we will not have an opportunity to influence the rate and the amount - the income and the rate of taxation imposed on personal and corporate incomes in 1967 for the 1967 budget year. We all know and we didn't need the Speech from the Throne to remind us that we will need substantially increased revenues this coming year, and I think it would be deplorable if we were barred from exploring every avenue of revenue at the time when we know the amounts we need.

The estimates are brought to us; we review them; we try to make sure that as little money as is necessary to carry out the full program of government is taxed and then we look to see in the budget where we will get the money with which to carry on the program for the coming year. When we do that we certainly - all of us - should have the opportunity to assess our revenue in the light of our needs, and once we know how much we need then we must decide where we will find it.

Now, Mr. Speaker, we think it is of the utmost importance that we are not barred from enquiring into the opportunities given to this Legislature to find additional monies from taxation of corporations, incomes or any other income, and I think that we deserve, and indeed not only deserve but have a right to demand, an answer as to whether or not by passing this bill at second reading and finally carrying it through to its enactment we will not have that opportunity, because the Honourable the First Minister when he returned from his meetings in Ottawa said to the effect that we had to look at all sources of revenue - income taxes, personal income taxes, corporation income taxes, capital gains - I know he mentioned capital gains - and I don't think he left out the possibility of sales tax. There are other means, Mr. Speaker, and it would be wrong if we were barred, or foreclosed was the unusual expression used by the Honourable Member for Inkster, from discussing it then and looking at it, not just discussing it but looking at it realistically to see whether or not we could find these additional amounts as sources of revenue before we decide on other sources of revenue which may hurt much more the people who are least able to pay.

Therefore, we feel that this must be clarified and if we are given an answer that regardless of if we are right in our assessment that this does preclude us, then we may be told: Well, we had to do it. The end of the year is approaching and, as the Provincial Treasurer said, just as in Saskatchewan where they called a special session, we would have had to do so.

I must remind this House what the Honourable the First Minister on the - hustings, is it? - last June and prior to June said: We may well have to call a session -- I think he said we will call a session of the Legislature; we have things to deal with. And of course the matters that he had to deal with were important then and I would have thought they were still just as important today, but apparently his desire or ability to call the session earlier was dissipated. But to put us into the position where we are asked to deal with one of the most important sources of revenue, fix it and not have an opportunity to change it before we consider our needs and other sources of revenue would be highly deplorable, and as I say, I would have much preferred if the answer were given before I spoke but it wasn't, and of course if the Honourable the Provincial Treasurer were to try to answer then we couldn't debate it further.

So may I humbly request that the Provincial Treasurer inform the former Provincial Treasurer of the problem and what it is, so that the former Provincial Treasurer would be able

(MR. CHERNIACK cont'd). . . . to acquaint us with whether or not we are right in our assumption of the fact and what we can do to give to the people of Manitoba, through this Legislature, the opportunity to assess the need first and then the method in which the need would be met, the form of taxation that we would then be able to bring upon the people of this province in order to provide the program that will be needed.

MR. FRÖESE: Mr. Speaker, I would briefly like to add a few words to what has already been said. To a certain degree I have to agree with the former speaker in that we are definitely setting the rates of income tax for the ensuing years and that later on in the session we will have no opportunity of amending these rates in any way. All we will be debating at that time will be any additional monies that will be required and the sources where these are supposed to come from. What we are doing, if we are accepting this bill, is indicating our approval of the conclusions reached at the fiscal conference at Ottawa and the resulting agreement. I certainly look forward to discussing this to a greater degree in committee when I have heard the final answer from the Minister on this bill.

I therefore would like to record my disagreement in having to agree prior to seeing what is needed in the way of estimates of our requirements for the year to give approval to such a measure.

MR. ROBLIN: Mr. Speaker, I would like to acknowledge the points made by honourable gentlemen who have asked what this means with respect to freedom of action next January when we come to discuss the budget, because I think the point is well taken and it deserves an explanation if I can possibly give one.

My honourable friends have put their finger on one of the most objectionable features of the present arrangement between the provinces and the Federal Government with respect to tax collection, one of the most objectionable features, because by virtue of the dictate - and I can refer to it in no other way - of federal treasurers with respect to the financial arrangement of provinces, they have in effect imposed upon us a strait jacket when it comes to the position that we're in when we want to change our tax level. Not that it is a strait jacket that we can't wiggle out of because we can, there is a way allowed, but this present arrangement that we have here is certainly not the easiest, the most convenient, or one that we would certainly recommend to this House for adoption. If my honourable friend from Rhineland would like to vote against this measure because he doesn't like the rates that are in it, let me tell him that he's got a lot of company. The only thing is that we can't indulge ourselves in the luxury of voting against this if we expect the Federal Government to pay what they're supposed to pay, so it is a question of forced-measure, it's a question of "like it or lump it" and we jolly well have to take it.

Now we are not however absolutely precluded from striking a different rate of taxation on these matters next January, either higher or lower if we wish to do so, but as I understand the matter there is only two ways in which we can get around this federal regulation which we have no power to alter, and it is this. First, we collect the tax ourselves. That option is always open to us in which case we can ignore all these things. The second one is that we should so time the tax change that while it might not be effective at once, indeed there are a number of tax measures which could be considered which are not effective at once, that it can be brought into effect at a later date, and thus we can by that kind of awkward and hamhanded system change these tax rates if we should wish to do so in January when we consider the toady, the grand picture and how we're going to raise the money from the various kinds of taxpayers. I'm not going to pretend to anybody here that that is the one system that I really like because I don't, but it's the one that we're in. I want to say that if we wish to change these tax rates in January, it can be done. The methods are awkward and not very straightforward but they are possible.

So without giving any commitment one way or another as to what we're going to recommend come January, I can say to honourable members that if we desired to make such a change there are ways and means of doing so. This present system is imposed on us; we think it cumbersome, in a sense unreasonable; but there it is. There is a difficult way around it and that's the situation that we face.

MR. CHERNIACK: Would the Honourable Minister permit a question, Mr. Speaker? I'm trying to understand this, and as I understand it, it's either by imposing our own taxation, which means income tax returns for Manitoba, or the changing of tax rates which you say can be done. Does that then mean added effective a date later than the time we do it. Would it still be collected by the Federal Government in the 1967 year?

MR. ROBLIN: No. I doubt that it would be; it would have to be for the next fiscal year. That means that we would have to budget for a deficit for example in 1967 with the idea of making it good by the taxes imposed in the fiscal year 1968. The problem of course arises from the fact that the fiscal year and the taxation year are different and really there is no way around it. We could collect it for example for the last three months of the last of the coming fiscal year and then of course into the future, but we couldn't collect it for the first nine months of the fiscal year. That's the problem, but we can make the change and we can vary these rates if we wish to, but under these rather - well, I think untidy and unsatisfactory circumstances.

MR. CHERNIACK: The rates established in the proposed bill, are they fixed in some way, also by dictate, or does this Legislature have the right at this time to make a change in the rates.

MR. MOLGAT: Mr. Speaker, I'd like to ask a question of the Leader of the House. The bill clearly states what the rates are going to be, 33 percent in one case and 11 percent in the other. Now, do not the rules of our House say that we cannot revise in the same session an issue that has previously been settled? Therefore, if we pass this bill clearly setting out what the rates are, are we not then in the position that we cannot deal with this matter again at the same session?

MR. ROBLIN: Mr. Chairman, answering the question, I would say that that might be the rule. I haven't examined the matter so I won't pass any judgment, but if it were, we could certainly change the rule to enable us to deal with it if we wished to. But all that it does is underline that this is really not what I think a good way to do it, because every province in Canada is hobbled this way. In Saskatchewan, in Alberta, they have had their meetings, in other provinces they've had their meetings, and I must candidly say that when I first was told by the federal treasurer that we had to do this, I said, "not on your life, this isn't the way to do it." He said, "All right, take the consequences." this isn't the way to do it." He said, "All right, take the consequences."

MR. PAULLEY: It's on that point that I would like to say a word or two. What are the consequences?

MR. ROBLIN: No money.

MR. PAULLEY: No money. My honourable friend says "no money", but is this actually correct, Mr. Speaker. Other provinces, or at least one other province has not entered in, as I understand it, to the tax-sharing agreement with Ottawa. The Province of Quebec as I understand it collect their own income tax within the province itself, and then I think there's other financial arrangements insofar as additional revenues of one type and another. So my honourable friend says the consequence is no money. Well of course this is obviously not so.

MR. ROBLIN: Or else you can set up your own collection system.

MR. PAULLEY: But there is the alternative.

MR. ROBLIN: I said that.

MR. PAULLEY: I'm saying there is. The consequence as you suggested it a few moments ago is not necessarily a correct one. We would still obtain the same relative amount of money if we applied the same taxation rates to the citizens of Manitoba as contained within this bill under the tax abatement system.

MR. ROBLIN: I think I explained that.

MR. PAULLEY: Tried to?

MR. ROBLIN: I wonder if my honourable friend would just like to jump over here to take my place and I'll jump over there and take his so that we can get together.

MR. PAULLEY: It won't be very long before such is the case, Mr. Speaker, as evidenced by the progress we made in the last election. But apart from all of that - apart from all of that, my honourable friend says the consequence of non-passage of this bill would be no revenues for the Province of Manitoba.

I want to ask my honourable friend what if we did decide here this afternoon that we were going to change the income structure in the Province of Manitoba and not pass this bill but increase the rates. I am sure my honourable friend is aware of why we're taking this stand, because we think that there should be more revenues forthcoming from income tax and in particular from corporation tax. Here in the Province of Manitoba it has been the case in the past. We are, through the tax abatement agreement, going to receive a little bit more provincial-wise from the federal sources. We already have, as I understand it, a differentiation between the federal and the provincial tax by the one percent increase for hospitalization purposes and the one point I believe in the corporation tax for the same reason. Is this ended now? Can we no longer put an additional amount over and above the amount of taxation that has

(MR. PAULLEY cont'd)..... been shared or abated through the federal level? We did it a few years ago, if I understand correctly, in respect of the hospital premium tax so called - six points of an increase. Could not we do this, Mr. Speaker, now if we can estimate our requirements for the next calendar or fiscal year?

Also, Mr. Chairman, I think these are vital matters for the concern of the people of Manitoba. As my colleague from St. John's suggested, it may be that my honourable friend the Provincial Treasurer has another method of taxation that is going to come into force in the Province of Manitoba, but if passage of this bill is going to preclude this House being able to decide whether or not we should increase taxes, the provincial income tax and corporation tax, then I wonder in our wisdom in passing the measure. It's true that we did meet for this purpose. My honourable friend the House Leader did say a few moments ago, if I understood him correctly, that we could have deficit financing for a period of about a year and then soak the people twice as much the year following in order to make it up. I don't think this would be sound business for the Province of Manitoba because the exodus of people from Manitoba would be further accelerated in order to get out so that they wouldn't have to make up the deficit a year hence. So I would like to re-emphasize what my colleague from St. John's has said, that I do think there must be some other method.

Now when I was speaking the other day on the Throne Speech, or speaking on the resolution, I was under the impression that this only dealt with the methodology of tax collections, but now apparently it's something different. I know it's a problem - it's a grave problem - but if it is a situation where we're not going to be able to assess taxes across the province in a more equitable manner than we are at the present time, then I question the advisability of the passage of the bill.

MR. GREEN: Mr. Speaker, I think that all of us can recall that one of the major issues in the last election was the question of inequitable taxation in the Province of Manitoba. Each of the Parties had various things to say about this issue and each of the Parties said that they would explore every available means of taxation to see that it is done equitably. I don't think that it comes of recent knowledge to the Honourable the First Minister or to any of the members of the government that this province is going to have need of additional revenue. They knew that before the last election was called. They knew that the last budget was prepared on the basis of a \$22 million surplus of the previous year and they can't surely have budgeted for a surplus this year, so they must have known that Manitobans were going to be asked to pay additional taxes. Therefore, one of the most important issues that this Legislature is going to have to face, and everybody knew that this Legislature was going to have to face this issue, is the source of this increased taxation.

Now the Legislature was called into session on December 5th and I must ask, Mr. Speaker, that we all take note of the fact that the election was held in June and that the Legislature could well have been called in September, but nevertheless the Legislature was not called until December 5th. Several days after the Legislature was called, an innocuous resolution appears on the Order Paper. It's described by the Provincial Treasurer as being methodology only and --(Interjection)-- well, Mr. Speaker, let me say that a backbencher of the New Democratic Party got up and asked a question and was looked at incredulously by the Provincial Treasurer as if I had asked something which I shouldn't know, and I was told that this was a question for the budget debate. My question was specifically whether this House was going to be able to deal with all sources of provincial revenue when the budget debate is discussed. We finally got an answer out of the Provincial Treasurer and the answer was to the effect that there will be the widest range of discussion.

Well, Mr. Speaker, let me make it clear that the members of this Party are not interested in discussion for discussion's sake. We don't intend to be put into a position of discussing income tax when the budget is presented if our discussion can't have any effect on the government. We feel that we're here to fulfill a purpose, and we're not here to be told that something has to be done by December 31st and you have to do it our way or you don't do it at all and we won't have any money, and this is the strait jacket that the First Minister says that we are in. Well if it is a strait jacket, Mr. Speaker, at least the First Minister is pulling one of the sleeves of that jacket, because he's as responsible as anybody for putting us into this strait jacket. Surely he knew that additional revenues would have to be obtained. He knew that before he went to Ottawa. He knew that they were'n't giving any bargains in Ottawa; that the Provincial Government was still going to have to tax the people of Manitoba, and I think, Mr. Speaker, that we should have this clear, and clear now, that whatever we get from other sources -

(MR. GREEN cont'd). . . . and I don't think that we should depend on getting a great deal; we've seen what has happened in the past with both parties at Ottawa - I think that in the last analysis we in this Legislature have to face the fact that we representing Manitobans have to go and tax Manitobans. Distasteful as that may be, we are going to have to tax our people and we can't say to our people that the reason that we are taxing you is that there are some big bad wolves in Ottawa who won't give us the money. Eventually we have to tax our people, and the question is "how" we are going to tax them not "if" we are going to tax them.

Now, the First Minister in introducing this resolution the way he does on behalf of the government, the Provincial-Treasurer, is in effect saying that we are foreclosing any discussion on this form of taxation because we have to pass this by December 31st, and if we don't pass it we won't get any money. Mr. Speaker, if ever legislators were being - and I use the word advisedly - were being coerced into doing something that they don't want to do, it comes from the presentation of this type of resolution.

This House could have been called into session in September. We knew that we needed money. At that time we should have been told how much money the province needs, and at that time we would have had an opportunity, not with a deadline of December 31st where if you don't do this you don't get any money, but we would have had an opportunity to look at what the needs were, and we would have had an opportunity to look at the various forms of taxation available to the people in this province, and the members of this party have studied those forms of taxation, but we don't want to be in the position in debating the budget of being told, "well, this area is denied to you," because as all honourable gentlemen know, the members of this party went on the hustings and told the people that if we are elected we will relieve the taxation which now falls most heavily on the lower income groups in this community, and we will try to institute a basis of taxation which depends on ability to pay, and we say that the income tax is one of that form of taxation. And we don't intend to be told on Wednesday, December 14th, that "we are going to fix the rate of income tax and we're going to fix it by tomorrow; can we have the co-operation of this House?" And those are the words that we got from members over there. "Can we have the co-operation of this House to have this through by tomorrow so we won't have to meet Friday morning." And that is expected to be our commitment to our constituents, that we will fight for the imposition of equitable taxation in this Chamber, that we're to give co-operation, that it'll be done by tomorrow at 5:00 o'clock.

Now Mr. Speaker, the Honourable the Minister has said that we can't do anything about changing the rates. I suggest that what he probably meant is that we can't do anything about changing the amount that we are getting from Ottawa, but surely the provincial rate which will be collected by Ottawa is something which is in the hands of the people of this Legislature. That's what we're elected for, and is it not correct that we could make this rate 7 percent or 12 percent or what have you, with the passing of this bill, and that Ottawa will then collect that money, because if that's so then we can change the rate and we could change it here and now. But I'm not suggesting that that's the way this thing should have been done at all, that we should change it here and now. We should have had the total expenditure picture before us. We should have had the total revenue picture before us, and the Honourable the First Minister should have done what he said that he would do when he stepped off the plane, and I saw him being interviewed. He said, "Mr. Speaker," and I recall his words, "We're going to have to investigate all fields of taxation," and he chose the two which probably would find favour with the members of this party. He said, "We'll look at the individual income tax, we'll look at the corporate income tax, and we'll look at various other forms of taxation." Well, just what kind of a look have we had at the Provincial Income Tax if we are told through an innocuous resolution brought in by the Provincial Treasurer, which we're not supposed to talk about, which is part of the Budget Debate, and then have a bill brought in which we are supposed to give co-operation to have passed by tomorrow at 5:00 o'clock?

If we were sincere, going to look at all forms of provincial revenue, I suggest, Mr. Speaker, that what is being done now is what has been suggested exactly by the editorial in the Winnipeg Tribune: let's not raise provincial income tax, and the best way of not raising provincial income tax is to put the Legislature in a strait jacket by saying that this has to be passed by December 31st or you get no money, and then we will be to blame. I suppose that the Opposition is then to blame for the province not getting any money because they stood up and debated - and debate we will; debate we will - because they stood up and debated and never let us get this provincial-federal tax agreement passed.

Well, Mr. Speaker, I for one - and I think that the other members of this party feel the

(MR. GREEN cont'd)..... same way - don't intend to divorce ourselves from our commitment to equitable tax policy by permitting this resolution to go through, by permitting this bill to be passed, without seeing whether all areas of taxation have been explored, without seeing whether - and I put it quite bluntly - that if we pass this bill it will mean that there is no source of taxation available to us when the budget is brought down, except probably a 5 percent sales tax, and a 5 percent sales tax, Mr. Speaker, means one thing. It means a reduction of wages of every wage earner in the Province of Manitoba to the extent of approximately 5 percent, and that, Mr. Speaker, is not going to help the industrial situation any if you're not then going to be able to turn to the working man and say, "Hold down your demands," because his salary will be reduced. The figure is not exactly 5 percent; there are many things that he doesn't pay sales tax on; but it will be reduced by some percent and I say, Mr. Speaker, that we don't want to see the wages of all wage earners and all salaried people reduced by that amount unless and until we find that there are no other sources of taxation where this revenue can be obtained.

Now, Mr. Speaker, I'm not in love with an income tax. I don't think that an income tax does what many people hope it will do, because it's been my experience that those people who are in the position of being able to afford to pay income tax, who have the power to pay income tax, often are the very same people who have the power to avoid paying income tax, and I don't mean by unlawful means, but I remember speaking to a medical friend of mine - and I have medical friends - and he said, "One third of the year I should go to Florida because I work for the government." One third of the year. And he was telling me that one third of his income is paid to the Federal Government in taxes, so I asked this medical man, "Tell me in which year did your net income go down - your net income go down - by virtue of payment of income tax?" And he looked at me and he thought for awhile and he said, "Come to think of it, it's never gone down by virtue of payment of income tax." Because, Mr. Speaker, everybody who has the economic power to do so, and that includes corporations who are not engaged in competition, that includes lawyers, doctors, and it includes, Mr. Speaker, as well trade unions that have a good economic bargaining position, whenever an income tax is levied they either increase the price of the services that they are selling, they increase the price of their products, or if they're lawyers they increase their fees to the extent that the income tax will not affect them. Income tax works out in many cases in the long run to a form of sales tax, and we recognize that. We're not deluded about that, but at least income tax can be collected by virtue of the existing machinery of tax collections. It can be collected by not setting up in Manitoba a whole group of retail tax collectors, thousands of people doing nothing productive for society except collecting taxes, and this is what a sales tax will do. So that although I'm not in love with the income tax, I say that the income tax is a more equitable form of taxation, and this is a form of taxation, Mr. Speaker, which is being denied to this House on the basis that we are in a strait jacket. I suggest, Mr. Speaker, that if we are in a strait jacket, let the axe fall on the proper person responsible for this, that if we're in a strait jacket the government has put us in a strait jacket, and we don't intend not to speak to this issue because the Premier threatens us with the supposed political disadvantage of having it said of us that we prevented this province from getting its money from Ottawa.

We didn't prevent it. He didn't call a Legislative Assembly until December 5th. We didn't introduce this bill and then say that it has to be passed by tomorrow at 5:00 o'clock, and we didn't say as was told to me by the Provincial Treasurer the other day - and I can't remember the exact words - there'll be the widest freedom of discussion. Mr. Speaker, I say that we should discuss this matter now when we can do something about it, not when we are engaging in intellectual exercise which will have no effect on what this rate is, and I would urge the members of this House not to foreclose this area of taxation and not to put us in a position as the Honourable the First Minister has said that he will be in a very awkward position. If we're in an awkward position it's the government that's put us there, and I say that if the government knows today what its tax needs are going to be, that it can adjust that income tax rate right now and Ottawa will collect it for us.

MR. LYON: Mr. Speaker, I want first of all to assure my honourable friend who has just taken his seat that no one on this side of the House is disposed to have him or anybody else stop talking. We disabused our minds of that wish many many years ago, so I want to assure him in his first few days in the Legislature that he's under no such intimidation from his side of the House or indeed I'm sure from any side of the House, because we've lived too long with the New Democratic Party to have anything but a hopeful wish that that circumstance would ever take place. But I did want to stand up and to assure him that he is, in the course of his

(MR. LYON cont'd)..... remarks today, attempting to perpetuate, or perhaps I should say to initiate a piece of mythology concerning taxation in Canada, which might better be hit on the head right here and now than have people run off in all directions and repeat some of the statements that my honourable friend has just made. He has a very good debating style which he picked up in University and it's quite entertaining to listen to, but I suggest to my honourable friend that he apprise himself of the facts of the situation before he gets carried away in the theme of his own oratory and decides to tell this side of the House and that side of the House and the people of Manitoba what is best for them. Many of us have harboured those views, you know, from time to time that we knew what was best for everybody else, but the longer we stay in this House the more we realize that we're only one of 57 members in this House and only one of 980,000 people in Manitoba, and sometimes the other point of view has to be paid some attention to if you're really going to do the kind of service that I think all of us want to do when we're elected to this Chamber. I'm really not concerned in this debate about what my honourable friend or the members of his party said on the hustings in June, or in May of last year. The fact remains that my honourable friends opposite did not receive the mandate to become the government of this province, and perhaps regrettably for them but I think fortunately for the province, do not have the responsibility of bringing tax measures before this House and I daresay it will be many years before that responsibility is accorded to them, because of the type of speech that we hear here today.

What my honourable friend is overlooking completely is that the House could not have been called into session in September to deal with this matter, this particular bill, because at that time we were facing, first of all, a meeting of the tax structure committee which took place I believe in October - September and then October - two successive meetings, I should say, of the Tax Structure Committee at Ottawa, and what was the purpose of the Tax Structure Committee meetings? I'm sure my honourable friend is aware of the Tax Structure Committee because allusion was made to it in the Throne Speech, and this is the committee that was established largely at the instance of the First Minister of this province some two years ago, to try to devise for Canada national goals and priorities in spending, because anyone who has been an elected member, anyone who has been in government for any length of time soon comes to realize that there is really no magic to financing, because you always come back to one taxpayer, and if the federal government taxes him, the provincial or the municipal, it's the same man who is paying the tax bill, and the purpose of the Tax Structure Committee was to find out what the national goals and ideals were, and how we could best divide the Canadian tax dollar to meet these priorities, or these needs of this decade and of succeeding decades in Canada.

Well that committee met, as I mentioned, it met in September; it met again in October; and it was not until that committee had concluded its report to the provincial treasurers of Canada meeting under the chairmanship of the Minister of Finance that the full tax constant, full plenary session of the Federal-Provincial Tax Conference could be called, and that meeting met the latter part of October. It was convened by the Prime Minister and all of the Premiers of Canada were in attendance, all of the provincial treasurers, and a number of the other ministers because such matters as education and so on were dealt with.

Let me just digress for one moment. My honourable friend is concerned about not knowing what amounts of money are available under certain points of taxation that are being accorded under this collection agreement - and this is all this is, a collection agreement. Let me tell him that so far as we know at the present time, subject to what my colleague the Minister of Education tells us, we don't know to this day exactly the amount of money that will be accruing to us under the new policy that was laid down at that same conference vis-a-vis higher education in Canada. We have no idea what that amount is as yet because the formulae have not been devised as yet, so for my honourable friend - to come back to the point I'm trying to make - for my honourable friend to say that we or any other province in Canada should have had our meeting before that conference is really not facing the fact that we did not know what kind of taxation division was going to be given to the Province of Manitoba, or for that matter other provinces.

I remember quite vividly being at the conference and the Minister of Finance saying, "Now, all of you provincial treasurers and all of you premiers realize that you must have a special session of your Legislature, if you haven't already got enabling legislation, you must have a special session of your Legislature in order to permit us to raise the taxation under the collection agreements for you," and while I don't remember it distinctly, I think there was certainly in the corridors a note of apology on the part of the federal people that they had

(MR. LYON cont'd).... delayed matters so long in the tax structure and the other meetings that it was necessary for every province in Canada, every province in Canada to have a special session this year to implement precisely the same kind of legislation that is being brought before this Legislature at this moment in time, and this is being done at the present time. So for my honourable friend to say that there is anything unusual, that he's being put in a strait jacket or anything like that, well then, I say let him say that to his colleagues right across Canada, to every legislature in Canada, to every government in Canada, to the Federal Government of Canada, because he need not bemoan against this government, he might as well bemoan against the system, and if he doesn't like the system he'd better resign his seat, because that's the way it works, this particular time. We don't like it any more than he does, but there's one thing that he's got to learn when he gets into a legislature, and that is that there is a certain system for doing things and this is the system by which this is done; a collection agreement has to be passed. He, as a lawyer, will realize and appreciate, I trust, that if this agreement is not passed by the 31st of December, that the Federal Government has no authority whatsoever to collect income tax from the Province of Manitoba. Now if that is the state of anarchy in which he wishes to place the Province of Manitoba well and good, but let him stand up and say so rather than argue it under the guise of saying, "Ah, but we want more income tax and less sales tax." That really has nothing to do with the bill that is before us at the present time. He will have all of the opportunity in the world, Mr. Speaker, to vent his doctrinaire ideas on sales tax, income tax and all of the other things that he has been learning from his pamphlets for years, when he comes to the Budget Speech - when he comes to the Budget Speech. And that's the way it's done. I'm merely trying to suggest to my honourable friend that that's the way it's done, and for him to stand up now and say that he is not going to take responsibility, because of what he owes to his electors, to speak on this bill in an abridged time, we are not asking him to take the responsibility. The government takes the responsibility for the Act. My honourable friend can vote against the bill as far as we're concerned, but the bill has to be brought in and the bill has to be passed. So that's the way the system is whether he likes it or not, and I merely wanted to point out to him that notwithstanding all of his remarks, which were very interesting, that really they aren't too helpful in a proper understanding of the situation because we do have a collection agreement. This is a renewal of that agreement. Under this agreement we are getting certain further points than we were under the previous agreement. We are not happy with the number of points that we are getting under this agreement and if we were getting more points under this agreement by perhaps -- who can say? My honourable friend is the only one who can say, what effect that may or may not have had upon his budget, but that is the way the system works, and all I'm saying to my honourable friend today is that this is a simple collection agreement. He will have ample time, ample opportunity, when we come to the budget debate to expound upon all his doctrinaire philosophies, about what a good socialist should do in Manitoba, and let us know then what the NDP party would do.....

MR. GREEN: Mr. Speaker, I rise on a point of privilege. I said nothing in my speech which has anything to do with doctrinaire philosophy, and I challenge the Attorney-General to tell me that income tax is doctrinaire philosophy of any kind. If it's doctrinaire, it's doctrinaire of every political party in North America and many of the parties in the rest of the world.

MR. LYON: I'm not aware of the question of privilege, Mr. Speaker, I'm now aware that my honourable friend does not like to be referred to as a doctrinaire socialist; that's all I'm aware of. But all I can say, Mr. Speaker, is that this is what we are attempting to do today. No inhibitions are being placed upon honourable members opposite, particularly the Honourable Member for Inkster. He can talk his head off. We'll sit here as long as we have to to see the bill through, but I thought it would be helpful perhaps for him to have this background of information so that he would know that what is happening in this province is happening in all other ten provinces in Canada, and if he doesn't like it I'm afraid he's going to have to lump it.

MR. CHERNIACK: Mr. Chairman, could I ask the Honourable Minister whether he would clarify again whether or not this Legislature at this time, in this month, has the right, the legal right to change the rate of taxation that will be imposed as a provincial share. I understood the Honourable First Minister to say not.

MR. LYON: very item, and you don't bring down -- if we were bringing down a mini-budget, as they call them now, that would be a different thing, but we are not purporting to bring down a mini-budget or any other kind of a budget. We are merely trying to renew a collection agreement from which, it must be admitted, certain things flow, but this is not part of the budget.

MR. CHERNIACK: Mr. Speaker, just a supplementary -- am I correct in understanding that this Legislature does have the right to vary the rates of taxes of the provincial share of income tax but the government does not propose to do so. Is that a correct interpretation?

MR. LYON: I'll be quite happy to discuss that at budget time.

..... continued on next page

MR. SAUL MILLER (Seven Oaks): Mr. Speaker, I have listened to this debate for a few minutes and I have heard the Honourable Attorney-General give a lecture on parliamentary behaviour to my colleague and how to run the affairs in this House. I regret that the government doesn't run its affairs any better than it does the House, because, Mr. Speaker, in truth what we are being asked to do today, despite all denials, is to discuss or not to discuss, that is to pass on a key feature of the budget. And when we question or when we request details, we are told this we cannot discuss, this is a budgetary matter; and yet we are being asked to vote blindly without knowing what the expenditures are, without knowing what the revenues are, we are being asked to vote blindly on a matter which will affect every taxpayer in Manitoba.

Now the other day when this bill was first brought forward the Provincial Treasurer when discussing it said this is simply a technical procedure whereby monies will be collected, and on Page 99 and I quote, "This Act has no effect on the weight of taxation or the amount of taxation to be paid by any taxpayer. It doesn't affect that matter at all," he said. Well, nonsense. If today by passing this bill we are in fact imposing in addition to any abatement that may be coming from Ottawa, if in addition to that we are imposing five percent, then I say that we are indeed discussing and passing on a budgetary matter which the government tells us we cannot discuss because they haven't brought in the budget.

In other words, it's a fait accompli that we will be faced with if we go through with this particular vote. Consequently, when we come to budget, this question will be closed off to us, we will not be able to in any way look with any intelligence on any further sources of income through income tax, but instead we will then be asked to look at other sources. I say to the government, I don't know the technique of doing it, I'm not going to question that the Federal-Provincial Conferences did indeed take place in September and October as we have heard them tell us, nonetheless I am sure that there was time between the date that the Federal-Provincial Conference was completed and the first of the year that they could have come in with a mini budget, they could have come in with something definite in the way of their budgetary items and their expenditures

MR. SPEAKER: Order please, I'm sorry I must interrupt the honourable member for just a few moments. According to Rule 34, sub paragraph (3) of our rules, it is my duty to bring to the attention of the honourable members that we must dispose of the amendment to the reply to the Speech of the Throne, this being the seventh day.

MR. MOLGAT: Mr. Speaker, if I may on a point of order, I think that that applies only if the amendment is under consideration at thirty minutes before the ordinary time of daily adjournment. I'm referring to Page 17, Rule 34, sub rule (3). Now there is no sub amendment or amendment under consideration. At the time we are considering other matters. We have not reached the Throne Speech. The matter is not under consideration.

MR. SPEAKER: Yes, I am advised that this is being considered under the Order Paper for the day, that the rules compel us on the seventh day to deal with the matter as I have attempted to do so with the advice of the Clerk of the House.

MR. CAMPBELL: Mr. Speaker, on the point of order, we have agreed pretty well in this House on the fact that there is a limitation on the Throne Speech debate and we set out certain rules regarding that, but the rule was that we have so many days of debate and it's been usual for the Clerk of the House to carry the notation on the Order Paper as to the day and this would be the day, no question about it, if we had reached that order, but, Mr. Speaker, we haven't reached that order so this is not that day of debate. The point we're discussing is how many days of debate are allotted to the Throne Speech and today is not a day because we haven't reached it.

MR. LYON: I don't know if I can be of any help on the point of order or not, but looking at Rule 34 it does seem clear that the limitation with respect to the Throne Speech debate is eight sitting days, not speaking days, on the Throne Speech. I remember my honourable friend - we had some discussions about this some time ago, some years ago, and we subsequently altered this rule to make it, as we hoped then, understandable to all.

I would suggest that perhaps, Sir, you are correct in your suggestion that the vote should be taken now because it says that on the fifth day the vote must be taken, but more particularly on the seventh of the eight days. If an amendment is under consideration at 30 minutes before the ordinary time of daily adjournment the Speaker shall interrupt the proceedings and forthwith put the question on any amendment or amendments then before the House. Well the amendment is before the House. It's on the Order Paper, it's true it's not being debated at the present moment, and I realize that that is not the strongest part of the argument, but I

(MR. LYON cont'd.) suggest the strongest part of the argument is that the law abhors a vacuum and will not countenance an absurdity - I wasn't looking at my honourable friend purposely when I was thinking of that word - and the absurdity that would arise of course if the vote on the amendment were not taken today, would my honourable friend mind telling me when it would be taken, because under the rule it must be taken I suggest on the seventh day, I think therefore, Sir, if that is of any assistance to you, that sitting days are what count, not speaking days, and that the vote I suggest should be taken at this moment.

MR. CAMPBELL: If the Honourable Minister was addressing the question to me, I'll be glad to answer it. It would be taken, as the rules provide, on the seventh day that it is debated.

MR. PAULLEY: Mr. Speaker, on the point before the House, I think that the Honourable the Attorney-General spoke well and established partially a correct situation except that he did omit subsection (4) of 34. Now it is true as the Honourable the Attorney-General says that on clause (1) of 34 it says that the Throne Speech shall not be any longer than eight sitting days - we've already dealt with the sub-amendment of my group - then on the seventh of the eight days if under consideration, then the amendment.

However, Mr. Speaker, may I respectfully suggest for your consideration that we should take a look at Clause (4) because there is a provision that not only the main motion itself but any other question before the House shall be disposed of on the eighth day. So I would suggest that if we do not dispose of the amendment as proposed by the Leader of the Opposition today, the seventh day, there is provision in Section (4): "The Speaker shall interrupt the proceedings and forthwith put every question necessary to dispose of the main motion which to me would be an interpretation that you could have more than one question before you on the eighth day.

MR. ROBLIN: Mr. Speaker, this is one of these delightful occasions when we can all express our views on the meaning of words and language and the intention of those who drafted the rules, and mind you they tell me in law that it is no good saying what the intentions of the legislators were, it's what the law says. However, I'm just as keen an amateur legalist in this manner I suppose as anybody, and I must say that it is a difficult question of interpretation, but I believe you are correct, Sir. I repeat the argument that the limitation has to do with the sitting days - sitting days. This is the seventh sitting day so it's clear that it's the sitting day that's involved.

The next thing it says that if the matter is under consideration. Well, it is. It's on our Order Paper and it's under consideration in this House and has been under consideration continuously for the past seven days. And then the rule says, "we interrupt the proceedings," not the debate on the Throne Speech but the proceedings, whatever they are, just as you have done, and that on that occasion we put the matter without any further ado, so in my opinion you are right in your suggestion that this motion should be put at this present time and I would certainly support you in this particular ruling because I think you are correct.

I well recall that when we were discussing this in the special committee that wrote these rules a little while ago we considered this point - we considered this point and we came to the conclusion that honourable friends may disagree, but in my memory we came to the conclusion that if an event arose of this nature the ruling that you're making now is the kind of ruling we would expect. Sitting days were in it - under consideration, yes, it's been under consideration for the past seven days. Interrupt the proceedings, any proceedings - yes. Put the vote at five o'clock and I believe you comply with the rules.

MR. SPEAKER: The proposed motion of the Leader of the Opposition in amendment to the proposed motion of the Honourable Member for St. Vital for an address to His Honour the Lieutenant-Governor in answer to his speech at the opening of the session. I am of course referring to the amendment.

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

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

MR. SPEAKER: Call in the members.

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

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

NAYS: Messrs. Baizley, Beard, Bjornson, Carroll, Cowan, Craik, Einarson, Enns, Evans, Hamilton, Jeannotte, Johnson, Klym, Lissaman, Lyon, McGregor, McKellar, McKenzie,

(NAYS cont'd.) . . . McLean, Masniuk, Roblin, Spivak, Stanes, Steen, Watt, Weir, Witney and Mesdames Forbes and Morrison.

MR. CLERK: YEAS, 26; NAYS, 29.

MR. SPEAKER: I declare the amendment lost.

MR. SPEAKER: The Honourable Member for Seven Oaks.

MR. MILLER: Mr. Speaker, to continue the remarks I was making on this matter, as I was sitting here I was reminded how I used to feel sitting on a municipal council when the government of this province would sit and dilly dally in this House week after week discussing budgets, discussing estimates, and the municipalities and the school boards would be sitting cooling their heels waiting patiently for that word that would come out - what is the tax picture for the municipalities going to be. Will the school boards be able to sign an agreement with the teachers; where will they get the money. Only the government had the answer.

Now the First Minister and the Attorney-General have deplored how Ottawa ignores the provincial position, I think the wheel has come full circle. We now see the province in the position that they've been placing the municipalities and school boards for years, where they could be hamstrung annually because this government has been talking all through the months of January and February and March sometimes, and budgets could not be brought down. Now perhaps two wrongs don't make a right. Perhaps there is something wrong in our system. Maybe the fiscal years of municipalities and school boards should be changed, perhaps the provincial fiscal year should be different than that of the federal fiscal year, or the calendar year.

Nonetheless, we are in this odd and almost impossible position. We are being asked today to sanction a fait accompli. We are being asked today to approve the imposition of a five percent tax on the income tax and a -- I think it's 10 or 11 percent on corporation tax, that this amount would be revenue to the Province of Manitoba, and yet when we wish to discuss and find out how it would be used or why it is even needed, we are told that is a budget matter. This is something that we cannot discuss in any detail.

In other words, we are today providing for money for the province, we are making provision for money without in any way having an opportunity to see whether this money is even needed. There was some talk that maybe the income tax should be nine percent. I'm suggesting maybe we are charging too much tax. Maybe when we look at the budget we are going to find that because of the federal abatement we have so much money we suddenly don't need any more and we are over-taxing our people. That would be a dreadful thing and I'm sure the government would be the first to admit that they shouldn't over-tax, but really this thing gets silly. We know we are going to need the money but at the same time I think it is unfair and I don't care what the explanations are, in the final analysis it is unfair to ask people who are legislators, who are supposed to be responsible, to vote blindly and to simply take and adopt a measure which is put before us on the argument that we have no choice, that you have to do this. They put a gun at our head and they say, now whether you pull it or help us pull it, it is going to be pulled anyway because we are the majority and we are prepared to pass it in any case.

Well I can tell you, Mr. Speaker, and I can only speak for the members of my own Party, that as far as we are concerned it is this type of legislating - it is this type of last minute action that has caused the people of Manitoba great concern. They don't like to be pushed around just as I don't like to be pushed around, and, Mr. Speaker, if we are going to legislate and the government is going to ask for our co-operation, I think we merit and deserve the respect of being consulted, of being told, and I don't want to hear as I heard on Monday an explanation which is completely and utterly invalid, which has no meaning whatsoever, because it is only today, 24 hours before we supposedly rise, that we are told this is it; there will be no increase; there will be no decrease; this is the tax to be imposed through Federal Government co-operation in 1967; that if we want to, we can of course change it in '67, go into a period of deficit financing and then pick it up in 1968.

This is of course an impossible way of doing it and I agree with the First Minister that this would be wrong, but I suggest that if there was a way of doing it, and I don't profess to be an expert, the First Minister, the Provincial Treasurer, know far more about it than I do - I hope in a short while to acquaint myself - nonetheless the suggestion was made that maybe a mini budget was the answer. Well if that was the answer, I think the government should have shown the courtesy and the respect, not to the members of this House but to the citizens of Manitoba, merited the respect of having been told in advance, honestly and in a straightforward

(MR. MILLER cont'd.) way, what they might expect in the way of taxation, what that taxation might be and why it was needed.

I'm not saying that all the estimates had to be brought down. I'm not saying that every detail had to be discussed and analyzed, but I am saying that the people of Manitoba should have had an opportunity to look at this, to see the full implications of what was being done here. If that had been done, I think then perhaps this Party might have gone along. Perhaps this is the way to do it, but certainly to come along as they have and to put this bill through as a technical method dealing with - I forget the actual term used but something very simple, something that has to do with federal-provincial agreement - is misleading to the House and misleading I think to the people of Manitoba.

Mr. Speaker, I would hope that if the government is insistent on passing this or rail-roading it through, that some further discussion could take place, because I for one would hate to see this established as a precedent, that we must act on this, in 1968 that we will be called into session because this is a one year agreement, we will be called into session in December of 1968 and told that we must pass this - whatever it is going to be - because we have no choice. I think the time has come when our planning must be on a long range basis when we must know in advance and, if necessary, let us go into session in September, let us go into session perhaps the middle of November, as we might have, and I for one am prepared to sit here until doomsday, including Christmas and New Years if necessary, and I think other members of this House would not be averse to doing so either if it meant that the people of Manitoba - let's say Boxing Day - that the people of Manitoba would be given an opportunity to learn and find out what their fate is going to be, because in a sense we are deciding their fate here and now.

MR. DOERN: Mr. Speaker, I do not profess by any stretch of the imagination to be an expert on taxation. This is one area that is quite new to me - I have other interests and perhaps other abilities, but this is certainly not an area that I can trade punches with the treasurer and so on - this is not my field. But I have been a member of this Party before and I have seen discussions that this Party got involved in and I have seen comments made at us during election time. We have been attacked in the past for being irresponsible in regard to taxation. I don't know whether we have been or not. I was not a candidate before; I have not sat in on secret meetings and high-power discussions regarding taxation. It was not my field, but I am now a member of the Legislature and I have sat in on discussions regarding taxation. I know that in the past for example, whenever an election comes up, we are told that if you add up our proposals it comes to X million dollars and where are you going to get the money from and all the rest of it. I remember the Free Press for example, in 1962 adding our program up and saying, this is impossible and our Honourable Leader is talking through his hat. For instance, they told us that the medical insurance, to put in a medical plan would cost so many million. They forgot to subtract the million that we are now paying.

Well, we are prepared to face up to the responsibilities of taxation and we have been holding meetings and we are holding meetings and we will hold meetings to discuss the question of where are we getting the money from. We are not talking pie in the sky, and the Premier I am sure is a responsible individual. He sincerely is looking for sources of revenue and so are we, and we will continue to do so and we are willing to consider any proposition. We are willing to consider raising the income tax; we are willing to consider the implementation of a sales tax; we are willing to consider charging more for mineral rights and royalties in this province. We are not afraid to raise the taxes in any of these areas -- (Interjection) -- I'll consider that.

So we are now faced with the situation where we are seriously considering the question of finances and where will we get these revenues from. We have a program that if we implemented it, it would be expensive. For example, the Minister of Education brings in a program that will cost more money. Well I'm quite prepared to go out and try to sell to the people of Manitoba a better educational system and to tell them it will cost more money. I'm not afraid to do that and neither is this Party, and I don't think that the members on that side of the House are afraid to do that either. We know that if we want better services we are going to have to pay for them.

So now we are faced with the situation where the government comes to the income tax and they say to us, "pass" - just like that - close off this one possible area of discussion. Well, we are not prepared to say we'll close it off because we don't know what we are doing in the sense that we may want after an examination of sources of revenue to raise the income

(MR. DOERN cont'd.) tax. We are not saying we are going to. We would like to know what the whole picture is. If the Premier can convince us, and he probably will put a very strong argument up that a sales tax is necessary, that we have too high an income tax, that we shouldn't raise the royalties on our natural resources, which look pretty inadequate to me, and various other sources, if he can convince us of that we will support him. But the thing is he has got to show - he has got to show that these other sources of revenue and the other alternative methods of taxation are not the ones that should be stressed. He has got to prove to us to our satisfaction that, say, income tax shouldn't be raised.

Now what he is saying to us right now, what his Ministers are saying to us right now, is no - no, we are not going to raise the income tax, we don't even want to allow a discussion of the income tax. If they know, if they already have made up their minds, let them tell us why they have done it. Let them prove that the income tax is not a method of raising the required amount, because as far as I am concerned they have not proved it. I ask them to prove it. I ask them to show us how many millions of dollars they will get from a sales tax compared to getting more millions from the income tax, compared to getting more millions from natural resources, compared to getting - say bringing in a capital gains tax. We are trying to determine this right now and we are having our people study this right now and we will continue to have our people study this right now, but

MR. SPEAKER: that it is now 5:30. --(Interjection) --

MR. ROBLIN: Mr. Speaker, that's one of the most attractive offers that I have heard for a long time over there. I am prepared to listen, to let my honourable friend speak further if he was going to conclude in a minute or two. It would be a shame to cut him off now but if he has got any extensive remarks then we'll move the adjournment. -- (Interjection) -- He says at least a half an hour, so that just threw the damper on me. I couldn't even listen to him for half an hour without being a little restless at this time of the day, so I move, Mr. Speaker, seconded by the Honourable the Provincial Treasurer, that the House do now adjourn.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House adjourned until 2:30 Thursday afternoon.