

## THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Monday, April 14, 1969

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I left off this afternoon dealing with what I thought was the basic issue that faces us in our deliberation as to whether or not the government should receive any support in the passing of this legislation and I indicated that the Minister had stayed clear, has continued to stay clear from the outset, and in all likelihood will continue to stay clear, from answering questions with regard to the desirability of the project in itself. He devoted his entire address this afternoon to demonstrating that the needs and interests of both resources, electricity and the human beings concerned are going to be protected, all on the assumption, Mr. Speaker, that there is no problem with regard to the question of the diversion and I think I used his words, all he had to say on that question was the fact that the flooding has to be done is plain and obvious. But Mr. Speaker, nothing that he has said has indicated to the members on this side of the House, that these things are plain and obvious. Mr. Speaker, I regret that the Minister, despite his protestations to the contrary, doesn't appear to wish to receive any assistance or any constructive or other suggestions from this side of the House, because when dealing with some of the suggestions that he has made, and I use his reference, Mr. Speaker, he said that he has received unsolicited advice, both from inside and outside of the House, with respect to the problems which will arise out of the flooding of the area.

Now Mr. Speaker, I don't see that a Minister sincerely wishing to have an intelligent discussion on this problem would start off with the gratuitous remark that he has received unsolicited help both inside and outside of the House. Surely if he is anxious to obtain a discussion on this matter he wouldn't refer to unsolicited help from inside of the House, that from what I heard, all of the statements that were made inside of the House were attempts to be constructive. I indicated, Mr. Speaker, in the address that I originally made during the estimates that we don't know frankly whether this project should be proceeded with or should not be proceeded with. What we objected to -- Mr. Speaker, the Attorney-General seems to imply that in 1966 this matter was decided on. Now if that were true, why was it when I was in the House, in the spring of 1968, and the Member for Portage la Prairie raised this question and he spoke to the then Minister of Public Works and the Minister of Public Works at that time said, that this matter would not be proceeded with unless all alternatives were explored and there was going to be an exploration of all alternatives. --(Interjection)--

Well the Minister can't say, the Minister can't say that this matter was decided upon in 1966, and if it was, Mr. Speaker, it was decided only in the minds of the members opposite, because they went through the trouble of setting up a public hearing where the Minister of Mines and Natural Resources said of this hearing "That it will have to be proved beyond a reasonable doubt that this project should proceed". So let not the Attorney-General talk about 1966.

MR. LYON: A lot of things were decided before you came into the House.

MR. GREEN: Well, Mr. Speaker, this is one of the things that was not decided. Is the Honourable the Attorney-General able to produce legislation or the adopted report of a committee that committed the government to this flooding project? And I suggest that there isn't. Mr. Speaker, at that time, and even if Capital Supply was voted on, the government had not committed itself to this project. And if it did, Mr. Speaker, then why did we go through this farce of the hearings? I mean you can't have it both ways. If you were committed to the project then why did we go through this farce of the hearings. And I repeat the question to the Minister, why did he say that Hydro would have to prove its case beyond a reasonable doubt; and why did the Minister now say that he's bringing this legislation to the House, and he said this over television, to get the advice so that all of the members could consider whether the project should go ahead. The Minister was out of the House when I mentioned this, but he can't both say that he's seeking our advice and at the same time say that he's received unsolicited help from both inside the House and outside the House with regard to the problems that will be raised by flooding. --(Interjection)-- Well Mr. Speaker, the Attorney-General keeps repeating his remarks from his chair. I'm going to pretend that he isn't here and give the unsolicited advice that the Minister is not seeking, and I know he's not seeking, but I'll speak more, Mr. Speaker, to the people of the Province of Manitoba than I will to the Members opposite because what I say won't be able to get through their thick skulls in any event.

MR. LYON: We're not very doctrinaire, try us.

MR. DESJARDINS: Give the guy a chance.

MR. GREEN: I want to thank the Member for St. Boniface. Mr. Speaker I have a few words to say on the bill itself. First of all, Mr. Speaker, I've indicated that the bill assumes that the job is going to be done. The Minister has confined his remarks to the fact that it's going to be painless. Mr. Speaker, this is not much more solace than a man who was at a dentist would receive if the dentist said that he's going to pull out all his teeth but he's going to do it painlessly, but the teeth needn't have been removed. But it's going to be removed painlessly and therefore you needn't be concerned with it. Now this is the government's position on South Indian Lake. We're going to pull them all out painlessly and trust that they have to be removed. We don't know very much about this and the best advice that is available to the public or that has been made public indicates that your teeth should not be pulled but you should feel comfortable about it, because despite the fact that they don't have to be pulled they are going to be pulled painlessly and we are going to supply a first class set of dentures to replace them probably supplied by one of the friends of the Member for Gladstone.

So in any event, that's their attitude on this particular bill. Now assuming Mr. Speaker, that the government uses brute force, and I suggest that this is what they have and we concede that, that they have the brute power to pass this bill, I don't think they have the reports which justify it, but they have the power to do it and . . . .

MR. ENNS: Democratic power.

MR. GREEN: Mr. Speaker, they have been democratically elected and they have the power to do this. There are sometimes when a democratic government because it has power, will do things that it shouldn't do. It's happened in the past and it happens when a government gets into a box, and this government is in a box. They are committed to a project which they said that they would have a public hearing on. The public hearing was going to go the wrong way and therefore they've come to the Legislature, something that they never intended to do, didn't want to do, and have to do because they are committed to this project, and they are left with the proposition of brute power, and they'll use it. And that's the situation that we are faced with. And assuming that happens, assuming that happens . . . .

MR. LYON: That's a wonderful understanding of democracy. You're a great democrat.

MR. GREEN: Mr. Speaker, . . . . .

MR. SPEAKER: I wonder if the honourable gentleman that has the floor is not endeavouring to promote or provoke these interruptions that are being made.

MR. GREEN: Mr. Speaker, I thought that you were interrupting me to talk to that side of the House and I think that those are the people that should be spoken to because they are trying to provoke me.

MR. SPEAKER: I want to assure the honourable member that any time I speak my remarks are directed to all members of the House and on this particular occasion I simply asked him a question. However, he still has the floor and I'm looking for his co-operation. If he will possibly refrain from such things as -- well the words that he mentioned -- I'd rather not mention them. I think these words have a tendency to provoke interruptions. This is all I'm trying to say.

MR. GREEN: Mr. Speaker, I assure you that I'm not aware of the words that you're speaking of but I will try as I always do to confine myself to constructive debate within the rules of the House. Mr. Speaker, we see some difficulty if the government pursues this program, and we say that they are in a position where they are psychologically incapable of looking at it objectively and that's our main objection, that they have put themselves into a position where they can't exercise good judgment on this issue, that if they go ahead and exercise the kind of judgment that they're entitled to do by virtue of the power of their number, then we see some difficulties with the bill which I'd like to bring to your attention.

First of all, Mr. Speaker, we see a problem in the definition of a resident because it refers to someone who is a resident on the first day of January, 1969, and it confines it, Mr. Speaker, to that day, and we wonder whether that day should be so specific, whether it shouldn't include a period before that day. It also refers to people who have used the area, but they specifically refer to a resident who was there on the day of January 1st, 1969. It may create problems. We think that it possibly can. We see, Mr. Speaker, in this bill as well a parallel to the government's system of financing in that all of the costs, Mr. Speaker, whether they relate to mineral survey costs or compensation costs, all of the costs are claimed to be charged to the Manitoba Hydro. Now, Mr. Speaker, we're not sure and I don't think that it's right that Manitoba Hydro should start bearing a part of the budget that is

(MR. GREEN cont'd) . . . . normally reserved to the consolidated fund. We see that tendency on the Prime Minister's tendency to put medical costs into premiums and then claim that they're not taxes, to put hospital costs into premiums and then claim that they're not taxes, now to put resource survey costs, compensation costs, which have really got nothing to do with the project but have to do with compensating people who the Minister says are making a sacrifice, that these costs are to be borne by the electricity users so that the Minister won't have to include them in his taxes and then be able to say that he has a balanced budget without increasing taxes. This is a pattern through the bill; it appears to be becoming a pattern throughout this government.

With regard to the proposals for a commissioner and for compensation, Mr. Speaker, we'll have something to say on them when we get to committee. As I've indicated before, we don't think that the government are animals; we think that they would like to treat the people fairly; we don't suggest that in order to go ahead with this project they'd walk in with a machine gun and do away with the problem. We know that they are going to make an effort to compensate. What we say, Mr. Speaker, is that that sidesteps the issue. The issue is, was and still is, whether the project should be proceeded with at all and the Minister has given us no indication that it should be.

And I want to make a point, Mr. Speaker. We in this party would like to participate in what the Minister calls one of the world's greatest power developments. We don't -- Mr. Speaker,

MR. ENNS: I'm giving you the opportunity to join us.

MR. GREEN: Mr. Speaker, we don't object to the development of power. What we say is that the manner in which this government has proceeded indicates to us that they can't be trusted to proceed and they can't be trusted with this project. The reasons being that they have not indicated to us that the project is necessary; they have not indicated to us that there are no available alternatives; they have not even discussed the costs of alternatives. And that's one of the things which surely would have to be discussed if we're to measure the kind of resource and human disturbance that the Minister spoke about as against financial cost. The Minister indicates well people have been expropriated before. And that's true; they have been expropriated before. But generally all the alternatives have been discussed, and generally expropriation is going to disturb either one group or another group. In this case we don't know whether an alternative program would be less disturbing than the one that we know about, and we know about all the disturbances that will be created by this particular program. We think, we have reason to believe, that the same project that the Minister wishes to go ahead with, one of the world's greatest hydro-electric projects, can be proceeded without the flooding of Southern Indian Lake. The Minister is shaking his head, Mr. Speaker, he certainly hasn't given us any reason to -- except that shake of his head. That's about as much as we know about the various -- (Interjection) -- You heard his head rattle did you? The fact is that that's about as much as we know about the alternatives that are available.

So, Mr. Speaker, on the basis of what we've heard today; on the basis of all of the information that's gone before the public hearing; on the basis, Mr. Speaker, of the apparent shabby attempt by the Minister to suggest that what happened up until the time that this matter came to the House was not designed to determine whether or not the project would proceed, that the public hearings did not have that as their problem, his attempt to now indicate that that isn't so, which shows to us, Mr. Speaker, that there is a certain amount of sensitivity; on the basis of all those things we are not able to support this measure and we are waiting anxiously to hear . . . .

MR. SPEAKER: I wonder if I might interrupt the honourable gentleman and tell him he has three minutes.

MR. GREEN: Thank you, Mr. Speaker. As I indicated, we hope to participate in the development of this project. We hope to participate in the power development of this project but we won't give the Minister a blank cheque. In particular, Mr. Speaker, we can't give this Minister, in view of the difficulties which have been experienced with this project; in view of the fact that a government that is committed to a program is bound to look subjectively at its errors and not be willing to change them, even though all of the intelligent information before it demands a change; in view of those things we can't see how this government can look with objectivity on the question of whether a licence should be issued to the Manitoba Hydro in connection with this project.

MR. SPEAKER put the question.

MR. MOLGAT: The question being the adjournment, I presume, of the debate by myself?

MR. SPEAKER: That was my intent earlier to get the House in order so that the Honourable Member for Inkster could take the floor. I put the question then and I'm putting it now.

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

MR. SPEAKER: Is it the intention to come back to the adjourned debates?

MR. LYON: . . . . Bill No. 42 and No. 47, with the intention if I may say so, approximately at 9:00 o'clock of moving back to the budget debate in order to hear the contribution of the Honourable the Leader of the Opposition.

MR. SPEAKER: Second readings. Bill No. 42. The Honourable the Minister of Health and Social Services.

HON. MR. JOHNSON presented Bill No. 42, An Act to amend The Marriage Act, for second reading.

MR. SPEAKER presented the motion.

MR. JOHNSON: Mr. Speaker, the Marriage Act has been, I find, under review for some time in the department. The significant changes in the several amendments before the Act are to clarify and simplify who may perform a marriage. There's nothing new except, I believe, that it now defines those who can perform weddings in general terms rather than specific definitions in the present Act. It allows the Minister to designate a magistrate in certain areas to perform marriages. It alters the conditions for marriage under 18 and in many places it's a change, forwarding instructions from the Department of Health to the Recorder to give more specific direction.

Now I think, in dealing with the different principles in this Bill, I might say, as I said a moment ago, that the definitions have been broadened to a more general definition of who can perform marriages, and it makes the statement that the definition of a "congregation" is a body of not less than 25 persons. It gives a general description of a clergyman rather than the series of seven separate definitions in the present Act. The present Act prohibits the publishing of bans for either party who have been divorced. The Anglican Church is recommending that divorced persons be allowed to marry in that church with the publication of bans and our Act would prevent this. It was felt that this is a religious matter rather than administrative, and therefore could be taken out of the Act and also that persons who choose this method of marriage would be more likely to have seriously gone over the matter and discussed it with their clergyman.

Another section, for example, removes the prohibition of marriage between 10:00 P. M. and 6:00 A. M. except under exceptional circumstances. This is really housekeeping as it was felt that any marriage between these hours would qualify for exceptional circumstances.

MR. HILLHOUSE: What are the exceptional circumstances?

MR. JOHNSON: Undetermined. I guess it went back to some years. I think the major thing here is that at the present time a person under 18 and over 16 may marry with the consent of the father in the present Bill, or if there's pregnancy; a person under 16 may marry only with the consent of the father and pregnancy, and this section makes the requirement that both parents' consent is required between 16 and 18, and removes all reference to pregnancy, and provides for the Family Court to allow marriages where consent cannot be obtained or other cases including those under 16 where marriage is not allowed. And this section provides an appeal to the judges of the Family Court when permission of the parent is refused between 16 and 18 years of age. Such an appeal does not exist at present and it was felt that there might be valid circumstances, particularly in children over 16 who have left home and are completely self-supporting, and that an appeal to the Family Court would allow for a complete airing of the matter including review of the situation by social agencies, probation officers and interview with parents, so that all matters might be taken into consideration. In a similar matter children under 16 could make an appeal and pregnancy is no longer mentioned in the Act. This, of course, sure would be considered by any Family Court, and you will note that there is no lower limit to the appeal to the Family Court.

This section also provides provision for an appeal of either refusal or consent by a judge to the County Court. And the lawyers who considered this Act felt it was essential that any court decision be liable to the usual appeal provisions.

The other major -- that's really the major changes in principle in the Act and there's another section where we authorize as the issuer of license which require proof of age. The

(MR. JOHNSON cont'd) . . . . present Act doesn't provide for this and it was felt that it should be necessary to have this.

Another section clarifies the presumption of death to conform with other existing legislation on this matter because the present legislation in this Act is superseded by that Presumption of Death Act I believe we passed a year ago.

Other sections are bookkeeping - many of the sections here are simple bookkeeping. Another principle, however, is certain sections being removed with respect to the validity of marriages now. In one section of the Act it says that -- I believe that other general laws of the land supersede the matter of the validity of marriages in people under 18, where a judge used to be able to annul a marriage if the marriage act had not been consummated after marriage, and another redundant clause, and it also removes the word "police" from "magistrate" as this is no longer in use. Another section provides for the preservation of the congregational marriage registers on the disbandment of a congregation or religious denomination, and in fact such arrangements must be satisfactory to the minister. I know this is maybe difficult for the honourable members to follow, but I've tried to outline really the main principles in the Bill, and when we come to Law Amendments we will have our people there and I have all the detail concerning the several sections which can be discussed at that time.

MR. SPEAKER: The Honourable Member for Selkirk,

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

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

MR. JOHNSON presented Bill No. 47, An Act to amend The Hospital Services Insurance Act, for second reading. (Recommended to the House by His Honour the Lieutenant-Governor.)

MR. SPEAKER presented the motion.

MR. JOHNSON: Mr. Speaker, the amendments to this Act serve the purpose of updating the Act which makes possible the common collection of hospital and medical premiums on the same basis and insures compatibility with the Medical Services Insurance Act. A substantial number of small changes are proposed such as those standardizing definitions. The meaning of an insured person is clarified in section 7 and a good number of sections, subsections or clauses no longer required as redundant are deleted. Section 17 has been revised for consistency with the Medical Services Insurance Act and particularly the payment of premiums by municipalities on behalf of their residents is standardized. And the new Section 21 in this Act permits the Commission to enter into special agreements with hospitals outside Manitoba, such as those at Warroad and Rousseau, Minnesota, which normally and regularly serve Manitoba residents. This was apparently under Section 44 of the regulations and it was thought that the provision should be in the Act.

Another section in the Act, 22 is amended to permit the Commission to seize the records of employers if the employee fails to submit records for inspection on demand. They feel this is a requirement which they must have when they're charged with collecting the premiums. So generally, this particular Act - I believe I mentioned earlier at the time bringing in the Manitoba Medical Insurances Act - just provides for those changes which complement the joint monthly billing and the procedures of premium collection and making them uniform. Other than that there's no major principles in the bill and again, it's one of detail and I again have all the explanations into the different sections prepared by the authorities and would be pleased to elaborate upon them at the time of Law Amendments if there's any clarification required in detail. But in principle it's really bringing it into line as I have stated.

MR. SPEAKER: Are you ready for the question?

MR. DESJARDINS: Mr. Speaker, I wonder if the honourable minister would permit a question? On this medicare - and I think that this is a companion bill as far as this part is concerned - the Minister I think said that the government had set aside \$900,000 to reimburse the municipalities. Now does that cover this part also or just the medicare, or is there a same sum set aside to reimburse the municipality making these collections?

MR. JOHNSON: Nine hundred thousand put in, added to the Department of Welfare estimates, deals with unpaid premiums of the combined unpaid premiums. Of the combined,

MR. DESJARDINS: Well Mr. Speaker, the Minister then should -- I might suggest that the members should take notice that this \$900,000 shouldn't be charged to medicare then as a grant; it's charged to the -- I mean it's a grant going to both, to the combined premiums.

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

(MR. SPEAKER cont'd).... Rhineland. Order please. I called the Honourable Member for Rhineland.

MR. FROESE: I was going to adjourn but the gentleman wants to speak, or the Member for . . .

MR. SPEAKER: The Honourable Member for Seven Oaks.

MR. MILLER: Mr. Speaker, just a few comments on this bill. The changes within the Act are of course necessary in view of the medicare plan, but of some of the changes I would like clarification on, perhaps if he has the time or in Committee of the Whole, the question of payment of arrears which in the past, in the previous Act, was spelled out that the employer had to deduct the arrears within a given month and then the current the next month. In the changes in this particular bill it simply says that the payment of arrears must be deducted by the employer.

Now since you're dealing with payments which could be \$17.00 a month for a man of the family, I can see a situation where a man being unemployed during the winter months, for two or three months, could be faced with a substantial arrears and the employer would be required, as the regulations so spelt it out, he could be required by law to deduct within a month \$51.00 or \$68.00. Depending on his paycheck, this could impose quite a financial hardship. Now, as I say, the method is not spelled out here, it's left to regulation, and I'm concerned lest the regulation be too restrictive.

The other question really relates to the position of a municipality. I notice where the Act states that the provisions are that no liens shall be placed but that legal action can be instituted by the municipality or the Commission. I think the wording is, "if requested by the Commission, a municipality shall take legal action or may take, if it so desires." In other words, the onus is through the municipality. Now it was my understanding with the Manitoba Hospital Commission up to now, that it was incumbent on the Manitoba Hospital Commission to try to collect those payments of an arrears. The Commission would send men into the various municipal offices working with a staff to check up on the arrears, trace them down where necessary, and in the final analysis the Commission actually took the legal action. It seems to me that the shift is now to put the onus upon the municipalities to do the collecting and to take the legal action. I'm not quite sure -- this is a change, really, and I frankly question why the municipalities, who may be guaranteeing municipalities, but why they should have to take the legal action necessary. It seems to me that the concept that was originally established was that the Commission had the responsibility of suing or taking whatever legal action necessary should be maintained.

I also notice that the requirement for bonding has been varied. The bonding of agents and so on has been changed. In the Act previously I think the province or the Commission paid for the bonding. Now the wording here is somewhat ambiguous and I'm not sure that that isn't now being changed, and I'd like the Minister to clarify that. Is the bond going to be picked up by the province, or are the municipalities and the agents going to have to supply their own bonds? From the wording here it's somewhat difficult to determine.

With these few comments, I would ask the Minister to consider these points I have questioned, and if he has any answers tonight perhaps in Committee of the Whole, or in Law Amendments, these can be looked at.

MR. SPEAKER: Now where do we go from here? The Honourable Member for St. John's.

MR. CHERNIACK: Mr. Speaker, could I hear the question again please?

MR. SPEAKER: The question?

MR. CHERNIACK: Yes, I want to speak on it but I want to hear the question - the motion that's before us.

MR. SPEAKER: I'm waiting in anticipation of what the Honourable Member for Rhineland wishes to do. He wished to adjourn the debate a moment ago, and he rose before you did a moment ago. So you can understand my feelings.

MR. CHERNIACK: No I don't, Mr. Speaker. You recognized me after he sat down and I do want to raise a point, but I'd like to hear the question.

MR. SPEAKER: There's no one denying the honourable member the privilege of speaking. If he wishes to speak, he has the floor.

MR. CHERNIACK: Mr. Speaker, for the form, I would like to hear the question put, the resolution before us, and I want to deal with that.

MR. SPEAKER: We're dealing with the second reading of Bill 47, as brought before the House by the Honourable the Minister of Health and Social Services; is that the question?

MR. CHERNIACK: .... I'll speak now on this matter. I wanted to hear the question put because, Mr. Speaker, I am certain - or fairly certain - that as I heard the question put there was no reference to the referral to committee, and I am rather concerned about the procedure that we have in this House that seems to provide for a referral to a committee by someone other than this House. That's the reason why I wanted to hear the question put so that I would know whether or not I was right that the House was not informed of any referral.

MR. SPEAKER: I may be misunderstanding the honourable gentleman but I distinctly heard the Minister say that the matter would be going before the Law Amendments Committee and the detail to do with this question would be placed before the members at that time.

MR. CHERNIACK: You're quite right, Mr. Speaker, but that was not a motion that we heard, it was a statement by the Minister in his introductory remarks in support of the motion, and I don't think that that procedure, his statement alone, would be sufficient to justify in Votes and Proceedings the statement that we'll be reading: "The bill was accordingly read a second time and referred to the Standing Committee on Law Amendments." That's a point that I want to make at this stage, that I don't think that this House is aware of the committee to which referral is intended unless the mover of the motion happens to mention in his introductory remarks that fact as was indicated here.

The reason I raise it at this stage, Mr. Speaker, is that I have had an opportunity to see the preliminary list of those bills which will be dealt with by the next meeting of the Law Amendments Committee and amongst them is a bill dealing with industrial relations, and I was not aware that that was not going to industrial relations but rather was referred to Law Amendments. So looking back and in my inexperience -- I've only had some seven years here, same as you, Mr. Speaker -- in my inexperience I was not really familiar with the fact that in Votes and Proceedings is the first time that we have reference to the referral, and that is why I asked because having moved a bill for second reading on occasion I have noticed that at the bottom of the slip there is a reference to referral but I don't think it's ever read. I would like to suggest, Mr. Speaker, that you consider for the future whether or not that ought not to be read along with a motion for second reading so that the House can also consider that very question as to the referral and where it's to go.

Now I don't know whether it's within your power or whose power it is to make the decision that appears in Votes and Proceedings but I would like to suggest that whoever has the authority should also report to the committee in the form of the resolution so the committee can deal with that as well, because I think that's an important part of the motion.

MR. SPEAKER: I don't need to remind the honourable gentleman that I am the servant of the House and there's no question but what his suggestion has merit, and if he feels that way inclined I wondered if he'd get the three Whips together or the parties together and come to a conclusion and it can be incorporated into our rules and there for all time. That possibly we can make a start in that manner if he would be good enough to do that.

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

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

MR. LYON: I wonder if you would be good enough, Sir, now to call the adjourned debate on the motion to move into Committee of Ways and Means.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. MOLGAT: Thank you, Mr. Speaker. In the address presented to us by the Provincial Treasurer every year there's a section entitled Economic Outlook or the Economy in the Coming Year or something of the sort, and this year, Mr. Speaker, I would like to start my remarks by a comment in that very particular area, of Manitoba's Economy during 1968. It seems to me that on many occasions in the past we really don't spend quite as much time on discussing the state of the economy as we well might in a budget debate because in the long run whatever is going to be done from a budget standpoint stems directly from the health of the economy of Manitoba.

Now it's encouraging to note that there were some significant improvements in the economy last year over 1967, with some notable exceptions most of the economic indicators were up. In most cases, however, the optimism must be tempered by the fact when compared to the growth of the national economy the picture is indeed very mixed and absolute growth or

(MR. MOLGAT cont'd) . . . decline is not the real issue. It is the rate of growth which must be as high or higher than the national averages if we are to maintain or indeed improve our relative position in the Canadian economy. And in most cases unfortunately we are either not doing that at this time or we are closing the gap too slowly. This is one of the key messages in Manitoba's recently published report by the TED Commission which sets the targets for our province to 1980. The government itself has in past months given considerable publicity to the growth in total investment, that's both capital and . . . expenditures, and where the final figures for 1968 are expected to show an increase of some 15 percent -- '68 over '67 -- compared to a national increase of only five and a half percent, and undoubtedly this is a good figure. It's very encouraging. There is, however, one weakness in the figure. That is that in Manitoba it involves only a 10 percent increase in private capital and . . . expenditures but a 20 percent increase in government institutional and utility expenditures. It has to be noted that public investment in Manitoba represents more than 50 percent of the total expenditures in this category in our province compared to a national average of about 42 percent. In other words, in Manitoba in past years we have been in a sense overly dependent on public and institutional investment and this investment has not sufficiently induced private investment to follow on.

Going to another area, it's true that expenditures on manufacturing facilities are expected to show an increase of 34 percent when the year-end figures for 1968 are available, and this is indeed welcome news. But in 1968 the per capita expenditures in this area were only about two-thirds of the national average; so while there was a substantial increase, the gap to be closed is still very substantial.

Capital investment in primary industries is expected to be down by some two and a half percent in 1968 and while housing has increased it is only increasing at a rate of about three percent. Now investment is very important but to have a maximum impact it must be reflected in jobs and in income for our people. And how do we stand in this area in Manitoba? The employment index did move up by 1.5 points between December, 1967, and December, 1968, compared to a national increase of 2.2 percent. However, if you take the long range picture, since 1961 Manitoba employment has risen by only 15.1/2 percent compared to a national average of 25 percent, and compared to our neighbouring provinces of Alberta with an increase of 30 percent and Saskatchewan by an increase of 20 percent, compared to Manitoba at 15.

Capital investment has improved employment in construction during 1968 but employment in manufacturing - and this is an alarming figure and a surprising one to many Manitobans I'm sure - that employment in manufacturing has actually declined during the past year, particularly in the food and beverage industry which is the very area where this province should be making gains. Total manufacturing shipments increased by some 3.7 percent in Manitoba during 1968. The national increase was five and a half percent. Weekly wages, salaries, have risen better in the past year by some 10 percent compared to a national increase of 7.4, but there again the gap is so wide that we are still substantially below the national average which was \$100 - rather our own was \$100.89 in December 1968 - \$9.00 below the national average, almost 10 percent. And although it's higher than the average in the maritime provinces it is lower than the average in every other province in Canada including Saskatchewan. At the same time our farm cash receipts to October, 1968, are down five percent from the same period in 1967. While I'm not in any way faulting the government for this, that isn't the purpose of my review, merely to assess where we stand, our decrease of five percent in farm cash income is much greater than the national decrease which was only 1.6.

In another area it's encouraging to note that the population decline which we had been experiencing is now reversing itself and while in 1966 we actually lost population, it stabilized in 1967 and reversed itself in 1968. But again we are not matching the national increases. Canada's population grew by one and a half percent in 1968 and Manitoba's increase was less than one percent, to be accurate .83. Now when you consider what TED Report tells us of the needed increase it will mean 1.6 per year to meet their target for 1980. That means double the increase of the past year.

In the commercial and financial sector Manitoba has not fared too well. Total retail trade for 1968 is up by 3.7 percent while nationally the increase is more than double that, or almost double that at 7 percent. Another key figure which indicates the commercial activity in our province is the total value of cheques cashed in the province. And it's disturbing to

(MR. MOLGAT cont'd) . . . . note, Mr. Speaker, that during 1968 Manitobans cashed cheques for about three and a half percent less than in 1967 according to the Dominion Bureau of Statistics. During the same period cheques cashed in Canada rose by 8.3 percent. We had a decrease of 3.7, the national picture is an increase of 8.3 and one of our sister provinces, Alberta, increased by about 20 percent. This is the first time, Mr. Speaker, first time in history that Alberta passed Manitoba in this category. Now the drop in farm cash receipts was not generally offset by other activity in Manitoba as it was in Alberta in that year. While it's true that these figures are not for one year only, conclusive, they are a red flag, Mr. Speaker, and they're a warning that Winnipeg and Manitoba are in danger of losing their pre-dominance in the commercial, financial and distribution fields in western Canada. For the first time in our history the Province of Alberta surpassed us in this area.

Now, Mr. Speaker, this review is not designed to paint a black picture for the province. I want to advise my honourable friend, the Minister of Industry and Commerce, that he need not at this time surge in his seat and declare that anyone who makes a statement that isn't completely biased and take only the things that he wants to hear is being negative. I have given a reasoned analysis of the situation in Manitoba, and I believe, Mr. Speaker, that we must look these facts in the face. And I repeat that, and I readily admit that there are encouraging signs which indicate that Manitoba can keep pace. But, Mr. Speaker, we must do better than that. We must have the kind of leadership and policies in Manitoba which will generate an industrial explosion in this province and usher in a new era of economic prosperity. While the economic picture in Manitoba in 1968 is not gloomy, it is not as good as the government would have us believe. The year 1968 only looks good when it's measured against the relative stagnation of the past ten years.

Now why haven't we been able to do better than this in the past, Mr. Speaker? In too many cases government departments have merely initiated studies instead of working with the private sector in both agriculture and business to attempt to foster new developments. The drop in farm income in particular requires better leadership in advising our farmers what they should produce and what they can sell. In too many cases the government has tended to subsidize the status quo rather than assisting the private sector to successfully adapt to new conditions. In too many cases the government has attempted to sell economic opportunity to outsiders rather than spending more time working with Manitobans who might be assisted and encouraged to develop our local skills and capital within our province. We've been increasing our dependence on outside capital and outside management rather than putting enough effort into developing our own. In too many cases the government has fostered the continuation of programs to relieve hardship rather than assisting people to become more self-sufficient. This assistance is essential but insufficient effort has been put into helping the tradesman, the farmer and the businessman to adapt his skills and his products to meet the changing situation more successfully, and too little effort has been put into the task of converting the excellent and successful research of our universities into the development of industries and products which can provide opportunities for the farmer and the businessman to grow and to provide more employment for Manitobans.

If we're going to broaden our industrial base throughout the province to provide employment and earnings for our people the private sector must do it, in spite of my friends to my left. But there must be positive leadership without obstruction from the government. The government must stimulate and motivate the private sector as well as continuing its attempts to cure our problems by direct action. But this has not been done, Mr. Speaker. In all these fields and others the present government has followed a policy of confusion and indecision which has resulted in Manitoba not moving ahead as quickly as other parts of Canada which are enjoying the fruits of economic prosperity. And, Mr. Speaker, it is not negative but purely realistic to face these facts squarely. The sooner the Minister of Industry and Commerce does so, the sooner we can get down to really discussing our problems in Manitoba.

I want to turn now, Mr. Speaker, to the TED Report. The publication of this report provides a challenge to all Manitobans. On the one hand, it warns us that Manitoba will continue to lag behind the tremendous growth rates in the rest of North America if we project our present trends. At the same time it states positively, and I quote: "that there is no reason why the Manitoba economy cannot by 1980 reach the targets set by the Commission." The report admits that the targets are ambitious and will not be reached without a significant change in attitudes, efforts and effectiveness of all public and private programs. The challenge is

(MR. MOLGAT cont'd) . . . . . summed up in four points in the preface to the report.

No. 1: Give economic development the highest priority in business and governmental programs.

No. 2: Recognize the importance of increasing efficiency in every use of Manitoba's resources, material and human.

No. 3: Maintain a positive constructive forward-looking expansionary outlook.

No. 4: Use careful study of Manitoba's problems as a basis for intelligent and innovative actions to solve them.

What does this mean, Mr. Speaker? It means that economic development in Manitoba must be the highest priority for everyone in Manitoba; higher than competitive advantage, higher than personal prestige, higher than the opportunity to relax and enjoy ourselves and, above all, higher than political advantage in all its forms. It requires that every single Manitoban must be non-partisan and constructive about economic development, and that members of all parties in this House provide leadership. It means that Manitobans must have confidence in themselves. We must be more inclined to take some risk in developing opportunity than in playing it safe. Sure we have problems, Mr. Speaker, but we must be assured that the answers will be found if we tackle them realistically and positively.

Mr. Speaker, the Liberal caucus is prepared to accept the TED Report in the spirit in which it was given, as a starting point for a new and more dynamic approach to our economic future. We are prepared to accept it as a working document and we are prepared to work with the government and with all other Manitobans to achieve our objectives as a province. But the government must be prepared to take the same approach. It, too, must be prepared to deal with economic development on an objective and non-partisan basis. It must be prepared to accept constructive suggestions from this side of the House in the spirit in which they are meant, instead of taking the pious attitude that everything they do is not only right but beyond question. We must realize that success in achieving the TED goals will be the result of a team effort by all Manitobans. It cannot be done by government alone. And this Legislature, Mr. Speaker, must underline as early as possible the urgency of this effort. The very least that this Session must do is to take the steps recommended by TED to establish organizations to get on with the job. There is no excuse to wait for a year before this action is taken. It must be the top priority for this Session even if we have to stay here until the end of June to do it.

On page 398 of the Ted Report, there's a short chapter entitled Organization For Development, which to me represents a useful starting point. It contains four recommendations: the first, the creation of a new Standing Committee on Economic Development in the Manitoba Legislature. If economic development is to be truly non-partisan, and if it is important that members of all parties in this House have a responsibility for leadership, then this recommendation should be acted on immediately, so that this Committee can operate during the current Session to consider possible legislation and other action arising out of TED.

No. 2: The appointment of a high level advisory council on economic development drawn from the private sector. This also would appear to be essential to provide continuing liaison between the government and private interest. It should serve as a vehicle to express to government a consensus of private sector views. It should act as a body to reconcile views of various private interest groups in the interests of economic development, and it should provide additional leadership of the private community and generate support for progress. This group must be appointed carefully so that it is representative of various interest groups in the province, and the membership must be established in a way which makes it possible for each of the party leaders in this House to endorse the committee without reservation.

No. 3. The establishment in Ottawa of an office of Manitoba Economic Affairs. Proper and continuous communication with Ottawa is essential to our economic progress. We in Manitoba should be certain that we are doing everything possible to maintain the information channels. This office would not only represent the province with the Federal Government but also coordinate our relations with private organizations as the interests of the province dictate. Now we've been through, Mr. Speaker, our long discussions with Ottawa on such things as the Air Canada overhaul base. I think we can recognize the need for this kind of an office in Ottawa so that we are acting before the fact and not after the decision.

No. 4: Development of applied technical and economic research capability for industry

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(MR. MOLGAT cont'd) ..... in a new institute. In almost every section of the report, reference is made to the need for a substantial increase in industrial research activity. This is essential if Manitoba is to keep pace in the fastest growing industries which, almost without exception, are highly technical. Manitoba, Newfoundland and Prince Edward Island are the only provinces in Canada which do not have a province-wide industrial research establishment to act as a focal point for the development and utilization of knowledge, and little has been done since the COMEF Report stressed the same need in 1961. The matter is now of major urgency.

..... continued on next page

(MR. MOLGAT cont'd.) . . . .

In view of the importance of air transportation, both internationally and regionally, particular attention also should be given immediately to the TED recommendations for strengthening the Manitoba Transportation Commission and formation of a Manitoba Aviation Council. The aviation council should be established as a private organization, with the full support and assistance of the Manitoba Government. It could, in fact, act as a successor to the Manitoba Air Policy Committee which has been concerned specifically with the transfer of the Air Canada overhaul base.

Now Mr. Speaker, the proposals I have put before the House today for early actions on TED, and which are specific TED recommendations, are the obvious ones with which to start. Many of the other TED recommendations are general, and others quite frankly, require further study. Now the Standing Committee of the Legislature on Economic Development could help to identify specific action with which we can proceed. No time should be lost in creating this committee, which would also make objective appraisals of our economic performance annually to ensure that we are meeting the TED targets for 1980. Now, it's the responsibility of government to show leadership and to provide the opportunity for the whole province to get involved in the implementation of TED. Creation of the legislative committee will be evidence that the government is willing to work with all parties in this House to achieve our common objective.

Now we in the opposition, Mr. Speaker, could bring in a resolution to establish the committee, but to show, Mr. Speaker, that this important matter will be kept above partisan politics, I will not do so but ask the government to take the action at this Session. I'm confident that such a move will have the unanimous support of this Assembly. I warn the government, Mr. Speaker, that there is no time to waste. TED charts a course for Manitoba for the next 11 years and every year we waste will make it that much harder to achieve our objective in succeeding years. The TED objectives are ambitious. The TED Commission tells us they can be met, but they can only be met by action starting at this Session.

I want to turn now, Mr. Speaker, to the aspect of finances and taxes. Now the budget debate is the proper occasion to delve into these questions of tax and fiscal policies, and if there's one area in particular where the performance of this 11-year-old Conservative Government is self-indicting, it is the field of taxation. This government has continued to pile up record expenditures every year it has been in office, but it has failed to stimulate the economy of Manitoba at a rate which keeps pace with the public investments we are making. As a result, taxes have sky-rocketed to finance the programs of this government. Its bookkeeping practices make it difficult to even keep pace of actual expenditures by the province. These tactics are enough to boggle the imagination of professional accountants because of continual changes in the way spending estimates are reported to the House, as well as the departmental reports. In the fiscal year 1958-59, the first year this government was in office, the spending estimates were reported at 76.8 million. Adjusting these figures to the gross accounting system now being used, which includes all the money spent in the province under federal-provincial shared cost programs, but deducting funds recoverable from the Federal Government for hospital insurance, the revised estimates for 1958-59 become 105.3 million. In this form they are comparable to the current spending estimates of 377.8 million for the 1969-70 fiscal year. A rather remarkable increase - some 349 percent in 11 years.

Now, Mr. Speaker, there's no denying that much of this expenditure has been for wise and necessary investments by the government, which functions very much like the board of directors in a large corporation. But the people of Manitoba are the shareholders in our provincial corporation, and like any investors they are entitled to judge the return on their investment. They are entitled to expect a dividend, which in this case should be a flurry of economic activity in Manitoba to create new jobs, to retain our young trained people in this province, to attract new people to Manitoba, and thereby to broaden our tax base. But instead of dividends we have been getting promissory notes from the government; property taxes, income taxes; hospital premiums; liquor taxes; tobacco taxes; hydro rates; government fees; motor vehicle registrations; driver's licenses; fuel taxes and so on. All have gone up. In addition, the 5 percent sales tax has been introduced in Manitoba.

Taxes have been synonymous with the Tories in Manitoba under this government, even in the years when they promised to hold the line. Last year was an excellent example. It started off with the Premier promising that there would be no tax increases, which sounded very encouraging. But what happened before the year was out? The government increased

(MR. MOLGAT cont'd.) . . . . the uniform levy for its education Foundation Program and forced municipalities by government decree to increase taxes on residential, farm and commercial property by 4.1 mills. It increased hospital premiums by 80 percent. It increased Hydro rates by as much as 150 percent, with the highest increase going to the small consumer and the smallest increase to the big consumer. And now what do we have this year? Again a promise that the government will hold the line on taxes, repeated consistently by the Provincial-Treasurer; repeated consistently in his Budget Address in this House and repeated consistently in speeches which he's making outside of this House, and in every case untrue.

Again a promise that the government will hold the line on taxes, but before the budget was introduced what did we learn? The government is forcing Manitobans to pay medicare premiums that are higher than necessary. It is admitted that medicare premiums are being used to finance \$3.9 million of health costs that previously were financed from general revenue. By this action it has inflated medicare premiums by more than 15 percent. How many other hidden costs in the premiums that were previously financed by general revenue? The likelihood is that the premiums could be even lower. This padding of the premiums is nothing short of a back door tax increase, despite what the Budget claims.

But Mr. Speaker, the government is to be condemned as well for choosing the least equitable method of financing medicare. By charging all Manitobans a flat premium, it has turned its back on the ability-to-pay principle, which is incorporated in our income laws and which is the fairest method of taxation. It has turned its back on the system of financing which was adopted in Manitoba for hospital insurance and which still exists today. The Hospital Insurance Plan is financed by a combination of premiums and provincial income tax, but not medicare. The Minister of Health and Social Services - I'm sorry he's not in his seat - told this House that he rejects the use of income tax and prefers straight premiums for medicare. The Minister's views about income tax are something which he must justify with his own conscience because it is still the most equitable tax we have designed, both in Canada and in Manitoba. I fail to see, Mr. Speaker, how this government can refuse to use the ability-to-pay principle, and can only conclude that it has truly lost touch with the tax plight facing persons on low and average income. After 11 years in office it still fails to recognize the urgent need for tax reform in Manitoba. We must redistribute the cost of government in this province to make our tax laws more equitable. And yet this government refuses to budge, refuses to even begin the long process of overhaul.

Take the sales tax for example. It's not restricted to non-essentials. The TED Commission found that while the Manitoba Tax rate is not as high as in some other provinces, it is applied over a wider range of goods than in any other areas. The result according to TED is that Manitobans pay a heavier sales tax than residents of all other provinces and nearby states, except Quebec where the rate is eight percent. It's unconscionable, for example, to tax children's clothing and used clothing. The Premier promised me many months ago that he would consider my proposal to make all children's clothing tax free regardless of size. And yet nothing has been done about it in the budget. Neither has there been any move to remove the tax from essentials like used clothing, soaps, toiletries, school supplies, shoe repairs and so on.

Elimination of the provincial portion of the estate taxes is another change that is necessary if we are to retain investment capital and attract new investment capital to Manitoba to provide more job opportunities for our people, just as Alberta has done and Saskatchewan is planning to do. The benefits of such a move are made clear once again in the TED Report which also notes that we must remain competitive with Saskatchewan and Alberta. What does the budget propose in this field? To begin with it rejects the experience of Alberta and the comments in the TED Report and the benefits of such a move. Then it goes on to announce that Manitoba will press the Federal Government to assume all responsibility for estate tax legislation in return for a transfer to the provinces of equivalent income tax points. Then if the Federal Government doesn't agree the budget states that Manitoba will take action comparable to that in Saskatchewan and Alberta to remain competitive.

Never in my years in this Legislature, Mr. Speaker, have I heard a budgetary proposal which rates with this one. It makes Alice in Wonderland sound like a serious book. It would take months, in fact probably years, to negotiate such a change in our tax-sharing agreements. And even then it's doubtful that the other provinces such as Saskatchewan and Alberta who are making aggressive bids to attract new industry, it's doubtful if they would agree to such a move.

(MR. MOLGAT cont'd.) . . . . It seems clear, Mr. Speaker, that this is nothing more than a deliberate ploy by the Manitoba Government to set up the Federal Government as the fall guy once again when the proposal is eventually refused.

However, there's an even more fundamental issue at stake here. That is the question of regional development. The Manitoba Government explains that it is making its proposal to Ottawa in the hope of obtaining a uniform estate tax across the country. This is not in the best interests of western Canada. It may be acceptable to eastern Canada because that is where the country's greatest wealth is concentrated and tax uniformity would tend to perpetuate this situation. Manitoba's position should be to abolish the provincial portion of estate taxes giving the entire prairie region a competitive advantage over eastern Canada. This is one of the positive and meaningful steps we can and should take to help break up the concentration of wealth in the east.

It's interesting to note that the TED Report in its general remarks about industrial taxation in Manitoba states, and I quote: "The present level of taxation should be regarded as at maximum levels and that any increase may tip the balance of acceptance particularly if it places Manitoba at a competitive disadvantage in relation to other provinces." The report also coincides with my own often expressed view that Manitoba's only real hope for the healthy growth of tax revenues lies in the growth of a tax base provided by industrial expansion. To this might be added that the only alternative is a continuation of the sky-rocketing taxes we have faced in recent years and which is the proof of the failure of this government, Mr. Speaker; that in spite of their tremendous increases in expenditures they have failed to expand the economy to a sufficient degree.

But undoubtedly the harshest tax of all is the property tax. It is loaded with the cost of three services that have nothing whatever to do with property: the costs of education, health and welfare. The only permanent answer is the transfer of the basic costs of these services from property to the broader provincial tax base. Three times now the government has made a patchwork attempt to curb the effect on property taxes of this unfair tax. First it introduced the \$50.00 rebate on school taxes. It worked the first year but the second year the rising cost of education had overtaken the tax reduction and it was subsequently withdrawn. Then came the Foundation Program in 1967 when the five percent sales tax was introduced to finance basic education costs through an enriched grant program. Again it arrested the increase in property taxes the first year. By the second year, however, the picture had changed. Foundation grants in the province to the school divisions, particularly those for teachers' salaries, were greatly outpaced in most areas by the actual salaries being paid by school boards, and very soon we found that instead of these basic costs being covered by the Foundation Program they had to be levied at the local level by special taxes.

Then in a surprise move the government announced an increase of 4.1 mills in the uniform levy for the Foundation Program. It's interesting to note, Mr. Speaker, that the sales tax which was first introduced in 1967 to finance education, raised about \$55 million in 1968 but only \$8.6 million was appropriated by the government as its increased share for the public school system. It's not hard to imagine, Mr. Speaker, the very real reduction in property taxes that this government could have effected if it had put the full amount to its intended use.

And now this year we have the third round in this patchwork operation. The government now decides to increase its share of the Foundation Program from 65 to 70 percent and thereby reduces by 2.2 mills the amounts to be raised locally by the uniform levy. At first glance, Mr. Speaker, it looks good even though the 1969 reduction is only half of the 1968 increase. But a closer examination shows that the 2.2 reduction in the uniform levy will not permit "a hold the line" on school taxes in most divisions across Manitoba, because of the inadequacy of government grants under the Foundation Program. On the contrary, I predict that the increase in special levies in most divisions this year will more than offset the reduction in uniform levies and that most property owners will be faced by an increase in education taxes this year once again.

As an example, Mr. Speaker, of how the special levies are being burdened with costs that should be covered by the Foundation Program we need only look at the inadequate grants for teachers' salaries. If you take the two classes of teachers that make up two-thirds of the teaching staff, Class 1 and Class 4, you will find that the grant is far below what is really being paid. Even in the first year when the Foundation levy was brought in while it was in line at the time it was brought in, by the time the negotiations were completed that year it was out of line. And this year minimum salaries in Class 4 are running between \$1,100 and

(MR. MOLGAT cont'd.) . . . . \$1,300 higher than the grant, and maximum salaries are ranging from \$2,200 to \$2,600 above grant. This means that in Class 4, 20 to 30 percent of the salary bill is being financed by special levies at the local level, while in Class 1 something between 16 and 24 percent is being carried by special levies. The same situation exists in other classes. If the government really wanted to relieve property owners of school costs this year the reduction in the uniform levy should have been coupled with an increase in the grants to enable school boards to hold the line on taxes.

Now we, on the Liberal side of the House, Mr. Speaker, want to see a complete transfer of basic education costs from property to the province. However, we recognize that our resources won't permit a complete shift in one year and for this reason we have proposed an amendment to make the transfer in three steps between now and 1970. Insofar as the municipal councils are concerned the government's increase of \$5.00 in the per capita grant will be welcome and in many cases it will enable the councils to hold the line or minimize tax increases this year for municipal purposes. But this increase which will cost the province an estimated \$4.7 million this year will be a short term advantage because municipal costs have been increasing at a faster pace than that. In recent years the average increase has ranged between 6 million and 9 million per year and yet the additional government grant this year is going to be something in the order of 5 million. It's obvious that a more permanent solution is necessary. It's imperative that a provincial-municipal conference be held to review the whole field of municipal financing.

I want to turn now, Mr. Speaker, to one of the fundamentals in Canada and that is the whole issue of federal-provincial relations. During my time as Leader of the Liberal Party in Manitoba I have always taken the position that my first responsibility was to the Province of Manitoba, that I was not here to defend the government in Ottawa regardless of its political stripes. On some issues I have been highly critical of the Federal Government and on others I have been in full agreement. I totally disagree with Ottawa regardless of who's there when they launch joint programs with the provinces and then later abandon them. But throughout the years, Mr. Speaker, I have been a staunch and unswerving defender of the federal system which holds Canada together and have stood for maintaining a strong federal system in Canada and a strong central government, and it has been very disturbing to me to note the course on which the present government of Manitoba has embarked in recent months. It has been speaking with a forked tongue. On one hand it professes, as the Minister of Finance did the other night, to endorse the retention of a strong federal system in Canada, and on the other hand it takes every opportunity to undermine the very things it claims to believe in for short term political advantage. Before the recent federal-provincial Constitutional Conference, for example, the Minister of Industry and Commerce told an audience in Winnipeg that the Manitoba delegation -- what was it going to do in Ottawa, Mr. Speaker? Work for the benefit of Canada and of our province? No. It was going to raise hell in Ottawa. That was his view of federal-provincial relations. The 1969-1970 budget is another example. One-half of the time that the Provincial Treasurer took the other night, Mr. Speaker, was devoted to what? To blaming Ottawa for our troubles. This government is totally blameless. Ottawa is the culprit, and of course, on the other hand, the municipalities and the school boards because they're taking all the money that this province has. But my friends across the way, they are blameless.

Mr. Speaker, Manitobans want a fair share of national prosperity and we're entitled to it, but we are realistic enough to realize that Ottawa isn't responsible for all our problems regardless of what the Manitoba Government says. Mr. Speaker, we don't want to become known across the country as the cry babies, because soon other Canadians will stop listening to our legitimate demands. We must embark on a new course with Ottawa and it must be marked by sincerity of purpose, not short term political advantage. Mr. Speaker, this is not to suggest that we should not be tough negotiators with the Federal Government. We must. But we must do so in a fair and responsible manner.

I'm also concerned, Mr. Speaker, about the position the Manitoba Government has taken on the question of taxes in its talks with Ottawa. The Government of Manitoba has made it clear that it wants a reduction of federal taxing powers to make room for the provinces to tax. When it talks greatly about protecting the taxpayer, what it's really saying is "We want to protect the taxpayer against Ottawa so that we can jump on them." That's the approach. But, Mr. Speaker, what the Manitoba Government is saying to the Ottawa Government is: "You get out of the tax field." And it's sheer madness for a province like Manitoba to be proposing such

(MR. MOLGAT cont'd.) . . . . a move. It's a strong blow to central government in Canada and it's not in the best interests of the people of this province. It's only through federal taxation that Manitobans can share in the wealth that we actually create in Ontario, Quebec and British Columbia when we purchase goods which are manufactured in those provinces. This is our key to financial equality. Every time a Manitoban purchases merchandise produced in those other provinces he's creating wealth in those provinces, wealth which we can never tax, wealth which is taxed there by their provincial government, taxed there by their municipal governments, wealth generating more wealth in those areas unavailable to us, Mr. Speaker. And so, instead of lining up with these big provinces in urging a reduction of federal taxing power, Manitoba should join with other provinces to uphold federal taxing powers, because a reduction of federal taxing powers in Manitoba obviously means an identical reduction in Ontario, Quebec and British Columbia. We can't have it both ways. And the transfer of federal taxing power to the provinces would simply restrict and curtail the ability of the federal government to make equalization payments and other contributions to shared cost programs which are so necessary to make equality of opportunity a reality in Canada and in Manitoba. Sure, Mr. Speaker, it is necessary to devise a more equitable tax system for Canadians, and there must be greater consultation on how federal money is spent in areas of provincial jurisdiction. Those are essential, but it's an entirely different thing to reduce the taxing powers of the federal government because this means we are striking out on a go-it-alone course in Manitoba, and this is not in the interests of the people of Manitoba. And Mr. Speaker, I urge this government to change that course because it's wrong for our province.

So, Mr. Speaker, I beg to move, seconded by the Honourable the Member for Lakeside, that the motion be amended by striking out all of the words after the word "That" in line 1 and substituting the following:

This House regrets That: 1. After 11 years in office, this government, while constantly increasing the tax load on citizens of Manitoba, has failed to promote sufficient economic development.

2. While claiming last year and again this year that it will hold the line on taxes, this government has proceeded to increase taxes substantially by devious means.

3. In particular this year, this government has loaded almost \$4 million additional taxes on to medicare premiums.

4. In establishing premiums as the sole method of financing medicare, it has failed to consider ability to pay, and is taxing most heavily those citizens on fixed and low incomes.

5. While blaming the federal government on the one hand for insufficient financial consideration, and blaming the municipalities and school boards on the other hand for taking up too great a share of provincial income, this government has failed to consult with both municipal councils and school boards on financial matters, and has failed to provide them with sufficient aid or tax areas to enable them to hold the line on property taxes.

MR. SPEAKER presented the motion.

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

MR. CHERNIACK: Mr. Speaker, I beg to move, seconded by the Honourable Member for Inkster, that the debate be adjourned.

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

MR. LYON: Mr. Speaker, I wonder if you would now, Sir, call the proposed resolution standing in the name of the Honourable the Minister of Education on page 3 of the Order Paper.

#### GOVERNMENT RESOLUTIONS

MR. SPEAKER: The proposed resolution of the Honourable the Minister of Education.

MR. CRAIK: Mr. Speaker, the following resolution is recommended by the Lieutenant-Governor. I would like to move, seconded by the Honourable Minister of Industry and Commerce:

WHEREAS the Special Committee of the Legislature on Professional Associations, appointed on Thursday the 28th day of March, 1968, at the second Session of the 28th Legislature, reported to the Legislature on Wednesday, March 5th, 1969, and recommended that it be reconstituted with the same powers and personnel;

AND WHEREAS it is deemed expedient that the Assembly reconstitute the Special Committee of the Legislature to examine the statutes and regulations governing professional associations, and the licensing, provision of standards and disciplining of professionals in the Province of Manitoba, as set out therein and to consider the advisability of enacting uniform

(MR. CRAIK cont'd.) . . . . legislation wherever practical and applicable;

THEREFORE BE IT RESOLVED that a Special Committee of the Legislature be established to examine the statutes and regulations governing professional associations and the licensing, provision of standards and disciplining of professionals in the Province of Manitoba, as set out therein, and to consider the advisability of enacting uniform legislation wherever practical and applicable.

AND BE IT FURTHER RESOLVED that this Special Committee shall consist of Hon. Messrs. Baizley, Craik, Enns, Johnson and Messrs. Cherniack, Desjardins, Froese, Hillhouse, Johnston, Jorgenson, Lissaman, Masniuk, Miller, Stanes and Steen.

AND BE IT FURTHER RESOLVED:

THAT the said Committee may hold such public hearings as it may deem advisable.

AND BE IT FURTHER RESOLVED that this Special Committee have power to sit during the present Session and in recess after prorogation and to report to this House on the matters referred to them at the next Session of this Legislature;

AND THAT the Provincial Treasurer be authorized to pay out of the Consolidated Fund to the members of the said Committee the amount of expenses incurred by the members in the performance of duties ordered by the Committee in recess after prorogation as are approved by the Comptroller-General;

AND THAT the Provincial Treasurer be authorized to pay out of the Consolidated Fund all other expenses of a kind and nature required to assist the Committee in carrying out the provisions of this resolution provided the same have received the prior approval of the Treasury Board.

MR. SPEAKER presented the motion.

MR. CRAIK: Mr. Speaker, I just would say briefly that I'm introducing the bill to have the committee reconstituted. We do have some unfinished business in the committee and we have further work to be done and reports to be examined.

MR. HILLHOUSE: Well, Mr. Speaker, as a member of this committee I'm glad that it's been reconstituted and I hope that it will be reconvened very very shortly because this committee has a tremendous amount of work to do. And I hope that when we have our first meeting - and I impress upon the Minister the necessity of having the first meeting almost immediately - that you will have before us the report that has been prepared by the Manitoba Law Society, being chaired by Mr. O'Sullivan, because I understand that they have done a tremendous amount of work on the subject of professional associations and that they're giving us a guide or blueprint which we may use as a model bill or model bills to guide us in connection with the formation of these associations either by private Act of the Legislature or by statute. But I do hope that you will call your first meeting almost immediately because there is a tremendous amount of work to be done and we on this side of the House are very anxious to get started on it.

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

MR. CHERNIACK: Mr. Speaker, I endorse what was said by the Honourable Member for Selkirk. I think it's important that we recognize that the real objective, I would hope, of this committee is to give us all a better understanding of professional status, professionalism, the rights that some bodies have to organize themselves, discipline themselves, license themselves; whether those rights have been exceeded or not, and whether they should be controlled or amplified. And we have bills that had been held back in the last few years that should have been studied by this committee, and I'm sure that we will have other bills that would have, I believe, considerable advantage if we, the Legislature, had the benefit of the study of the committee. And therefore, I too urge the Minister to see to it that the meeting is called quickly and that at the same time the report be obtained from this Committee of the Bar Association so we don't meet just for the purpose of electing a chairman. I would hope and I would expect that the meeting will be called very soon so that we could get to work on this committee's program.

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

MR. STEEN: Mr. Speaker, I would only add a few words to what has already been said here, by pointing out that the report which the Honourable Member from Selkirk and the Honourable Member from St. John's have both referred to that was being prepared gratuitously by the members of the Manitoba Bar Association for the members of the previous committee, is not

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(MR. STEEN cont'd.) . . . . yet available, and it would be rather pointless for us to have our first meeting other than to set a quorum and to have a chairman until that report is ready and available for the members for study and discussion, which I hope would be the case very shortly though.

MR. FROESE: Mr. Speaker, I was rather interested in what the last speaker had to say that the report wasn't ready and that there was not much purpose in calling a meeting. I think it is very much advisable that the meeting is called during the time of this Session because, first there's no cost involved; secondly, you then have a chairman and the members of the committee then can address themselves to the Chair if they want a meeting called and so on. I think it's very much preferable to have this done while we're still in session, and therefore I would urge that a meeting be called just to get the committee organized.

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

MR. CLERK: His Honour the Lieutenant-Governor.

MR. SPEAKER: May it please Your Honour, the Legislative Assembly at its present session has passed several Bills which in the name of the Assembly I present to Your Honour and to which Bills I respectfully request Your Honour's assent:

MR. CLERK:

No. 10 - An Act to amend An Act to incorporate "La Congregation des Filles de la Croix".

No. 14 - An Act to provide for the Making of Grants by The Town of The Pas and The Local Government District of Consol to the Sisters of Charity of Saint Anthony's General Hospital of The Pas.

No. 25 - An Act respecting Marianistes, St. Boniface.

No. 27 - An Act to amend and consolidate An Act to incorporate Manitoba Pool Elevators.

No. 32 - An Act to permit The Town of Flin Flon to make a Grant to the Grey Nuns of Flin Flon General Hospital.

No. 48 - An Act to amend An Act to incorporate The Investors Group.

In Her Majesty's name, His Honour the Lieutenant-Governor doth assent to these Bills.

MR. LYON: Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Finance, 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 Tuesday afternoon.