

## THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Wednesday, April 17, 1968

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions  
 Reading and Receiving Petitions  
 Presenting Reports by Standing and Special Committees

MR. CLERK: The Honourable Member from Churchill wishes to present the first report of the Standing Committee on Public Accounts.

Your Standing Committee on Public Accounts begs leave to present the following as their first report.

Your Committee met for organization and appointed Mr. BEARD as Chairman. Your Committee recommends that, for the remainder of the Session, the Quorum of this Committee shall consist of Ten (10) members.

Your Committee has examined the Public Accounts of the Province of Manitoba for the Fiscal Year which ended the 31st day of March, 1967, as published, and finds that the receipts and expenditures of the monies have been carefully set forth and all monies properly accounted for.

Your Committee received all information desired by any members from the Minister, Heads of Departments, and members of the Comptroller-General's Staff with respect to receipts, expenditures and other matters pertaining to the business of the Province. The fullest opportunity was accorded to all members of the Committee to examine vouchers or any documents called for and no restriction was placed upon the line of examination.

All of which is respectfully submitted

MR. GORDON W. BEARD (Churchill): I move that the Report of the Committee be received, seconded by the Honourable Member for Lac du Bonnet.

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

MR. SPEAKER: Notices of Motion

Introduction of Bills

MR. JAMES COWAN, Q. C. (Winnipeg Centre) introduced Bill No. 70, an Act to amend An Act respecting "The Manitoba Registered Music Teachers' Association".

MR. SPEAKER: Orders of the Day. The Honourable the Provincial Treasurer.

HON. GURNEY EVANS (Provincial Treasurer) (Fort Rouge): Before the Orders of the Day, I'd like to amplify an answer that I gave to my honourable friend from Elmwood yesterday with respect to charitable institutions and their taxability under the sales tax.

I would like to call my honourable friend's attention to the regulations under the Sales Tax Act, being Manitoba Regulation 38/67. On Page 104, paragraph 19, there is some definition of a sale there which has a bearing on the answer to the question that I gave yesterday. I want to put that on the record as a slight modification of the very firm answer that I gave yesterday. There is some modification that is possible through the paragraph to which I have just referred. Now, I have a particular enquiry in hand from my honourable friend which I will answer separately, but I did want to set the record straight in the House that there may be some modification to the answer that I gave yesterday.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Mr. Speaker, I'd like to address a question to the Honourable the Minister of Municipal Affairs. I've received a copy of a letter addressed to the Minister from the Churchill Development Association in which they state that they have been promised that they would receive copies of the Murray D. Jones Report regarding the townsite of Churchill. In this letter they claim that they had been promised this report previously and they are demanding a copy instantly. I wonder if the Minister is in a position to make a statement on this matter.

HON. THELMA FORBES (Minister of Urban Development and Municipal Affairs)(Cypress): Mr. Speaker, I received this letter this morning - which apparently had been released to others before I received it myself - and it is addressed to me from Mr. Purdy, President of the Churchill Development Association. As regards to Churchill report, you know that I mentioned in the House here that as soon as we had the approval of Ottawa for release of this report, we would table it in the House and as soon as printed copies were available. Now, I had a draft report. This letter says that I received it on March 10th; the draft report was received in my

(MRS. FORBES cont'd)...office on March 12th. As I explained previously, the liaison committee agreed that the draft report would be accepted and it was sent to Central Mortgage and Housing, and our local government district received it through Mr. George Forsythe and we received one. Now, we had no answer from Ottawa.

On April 9th, our Mr. Neil Osler, Chairman of our Housing Corporation, did receive a letter from Mr. Higness and he stated that he received the copy but he did not state that it could be released. As a result, he let me have this information on April 10th, and on April 11, I sent a wire to the Honourable E. J. Benson, and I'd like to read the wire to the House. "Final report Churchill Stage 1 study expected April 15th. Churchill people and members of the Legislature pressing for early release. Request consent for joint release April 22nd, with statements that Federal and Manitoba representatives will meet shortly to consider report with recommendations." I have had no answer to this wire which I sent. As a result, yesterday I was in touch with Mr. Houston, who is the Western Regional Manager for CMHC, and he in turn has telephoned me just at noon hour today. He told me that the President of CMHC, Mr. Higness, had gone across to meet with the Honourable Mr. Benson and he thought that we should have an answer this afternoon or tomorrow morning. So this is where the matter lies.

Now, with regards to the report, the copies of the final report were received this morning. We did not receive them on Monday, as expected, and Mr. Osler got in touch with Ottawa. They were received this morning and they are ready for distribution to the province, to CMHC and to the local government district. I'm still waiting the reply from Ottawa in hopes that we will be able to table this report in the House.

MR. MOLGAT: Mr. Speaker, I wish to thank the Minister for her statement and I appreciate that insofar as the House and the public presentation of the report she has to await the concurrence of the other partners in the venture. But as I recall the situation, there were three parties paying for this study - the Federal Government, the Provincial Government and the Town of Churchill. Now, are not the people of the town -- (Interjection) -- the Local Government District of Churchill. Is not then the Local Government District of Churchill and the advisory committee, or whatever committee there is up there, entitled to have a copy of the report at the very same time as the province and the federal?

MRS. FORBES: Mr. Speaker, they have, through their Mr. George Forsythe, they have access to this. Now there's no distribution in the local government district. I'm very hopeful that at the moment that we table it in the House for distribution for all members, that at the same time it will be distributed through our local government district office in Churchill. We'll have to get the report up there and we're hopeful that it will -- now that we have received it, we'll make sure that it's up in Churchill.

MR. MOLGAT: Mr. Speaker, a subsequent question if I may. When the report was originally produced - whatever report has been produced to date, the draft report first and then the final report - surely a copy of that was sent to the Local Government District of Churchill at the same time it was received by the Provincial Government and the Federal Government if the Local Government District of Churchill is paying for part of the cost. Now I presume that that was what was done; the report went out. Is that report then available to the people in Churchill who wish to go and see the local government district administrator and see the report, and to the advisory committee to the local government district?

MRS. FORBES: Mr. Forsythe is the man who sits on the advisory committee for the local government district. He has a copy of the draft report and today he will receive his copies of the final report, and he will be sending these to the Churchill office for distribution when the report is released.

MR. SPEAKER: The Honourable Leader of the New Democratic Party.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party) (Radisson): Mr. Speaker, on the same topic, I'm deeply appreciative of the new-found interest in the report of Jones and Company and to the conditions at Churchill, for of course you will recall that I first raised this matter in the House some considerable period of time ago, at which time the Honourable the Minister of Urban Affairs did indicate to me, in direct reply and of course to the House in general, that on receipt of the report and permission from the other authorities that it would be tabled. I wonder if my honourable friend has had the opportunity of reading today's edition of the Winnipeg Tribune, in which there is contained a report presumably of the situation pertaining to Churchill, the headlines of the paper being: "Churchill squalor Worst in Canada".

I have two questions to ask my honourable friend the Minister of Urban Affairs. First

(MR. PAULLEY cont'd)... of all, is the news story correct? And secondly, why was it that the news media, the Winnipeg Tribune in this particular case, apparently enabled to receive a copy of the report or the contents of the report before it was revealed in this House, as requested by myself and as promised by the Minister of Urban Affairs?

MRS. FORBES: Mr. Speaker, I did see the paper. I do not know how the newspaper received this report. I am not responsible for it.

MR. PAULLEY: I wonder, Mr. Speaker, then in that particular case whether my honourable friend the Minister who has just taken her seat, the House Leader or the First Minister, may undertake an investigation or an enquiry into the possible breach of the privileges of this House, because of the fact - because of the fact that I was promised, as an answer to a direct question, that this matter would be revealed first in this House.

HON. STERLING R. LYON, Q. C. (Attorney-General) (Fort Garry): Mr. Speaker, neither the Minister nor anyone in the Treasury bench can take responsibility for what appears in newspapers.

MR. PAULLEY: Mr. Speaker, my question is not dealing with that matter at all. The report has been in the hands of the Minister from her statements of this afternoon, for some period of time. It has not been disclosed to the House, and yet the members of this House, through the media of today's Winnipeg Tribune, do receive information allegedly to be contained within the report. I suggest that it is not usual that allegations of the contents of a report are made on a question of privilege of this House. My honourable friend the Attorney-General says ridiculous. It is not ridiculous at all, Mr. Speaker. A responsible Minister of the Crown undertook certain procedures in respect of this report. She acknowledges that she has had it in her hands for some considerable period of time, and yet the first information that we receive of this report is from without the House. I suggest that it is a matter of privilege of the members of this House.

MRS. FORBES: I must say that not only I have had the draft report, but also CMHC has had the draft report and it's in the hands of the consultants. I tell you that I am not responsible for the report in the press.

MR. PAULLEY: Mr. Speaker, again on the point of privilege, I'm not accusing my honourable friend the Minister of Urban Affairs of being responsible for what appears in the press. I do respectfully suggest that she and the government are responsible to relay the information to this House before it is revealed to the press from whatever source it may be forthcoming. That is my point of privilege, and I think that privileges of the House have been violated in this particular case and I protest most vigorously.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. MOLGAT: Mr. Speaker, I wish to address a question to the Minister of Agriculture. Following on the discussion we had last night regarding the Souris Creamery, this morning I sent a letter to the Minister with copies of two telegrams addressed to my colleague the MLA for Hamiota constituency indicating that there would be \$5,000 forthcoming from the Souris and Glenwood Development Corporation and \$15,000 from Mr. Ewart Murray, who is, I believe, a businessman in the Town of Souris. I would hope that the Minister would have a statement for us at this time indicating that the closing, proposed closing of the plant this evening as a result of the Milk Board could be postponed. Could the Minister give us a statement now?

HON. HARRY J. ENNS (Minister of Agriculture and Conservation)(Rockwood-Iberville): Mr. Speaker, I am not really in any position to elaborate further on what I said last night, other than to indicate to the Leader of the Opposition and the members of the House that at this moment I have convened a meeting of the Milk Control Board in my office. The Honourable Member from Souris-Lansdowne just returned from there and with this particular question in mind, the material that the Leader refers to, that is the offers of financial support, are being considered by the Milk Control Board. I know that in the responsibility that the Board has to all concerned, producers as well as the industry itself, that every possible step will be taken in this matter. I'm hopeful, and while I haven't been in contact with my office for the last few moments, that a favourable decision will be arrived at allowing for some additional time.

MR. MOLGAT: Mr. Speaker, I thank the Minister for his statement. Will he be in a position later on in the day to give us a statement on this, because as I understand it, the closing is to come at midnight tonight. Is that correct?

MR. ENNS: Yes, Mr. Speaker, I may, if by leave of the House, or privately to the Leader of the Opposition, inform him later on in the day as to proceedings.

MR. SPEAKER: The Honourable the Attorney-General.

MR. LYON: Mr. Speaker, before the Orders of the Day, I should like to lay on the table of the House a Return to an Order of the House No. 3 on the motion of the Honourable Member from Burrows.

MR. SPEAKER: The Honourable the Minister of Agriculture.

MR. ENNS: Mr. Speaker, if I may, I'd like to -- a Return to an Order of the House No. 16 on the motion of the Honourable Member for Portage la Prairie, and at the same time, Return No. 2 of February 20, 1967, on the motion of the Honourable Member from Ste. Rose.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN (Inkster): Mr. Speaker, I'd like to direct a question to the Honourable the Minister of Municipal Affairs relating to the report on Churchill. I wonder if the Minister could tell the House what in this case she means by a draft report.

MR. SPEAKER: I wonder if everything hasn't been said that could have been said at this particular time on that particular subject.

MR. GREEN: Mr. Speaker, with the greatest of respect, the Minister of Municipal Affairs referred to a draft report. I don't think any questions were directed to her on this subject, and I wonder if she could tell us what she is referring to as being a draft report.

MRS. FORBES: Thank you, Mr. Speaker, the draft report is the first report which the consultants gave to the liaison committee, and this is the draft report.

MR. RUSSELL DOERN (Elmwood): Mr. Speaker, I'd like to direct a question to the Minister of Municipal Affairs. In view of the serious condition of the Town of Churchill and the apparent reason for the commission being to establish a development plan...

MR. LYON: We've had a number of supplementary questions on this topic. The report is not before the House; I don't see how we can be asking hypothetical questions about it.

MR. PAULLEY: On a point of order, Mr. Speaker, I would respectfully suggest that it is within the capabilities of any member of the Assembly to ask any question of the Ministry pertaining to any particular subject. The question of supplemental questions is only related to the originator of a motion or a question, and if a member wishes to raise...

MR. LYON: You're not going to get away with that.

MR. PAULLEY: I'm not, eh? I'll bet you a cotton-picking dollar that I do, because, Mr. Speaker, if a question is subsequently asked, or a matter of a different nature is raised by a different member, then it is within his rights to ask. I asked a question insofar as the report was concerned; my colleague from Elmwood is referring to the conditions of living in Churchill, which is a different subject matter entirely.

MR. LYON: Not before the Orders of the Day, Mr. Speaker.

MR. PAULLEY: Yes, Mr. Speaker, it is, and I respectfully suggest that the Honourable the Attorney-General in his capacity of House Leader should read the rules of the House before he gets up with his nodding head.

MR. LYON: I'll send you a copy so you can read them.

MR. SPEAKER: A situation has developed that I anticipated, and I am sure the Honourable Leader of the New Democratic Party will agree with me in rising when the Honourable Member for Elmwood spoke, having taken into consideration the general discussion. I would ask him to bear with me, and, in turn, ask the Honourable Member for Elmwood to possibly wait until the report is being tabled to do with the matter he has in mind. I don't think any harm will be done.

MR. PAULLEY: With all due respect, Mr. Speaker, I would suggest that under the rules of the House that if my colleague from Elmwood wishes to ask specific questions...

MR. SPEAKER: Order, please. I fully appreciate the rules of the House, but I am appealing for an understanding on this subject in view of the discussion that has taken place today in order that the business of the House may proceed. If the Honourable Member for Elmwood feels that he has something of definite importance, probably he would state it.

MR. DOERN: Mr. Speaker, I would like to ask my question and then perhaps you can rule on it. I wanted to know whether the Provincial Government, since the apparent reason for this Commission was to establish a development plan, is this the first time -- have you not had before this a development plan for Churchill in the past ten years? Are we only getting it now?

MR. SPEAKER: I think the subject under discussion is the current report. Would not the Honourable Member for Elmwood agree with me?

MR. DOERN: Mr. Speaker, I don't care whether it's related to this or not. My question, I think, is independent of this particular report or this particular discussion. I'm asking whether or not...

MR. SPEAKER: I understand your question to be, was there a previous report to the one under discussion. Is that the question?

MR. DOERN: My question is, has the government not had a development plan until now?

MRS. FORBES: I will be happy to deal with the honourable member's question when my estimates are up.

MR. SPEAKER: The Honourable Member for -- see, I'm all confused now.

MR. SAMUEL USKIW (Brokenhead): Brokenhead, Mr. Speaker.

MR. SPEAKER: Thank you very much.

MR. USKIW: I too wish to direct a question to the Honourable Minister of Urban and Municipal Affairs. A week ago I asked a question relating to the submission made by the Metis Federation with respect to a loan for the purpose of housing. I wonder whether the Minister is prepared to give us an answer today.

MRS. FORBES: No, Mr. Speaker, not at this time.

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

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, before the Orders are called, I'd like to direct a question to either the Honourable Minister of Municipal Affairs or the Provincial Secretary. Perhaps the Provincial Secretary will take some of the load of this difficult question period off the Minister. My question is regarding the provincial property owned in municipal boundaries. Is it the intention of the government this year to pay full taxes on any provincially-owned property to the municipalities in which the property is located?

MRS. FORBES: Mr. Speaker, this is a matter of government policy which will be announced in due course.

MR. SPEAKER: The Honourable Member for Burrows.

MR. BEN HANUSCHAK (Burrows): Mr. Speaker, in reply to a question put by the Honourable Member for Inkster, the Honourable Minister of Urban Affairs defined the draft report as the first report that she had received. Does this mean she anticipates receiving further reports?

MR. SPEAKER: I'm sure the House has already dealt with that matter at the moment. Does the honourable member wish to re-open it in view of everything that has been said?

MR. HANUSCHAK: Mr. Speaker, I would like to know what report this House is going to see. It appears that there might be several reports coming from the same...

MR. SPEAKER: The Honourable Minister replied that she would deal with that matter when her estimates were under consideration, I understood her to say. The Honourable the Member for Lakeside.

MR. DOUGLAS CAMPBELL (Lakeside): Mr. Speaker, I have a new point of order. I understood the Honourable the Minister of Agriculture to say in answer to the Leader of this Party that if it were available he would furnish certain information to him privately. I want to say, as I have said before in the House, Mr. Speaker, that I think we should all agree that questions that are asked in the House here, the answer should be given to the House. I raise it as a point of order because I'm sure that it's generally agreed to. In other words, it's something like - is it the Monroe doctrine - open covenant, openly arrived at. I propose this seriously, Mr. Speaker, I think it's the right method.

MR. ENNS: Mr. Speaker, I was probably only indicating my lack of knowledge of House rules. I was aware that it would not be possible, other than by leave of the House, to make a further statement, say perhaps during the course of the afternoon, that I had suggested that I do this in a private manner. I must agree with the member from Lakeside that if a question was publicly asked, it should be publicly answered.

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

MR. LAURENT DESJARDINS (St. Boniface): Mr. Speaker, I have a question of the Honourable the Minister of Municipal Affairs. Has the government had time to determine if the Chairman of the Boundaries Commission will be part-time or not?

MRS. FORBES: Mr. Speaker, I'll also deal with this matter when my estimates are before the House.

MR. DESJARDINS: Mr. Speaker, the Minister has accepted this question before. She said that she would answer, and now why the change of heart? It might be a little too late then.

MRS. FORBES: No change of heart, Mr. Speaker.

MR. DESJARDINS: You never intended to answer it? That's par for the course.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. DOERN: Mr. Speaker, I'd like to direct a question to the Honourable the Provincial Secretary. If a person had a clean driving record of 35 years and ran into the back of a car, under what conditions is he required to take a driver's test. Is it automatic? This person was quite annoyed at this necessity.

HON. STEWART McLEAN, Q.C. (Provincial Secretary) (Dauphin): Mr. Speaker, I answer the question in my capacity as Minister of Public Utilities. That matter would be within the discretion of the Registrar of Motor Vehicles, depending upon the facts of the case. I'm sure all members recognize that we are expected to be very careful in relation to driving licenses and we do our best in every case in that regard.

MR. DOERN: A supplementary -- is a person's record of any relevance to whether or not he will be required to take such a test?

MR. McLEAN: Yes, Mr. Speaker, his driving record will be relevant, and also the circumstances of the particular case or accident or occurrence which gives rise to the matter being under consideration.

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

MR. SAUL M. CHERNIACK, Q.C. (St. John's): Mr. Speaker, may I direct a question to - I think it's the Honourable Provincial Secretary. In view of the report which was concurred in by this House of the Committee on Statutory Regulations speaking about the desire of the Committee to bring in legislation in certain regards this Session, if feasible, may I ask if he knows when the meeting of the Committee will be held?

MR. McLEAN: Mr. Speaker, no, I do not.

MR. CHERNIACK: A supplementary question if I may. I wonder if he could advise the House who is responsible for the calling of this meeting, this first meeting.

MR. McLEAN: Mr. Speaker, I suppose that one would say the Leader of the House, the Honourable the First Minister and the members of the Executive Council share a joint responsibility in that regard.

MR. CHERNIACK: Well then, a second supplementary question, Mr. Speaker, and the last one on this point. Might I ask whether the various persons involved in the decision about calling the meeting meet regularly enough so that they could deal with this fairly soon, if feasible.

MR. McLEAN: Yes, Mr. Speaker.

MR. CHERNIACK: May I direct a question, Mr. Speaker, to the House Leader, whether or not any plans have been made as yet for the calling of a meeting of the Committee dealing with the matter of professionals, and if so, when it will be held.

MR. LYON: I have no information, Mr. Speaker, on that subject. I imagine it will be called when time permits.

MR. CHERNIACK: May I ask a supplementary question from the Honourable the House Leader. I believe he said he has not information on that. If I heard him correctly, from whom would this information come?

MR. LYON: I have no information at the moment on that, but I presume that when time permits, if Public Accounts isn't sitting, if Law Amendments isn't sitting, if the other Committees aren't sitting, the other committees will be called as time permits.

MR. CHERNIACK: Well then may I ask, Mr. Speaker -- that means he has no information to give; it's not a question of his receiving information. Is that right?

MR. SPEAKER: The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I'd like to ask a further question of the same Minister, the Attorney-General. When can we expect copies of the regulations of the previous year as members of the Committee on Statutory Orders and Regulations?

MR. LYON: A copy, Mr. Speaker, has been filed. I would imagine that the usual practice will be followed, that at the first meeting of the Statutory Orders Committee copies will be distributed to the members of that Committee.

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

MR. ELMAN GUTTORMSON (St. George): Mr. Speaker, I'd like to direct a question to the Attorney-General. Some several weeks ago I directed some questions with respect to telephone-tapping equipment and he promised to give me the answer shortly and I am still

(MR. GUTTORMSON cont'd)...waiting. Could he give it to us today?

MR. LYON: I don't have the general answer today; it's a very generalized question. If my honourable friend would be good enough to give me any specifics or details, it might be helpful. Anything that he has in mind, we would be happy to look into it.

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

MR. CHERNIACK: Mr. Speaker, I wonder if I could direct a question to the Honourable the Provincial Secretary, who I believe is the custodian of the matter of Coat-of-Arms, Floral Emblems, and Tartans Act, as to how a resident of metropolitan urban area is able to acquire a live copy of the floral emblem with the crocus, which is not easily obtainable as I understand it or at all in the florist shops of this city. Could he indicate and help certain people who are interested in obtaining them in order to be able to, any of us, to give a crocus to our wives or other friends?

MR. CAMPBELL: Mr. Speaker, I don't usually answer on behalf of the Honourable the Minister, but I would be delighted to help him out on this occasion and say to him that the crocus grows in profusion in Flee Island, and if my honourable friend would just make a trip out there at this season of the year, they will be poking their delicate little furry heads out from among last year's grass, and a little bit of searching about will find some beautiful specimens and they won't cost him as much as going to a florist's shop.

MR. McLEAN: Mr. Speaker, this prompts me to suggest that also if the Honourable Member for St. John's would like to take a couple of days off and go with his colleague the Member for Ethelbert Plains, there's a lovely spot in the Ethelbert Plains constituency where he would be able to get a good supply.

MR. CHERNIACK: Mr. Speaker, ...

MR. SPEAKER: There's lots in the Swan River Valley too.

MR. CHERNIACK: Well then, may I thank all the honourable members, including you, Mr. Speaker, for answering the question, but they've not yet answered the question of the urban dweller who does not have the facility of travelling to the beautiful areas of Manitoba. Is there any way that they can obtain same in the City of Winnipeg?

MR. PAULLEY: At a floral shop, and are there any floral shops at Flee Island?

MR. SPEAKER: The Honourable Member for Elmwood.

MR. DOERN: Mr. Speaker, in a similar vein, I'd like to ask this of the Minister of Industry and Commerce. I regard this as a serious question. If this is our floral emblem, why isn't it grown commercially?

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

MR. GUTTORMSON: I directed some questions earlier to the Minister and he's now asking me for specifics. He accepted my request when I initially asked the questions and I feel that I'm entitled to an answer, not specific questions again. I want answers to the questions I directed on previous occasions. I'm not asking any further questions today, I just want the answers to the ones I asked before. I feel that I am entitled to it. He accepted the request at that time and now I get the impression he doesn't wish to answer it.

MR. DESJARDINS: He wants to know what you know.

MR. GUTTORMSON: But, Mr. Speaker, that's not the point. I directed some questions and he accepted my request -- pardon?

MR. LYON: You'll get an answer.

MR. GUTTORMSON: But when?

MR. LYON: Soon.

MR. GUTTORMSON: But, Mr. Speaker, getting this answer "soon" every other week is not good enough. I'm entitled to this answer. I asked him at the beginning of the Session and that's a month and a half ago.

MR. PAULLEY: Mr. Speaker, if I may on a point on privilege, the other day the Honourable Member for St. Boniface spoke in French with an invitation to the annual gathering this evening of the Societe St. Jean Baptiste. It is my privilege to represent even more of the city of St. Boniface than my constituent from St. Vital who represents St. Boniface, and may I repeat the invitation to the members of the Assembly to be with us this evening in St. Boniface for the Annual Pea Seep -- Pea Soup -- Mr. Speaker, my French is seeping out of me unbeknown to me, but anyway may I remind the members of that very historic evening we hope to have in company with my constituent and the Mayor of St. Boniface and the Societe St. Jean Baptiste this evening.

MR. DESJARDINS: Mr. Speaker, I'd like to add that not only the Members of the PC are welcome but members of all the parties.

MR. FROESE: Mr. Speaker, this morning I received a letter from the Winnipeg Chamber of Commerce mentioning amendments to the Metro Act. I would like to ask the Honourable Minister responsible is there such a Bill, and how come the information is out before we get it?

MRS. FORBES: Mr. Speaker, if there are amendments being proposed for the Metro Act, they will be before the House in due course, and at that time the honourable member will know what proposals we have.

MR. GUTTORMSON: Mr. Speaker, the point of the question is how did the Chamber of Commerce know about these amendments before the Bill is presented to us?

MRS. FORBES: Mr. Speaker, the Metro Corporation made known the requests that they have, and I imagine that the Chamber of Commerce received their information from there, but that is not to say that we accept all their amendments.

#### ORDERS OF THE DAY

MR. SPEAKER: The proposed motion of the Honourable the Provincial Treasurer and the proposed motion of the Honourable the Leader of the Opposition in amendment thereto and the proposed motion of the Honourable Member for St. John's in further amendment thereto. The Honourable Member for Portage.

MR. JOHNSTON: Mr. Speaker, ever since the Honourable the Provincial Treasurer has presented his speech last week, I think Manitobans are asking themselves the most serious question that they have faced for some time, and that is, when is this government going to draw the line on tax increases, whether they are a direct increase from the hands of my honourable friends or they are increases indirectly applied, like being pushed on to the municipal corporations. I know in speaking to other members of all parties in this House, that this is the question that is most often asked when members return to their constituencies, be they urban or be they rural. When is the ever-spiralling upward tax of this government going to stop?

I have in my hand here a Xerox copy of two tax statements from two different municipalities. One is from the R. M. of Morris and it's the tax statement for 160-acre piece of land. The total assessment is \$4,850; the tax rate for 1967 was \$372.97. I have also a copy of another 160-acre piece of land in the R. M. of Roland, which is not far from the first parcel of land mentioned. The tax assessment on that quarter is \$5,000, so the two pieces of land are within \$150 of assessment - \$4,850 on one and \$5,000 on the other. The taxes on the first one I mentioned were \$372.97; on the one in the Rural Municipality of Roland, the tax bill was \$441.00. Now this is what people are confused about and worried about, not only the increase in taxes every year but the inconsistent taxes that are applied.

Now we have this year, which is an oft-told story but I feel I must repeat it, the indirect increase being forced by this government onto the municipalities, and the inequities which already exist will be magnified further. No doubt the Cabinet has heard many representations from individual councils. I know they have had letters and they have had representations. One only has to pick up any newspaper these days and we will read quotations from the outrageous cries of protests of mayors and reeves from one end of Manitoba to the other. These elected representatives have to answer to their taxpayers every two years, and they want to know where they are going to stand in the future.

I have one quotation in my hand - it's a news report of a St. Boniface council meeting - and I will just quote part of the article, "The St. Boniface Council has passed a motion requesting the Provincial Government to change the school foundation tax which it says discriminates against industry and business in Manitoba. The motion charged the tax has added about 30 percent to the commercial tax bills in St. Boniface this year and is restricting both future industrial growth and employment opportunities." Well, Mr. Speaker, that's pretty strong language to come from a municipal council when they pass a motion and they say that this form of taxation is restricting employment and future industrial growth.

I will not burden members of the House with quoting any more council motions or council statements across the province, but I think it is fairly evident now as to why the First Minister, the new First Minister in this House, called the Turtle Mountain by-election when he did. He knew he was increasing taxes, albeit indirectly, and he knew that the voters at Turtle Mountain would be outraged had this come out before that by-election. So I suppose, Mr. Speaker, the

(MR. JOHNSTON cont'd). . . new Honourable the First Minister can count himself as being lucky that this was not known before that by-election. Instead of a comfortable margin of victory that my honourable friend the Member for Turtle Mountain can lay claim to, it would have been a landslide. It would have been a landslide against this government, and that would have been the answer that the people of Manitoba would have given for this deceitful method of raising taxes.

Before the Orders of the Day this afternoon, Mr. Speaker, I took the opportunity to ask the front bench whether or not it was the intention of the Cabinet this year to state whether or not they were going to pay full taxes on provincial properties in any municipality in which that property was located, and the answer was that this could be future policy and would be announced in due course. I would like to remind the Honourable Minister of Municipal Affairs of the September 27th - that is last year - meeting, held at Brandon I believe it was, of the Manitoba Urban Association Convention, and while the article does not state it, I believe the Honourable the Minister was there.

At that convention a resolution was passed with only one dissenting vote, and with vigorous support from the town of The Pas, the cities of Brandon, Fort Garry, the city of Portage, and the town of Selkirk, requesting the government to pay full taxes on all property owned by the province and to eliminate the present five percent maximum now paid in lieu of taxes. I know in the town of Portage la Prairie this is a matter of \$106,000 which would be in the neighborhood of 6 mills. Well maybe ten or twenty years ago the large blocks of municipal property and municipal buildings in a small town or a small city were considered an asset because of the employment that was related with them, but the picture has changed now, as we all know, to where the municipal services are so costly that it's time that there was a re-shifting of this alignment of tax. So I hope that the Minister of Municipal Affairs will be able to give us some good news, and this is what this newspaper article says. It says, "Municipal Affairs Minister, Mrs. Thelma Forbes, has agreed to take the issue to the Provincial Cabinet to seek the change in 1968."

I would also like to remind the members of the Cabinet opposite of another resolution that was passed at the same meeting, and it asks for a change in the method of collecting the school tax from the 65-35 percent formula to an 80-20 percent formula. There again this resolution was passed with overwhelming support and passed on to the government, and I would like to hear from the Minister on both matters later in the Session. -- (Interjection) -- I am sorry I bothered her that much.

We note in the newspapers that the province, through the five percent sales tax, had collected an extra \$5 million in revenue over and above their estimate. Well, Mr. Speaker, on the one hand, the province over-estimates and collects an extra \$5 million; and about the same time the largest city in the province is reduced to try to collect more taxes by nickels and dimes, and of course I'm speaking of the recent increase in parking meter revenue to the City of Winnipeg. I believe this is indicative of how difficult the councillors' jobs must be today, when searching for methods of revenue to keep up with their increasing costs, that they have to look at the parking meters as a source of revenue and increase parking meter revenues from five cents to ten cents for an hour.

So, Mr. Speaker, I hope that when the Provincial Treasurer closes this debate, he will answer some of these questions that many of the people across Manitoba are asking. What about next year? Will another increase be loaded onto the real property taxpayer? And if so, what is the limit and where is the limit? And if so, I would like this government to tell the people of Manitoba.

MR. USKIW: Mr. Speaker, I too wish to take part in the debate, the budget debate, because this year seems to mark somewhat of a substantial increase in the cost of services and it's a question of whether the cost is applied to people equitably. The fact that the Provincial Government, or the Provincial Treasurer suggests to us that his budget is a balanced budget does not mean a great deal to me, because I know very well that in effect all of us in Manitoba are going to pay a substantial increase in taxes, whether they be on the municipal level or otherwise, and after having had the sales tax proposition of last year, Mr. Speaker, I fail to see how the Provincial Treasurer is going to lead us down the garden path into believing that in effect he is holding the line and in effect he is providing an equitable system of taxation for the citizens of Manitoba.

The Minister has not dealt with the question of what are we going to do to hold the line to

(MR. USKIW cont'd). . . those people that are not in a position to pass on increases in taxation. For example, if you recall the amendment of our Party to the debate, or to the Liberal -- that's right, to the Liberal amendment, we deal specifically on this question, that is, namely, the question of the cost-price squeeze in agriculture. My honourable friend the Provincial Treasurer knows very well that the farm community of Manitoba is least able to afford an increase in taxation, whether it be on the municipal level or on the provincial level.

Last year they were given what was termed a concession in the form of a tax reduction on farm fuel. It was a \$3 million concession which is very small in comparison with the five percent revenue tax that was imposed on them. Last year they suffered substantial increases in taxation through the five percent sales tax. If you just take a look at the amount of money required in the building of barns, storages, granaries and so forth, one can imagine the hundreds and thousands of dollars that the farm people have paid through that media of taxation. They were, in the process, Mr. Speaker, led to believe that while we are imposing these indirect forms of taxation, that their taxes on the local level would be substantially reduced. Mr. Speaker, this has proven to be a falsehood. This year we find that the government is taking the position that they want to balance their budget. They want to look good from the provincial level, but in the process they have dumped the load back on the municipal taxpayer and we are back where we were in the first place.

Mr. Speaker, I don't accept the proposition by the Provincial Treasurer that he is holding the tax line at all. I think he is trying to fool the people of Manitoba and I can guarantee him, Mr. Speaker, that he is not fooling members on this side of the House and we will see to it that the people of Manitoba do get the full story on the proposition of the Provincial Treasurer of Manitoba.

I am very much disturbed, Mr. Speaker, when the Government of Manitoba tells us that they are aware of the problems of agriculture; they are aware of the cost-price squeeze. They say to us, "but it is not our problem; this problem belongs somewhere down in Ottawa." Well, Mr. Speaker, it is our problem because we do have a budgetary position in Manitoba and we can be more equitable in the forms of taxation. Mr. Speaker, I suggest that the government is evading the issues; I suggest that they are neglecting their responsibility to the people of Manitoba, that they ought to bring in a more equitable system of taxation so that it would be cognizant of the principle of ability-to-pay, and this certainly is not one of those principles.

I wonder where the Provincial Treasurer is, because in this debate we haven't been able to get a rise out of him. I would hope, Mr. Speaker, that the Provincial Treasurer do shed some light on what his position is, because certainly - certainly we should have some response to the arguments put forth by this side of the House.

A year ago the then Premier of this province told us that he was very unhappy with the rural picture in Manitoba, that out of some 40,000 farming operations only 6,000 people had an income of \$4,000, a net income of \$4,000 or more. And in light of this fact, an admission by then then Premier of Manitoba to announce the increases in taxation that is going to further burden these very people, just doesn't add up. I couldn't see the logic in this type of proposition.

Mr. Speaker, if there was going to be a need, if we agree that there is a need for better distribution of the tax load, then we ought to proceed in the manner which was outlined by members on this side of the House earlier in this debate; namely, that the province should assume its responsibility in providing the funds necessary to sustain a reasonable system of education, that education is a service to people and it should be provided for by the provincial revenues which are much broader in scope than those in the revenues of the municipalities. I think that the Ministers could have well adopted a principle along this line and agreed that what they should have really done is change the school foundation program from the 35-65 ratio to probably 25-75 or 20-80 and leave that mill rate alone, because I don't think that the local taxpayers in Manitoba are going to put up with substantial increases in local levies anymore.

Mr. Speaker, I suggest to the Provincial Treasurer that it's time that he got on his feet and give us an insight into what his thinking really is, because we on this side of the House have not been able to get any response from the front bench at all, and I don't know whether they can get away with this type of tactic. I have noticed throughout debates during this Session that the tactics and the strategy that the government seems to be using is to remain silent. They seem to be thinking that the opposition can talk all they please but the least they say the better for them. Well maybe this is right, but, Mr. Speaker, I intend to put them on the spot and I suggest to the Provincial Treasurer that it's time he gave us a few words on the subject.

MR. SPEAKER: The Honourable Member for Emerson.

MR. JOHN P. TANCHAK (Emerson): Mr. Speaker, I would wish to say a few words on this item. Last week and all this week when we see headlines like these, I think it should make the people happy: "Province Holds Tax Line - \$700,000 Surplus Seen." It's a surplus budget, it should make the people of Manitoba happy, but I'm sorry to say that the people of Manitoba are not happy. "Ottawa Blamed for Shortage". "Big Cut in School Spending". Big cut in school spending, true, on the part of the government but at the cost of the taxpayer. Here's another one: "Manitobans Escape any New Tax Bite: Why aren't the people happy with this headline? Because they know it is not true, and it isn't true. It is true as far as the government is concerned directly, but it isn't true because Manitobans do not escape any new tax bites. There are many new tax bites. Surplus Budget - the Provincial Government's surplus budget is very very costly to the property owner, and I would say that in this case the government has resorted to trickery and I could even say robbery. It's a three-pronged attack on the property owner and the individual who has to pay the tax, and it is an increase in tax.

On the property tax, what has the government done? They have increased the property tax directly, by the order of the government, 4.1 mills, and here - "no new tax bite." It's easy to boast when you shift the burden or shift the responsibility onto some other person or the junior government. They tell us it was necessitated by more expensive Foundation Program, and we heard the other day that the government is not to blame for it; it's the people of Manitoba who are to blame for it, the people of Manitoba are to blame for rising costs and rising taxes. How could the government blame the people of Manitoba? For the last 10 years this government has been conditioning the people of Manitoba; this government has been promising them all sorts of goodies and they created, deliberately or otherwise, the impression that it is not going to cost them very much more money. In fact at many meetings there are a few high officials - in one case even a Minister of the Crown - who made a statement at that time at a meeting that the new Foundation Program should not cost, should not cost the property owner any more money. And when I objected to that he said, "This is going to be a better plan, but don't expect it not to cost you any more money. If you were to buy a car, you can buy a used car for less money; if you wanted something better, it will cost you more." I was repudiated. "No, it is not possible, because the government is going to take up the slack; the government is going to put in so much more money, therefore your tax should not go up." That wasn't true, it hasn't, but I'm just trying to prove that the people have been led to believe that these better services - and I will agree that in many instances they are better services - the people were led to believe that these services will not cost them more money. The government is directly responsible for the rise in the Foundation Program. It's chain reaction.

Last year the government imposed the five percent sales tax and naturally this five percent sales tax is a factor in increasing the taxes at the local level, because many of the schools utilizing facilities and so on have to pay that sales tax, so the government is directly responsible for this increase in taxation. So how can this be true - "No new tax bite". There is a new tax bite and this government is responsible for raising the taxes, and now this government is boasting of holding the line. It is easy to say "I'm holding the line" if I shift the burden of the tax onto the municipal level or onto the individual. Blame the people for it; they're too demanding. But it is this government, this government is responsible for that if the people are too demanding because it led them on to believe that they'll get this without any extra cost.

What about the Hydro rates? I said it's a three-pronged attack on the municipalities and on the individual. What about the Hydro rates? We don't know by how much the Hydro rates will be raised, but the government is directly responsible there too. Chain reaction again. The Hydro has to pay the sales tax, and isn't that a factor in the Hydro rates going up? I would say it is a factor; that's one reason why the Hydro rates have to be increased on account of the sales tax. So it's the government's own doing; the government is responsible for this tax increase. So how could the government say they are holding the line?

What about the expected premiums - the hospital premiums? Doesn't the same thing apply there? It is more costly; the service is more costly now. They also pay the sales tax, and it's due to the actions of this government that the premiums are going to be increased, if they are, or we hear that they are going to be increased. That's another tax. It's a three-pronged tax bite, and it says "no tax bite."

I think this government has no consistent tax policy or spending policy or priority policy. Over the last 10 years, what did this government preach? "We are going to shift the burden of

(MR. TANCHAK cont'd)... taxation from the property owner onto a broader base - a broader base, the Province of Manitoba, and it will not cost the property owner as much". Today I accuse the government for a reversal of their policy. The same government under a new leader with a new policy has reversed this priority. His priority now is to shift the tax burden from a broader base to that of the shoulders of the property owner, onto the municipality, and onto the individual, and that is not fair; that is mean.

What about this clipping? "Sales Tax Brings \$5 Million Extra". What happened to that? Sales tax - \$5 million more than the government had anticipated, they had estimated. Why not put this \$5 million into the Manitoba Hospital, give them that extra grant and keep the premiums at least at the present level. No, somewhere it has trickled through and then it is necessary now to raise the taxes. This piling up of tax onto the shoulders of the real estate or to the property owner, as I said before, is not only mean, I think it is vicious. For 10 years this government has been promising the people that the burden of taxation will be shifted, and what do we get now? They're shifting it onto the shoulders of the low income people, of the property owner, the homeowner, and of those on a fixed income.

I think that this government has shown its true colour and more so now under a new Leader, and I think that the colour is black and very black for the people of Manitoba. The people of Manitoba have lost faith and they have lost patience in this government because there's no saying where Manitoba will end. They have shifted it onto the broad shoulders of -- they think the farmer has broad shoulders, he can take it; shift the burden onto him. There was \$50.00 rebate previously; that has been dropped. It has been taken away from the tax owner, and still the people were under the impression at the time that although they lost the \$50.00, the tax burden would be lower - 9 mills.

I'm not saying that the government promised to hold it at that, but it was the responsibility of the government to hold it at that. They didn't promise it because the government had promised that this will be a better system of education and it should not cost you more money. I'm using the word "should", and the common man - he's not too interested in should or will - he takes it for granted that if any responsible person speaks and uses the word "should", he takes it for "will." And you can not blame the people because the people have a tendency to trust the leaders; they have a tendency to trust the leaders, but this government has shown by its operations that these people have no faith, they cannot trust the leaders anymore because the leaders have fooled him.

What about the homeowner? How many of these homeowners on the fixed income, how many of them will have to be evicted from their homes because the government has increased the tax bite on these property owners, the homeowners, the low income people. A lot of them probably will be evicted from their homes.

What about the small businesses who just existed in small villages and towns? And they played an important role in these villages and towns. A lot of them now are beginning to pack up because they can not take this taxation any longer. It is very simple and very easy to go ahead and have a surplus budget or boast of a surplus budget by forcing the junior levels of government to subsidize the Provincial Government. And that's a reversal of the priority.

Now, instead of the Provincial Government subsidizing the municipalities, the municipalities have to subsidize the Provincial Government by collecting that extra tax - and I'm referring now to the 4.1 mills. That is not fair and no government should be kept in office which has this as a policy. It's just like a father, just because he wants to have a little more money in his kitty, he'll push his hand into his son's pocket and rob him, and that's exactly what this government is doing to our municipalities. They're robbing the municipalities by forcing them to collect more taxes. The same applies to hospital insurance. The municipalities are responsible for the collection. They'll have to collect more, and maybe they'll have to evict some of the people who will not be able to pay.

The policy of this government under the new Leader seems to be to tax the people more and more and more. And that's not all. But what is the promise, the promise of the new Premier? April 11th, Tribune: "Education, Health and Roads, and what is the Premier promising the people of Manitoba for 1969? Already now - "Rising costs may force taxes up in 1969," the Premier. Already he's promising them something for the future - rising taxes. They rose this year; some more of it next year. That's why I used the word "more," tax the people more and more and more.

The priorities, I'll repeat again, of this government is to shift the burden from a broader

(MR. TANCHAK cont'd)...base onto the individual and onto the junior government, the municipal governments. Yes, this is a surplus budget, but it is surplus only on paper and I feel sorry for the people. If this is an example of what the new Premier's policy is for the Province of Manitoba, this kind of a budget will drive many people of Manitoba into slummary and into poverty.

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

MR. DESJARDINS: Mr. Speaker, I'd like to move, seconded by the Honourable Member from Gladstone -- oh excuse me, there's a ...

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I'd like to say a few words. I know that there will probably be quite a few other members that wish to speak on the budget and I may not have another opportunity, so I would like to say a few words today.

Mr. Speaker, in the last provincial election I believe the government of Manitoba, as well as the other parties, told the taxpayers they would remove the tax burden off the homeowner and off the property, and if I look at the budget on Page 2, this government in its statement right here says, "Financial Irresponsibility is never tolerated in public affairs; it would be unforgivable in current circumstances." So what does the government do, Mr. Speaker? I feel that the taxpayers are not going to forget the provincial government's promises that it would take the tax load off the property owner, because that's what the government said, it would take the tax load off the property owner and take the load off for education.

Mr. Speaker, I feel the Manitoba taxpayers and Manitobans have been sold down the river, because if the Provincial Treasurer feels that financial irresponsibility is never tolerated in public affairs, I don't think that the statement is true. Because what has happened? We have put five percent sales tax; we have increased other forms of taxation, increased the revenue, and at the same time this year we propose to increase the mill rate, forcing the municipalities to increase the mill rate, and at the same time to tell the people that there is no tax increase.

Mr. Speaker, I think much of the mismanagement that has produced this staggering taxation and the increase in the mill rate will give the people the shock treatment that will cause the people to detest this kind of treatment by this government.

On Page 11, Mr. Speaker, there is another statement. "We have continued to absorb as much of the municipal burden as our physical powers permit." What kind of municipal burden is absorbed by this government when it pushes a 45 percent increase on the mill rates of the municipalities? I don't believe that you can call this absorption of the municipal burden.

We go to Page 22, again on taxation it says, "As a result of being able to hold the line as well as we have, I am pleased to say we are not going to introduce new taxation and there will be no increase in our general tax rate. This result, of course, did not come about by any particular magic. We have experienced in the year just ended only nine months of actual sales tax and collection receipts." I don't think that anyone in this House feels that this was any magic to hold the tax level, because the government has not done it. All it did was push it off on the local taxpayer and on the municipalities.

I feel that Winnipeg is already in a much unfavourable position when it comes to attracting new industry and commercial enterprises. I think the tax changes at this Session will only aggravate already a very serious situation in this city, because last year when we had the Foundation Program for education which called for 65 percent of the cost for education which was supposed to be paid out of the general revenue and the rest to be levied against the property owners, even at that time the differential was 9 mills on the homeowner and 33 mills on the commercial and industrial property and I believe this was quite a large difference of 24 mills in favour of residential property. I'm not certain, but I would feel that this to some extent may hinder industrial development in this city, and with an increase of 4.1 mills this year, this has increased the commercial and industrial from 33 to 37.1 mills.

Mr. Speaker, I think that Manitoba needs to design a tax structure which will encourage new commercial and industrial development, not hamper it, and not frighten industry away from this city. I would like to quote out of a realtor, and this is a quotation from one of the officers of Metropolitan Estates and Property Corporation Companies, which is a corporation from England and has large developments right across Canada, and I would like to just read at this time. "In many Canadian cities the property taxes are so burdensome that development has almost stagnated. It is almost impossible to carry out economical development in Halifax, Newfoundland" - and I would suggest Winnipeg. "You have to relate the percentage of taxes

(MR. PATRICK cont'd) . . . paid to many other items such as the rental structure, the cost of construction, the cost of land, and the general growth of the economy. There has been sufficient evidence of problems that arise in cities when real estate taxes climb too high." And this is what has been going on in Winnipeg, Mr. Speaker. You don't have to go to other cities to tell us what is happening in Winnipeg because these people are experts in development of properties in many major cities right across Canada, and I would say that their statement must have some facts to it.

I have a Tribune quotation from March, 1968, and this is by Mr. Fanset who quotes, "People come to look at our city and they want to know what the taxes are and then they don't come. They compare taxes here with other communities. They never say why they don't come, but we are missing out on certain industries we hope to get. There can be no doubt that this tax has hurt us". Mr. Fanset is also concerned with the proportion of public buildings to private buildings being built. "Industry pays taxes and they don't send kids to school. Public buildings don't help any towards payment of taxes." So this is what we get every day from developers and commercial builders in this city.

The other day, Mr. Speaker, I quoted that according to HCN Guide to Construction Costs, it seems that Winnipeg has the highest cost as far as building materials are concerned, and again it doesn't matter what you refer to, be it cement, gravel, sand, gypsum - and some of these products are made right here in Winnipeg - and for some unknown reason, the costs are the highest in Winnipeg. For instance, a bag of cement in Halifax would cost \$1.40; in Montreal - \$1.50; in Toronto - \$1.50; and in Edmonton - \$1.35; and in Winnipeg - \$1.69, which is the highest of any of the Canadian cities.

Now the returns to many of these buildings that are being built are much less in Winnipeg than many other Canadian cities because our rental structure and our lease structure does not give us the same return as it would in Montreal or Toronto; and on the other hand, our costs and our tax structure is much higher than anywhere else.

The other day the Minister of Industry and Commerce was telling us how progressive we were and how fast Winnipeg was growing, and according to the DBS figures that I have here, the population growth since 1961 is as follows: the City of Edmonton had a population growth of 18.1%; the city of Calgary - 17.1; the city of Toronto - 17.6; and the city of Winnipeg - 6.1; so I don't feel that we are anywhere near any of the other major cities in Canada.

What about the value of building permits? The latest figures that I have available, Mr. Speaker, is for 1966, where in Edmonton the value of building permits for 1966 was \$135,568,720; Calgary was \$114,392,000; Winnipeg - \$33,000,000, not even a third of what the two cities in close proximity in Alberta had.

Mr. Speaker, what have we done about amalgamation in Winnipeg and a metropolitan form of government? The Metro government has now been here for some eight years and we have left it to flounder and have not given it any assistance, and at the present time we don't know if there is going to be any action on the part of the government to see that there is some amalgamation taking place. On the other hand, the Department of Industry and Commerce tells us that we are going to "grow to beat '70" - and I hope we do and that we can. But on one hand, we have export corporations telling us buy Manitoba-made products, try to sell Manitoba made products; but what does the government do themselves? They don't hire any public relations people here in Winnipeg, some of the offices here that have offices right across Canada, but no, they still had to hire Dalton Camp. I have a sheet here in my hand from 1960 to 1967 and the figures have been climbing, starting from \$50,000, \$136,000, and all the way up last year which was \$207,000 which was the highest in seven years, for a total of \$1,107,814.00.

Surely, Mr. Speaker, I think that the local people would just as much appreciate to have some of this business here in Winnipeg, because I don't see any sense in the government spending money trying to promote Manitoba-made products, trying to promote local industries; and on the other hand, they go and give contracts of such large proportions, such large amounts of money, to a firm in one city in Canada which has not offices right across the major cities in Canada. I feel that the firms, the local firms here which are connected with many of the branch offices across Canada, should be able to do a much better job than Dalton Camp can.

Mr. Speaker, what I have said already, that the government says there are no tax increases but there is, because a 45 percent increase in the mill rate is certainly a very big increase; and on the other hand, there is again in the budget speech about the Hospital Commission will have to review the cost projections and will have another increase, but the government

(MR. PATRICK cont'd)... is not going to be able to -- or will have to increase this, it's going to be the Hospital Commission.

So, Mr. Speaker, I feel that we have had enough mismanagement on the part of this government and I feel that the people have come to realize, and after this year's increase they really received the shock treatment, and I think that they will certainly detest and will not accept this government come the next election.

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MR. SPEAKER: The Honourable the Minister of Health.

HON. CHARLES H. WITNEY (Minister of Health)(Flin Flon): I think, Mr. Speaker, you must recognize that I have been unduly moved to take part in the budget speech debate because I don't believe, ever since I have been in this House, that I have taken part in a budget speech debate because I was of the impression that I was not particularly a financial expert, but I have been listening to the comments that have been coming from across the way there and I hear these terms about "shock treatment" and I hear these highly emotional terms that came from the Honourable Member for Emerson and I hear them talking about the great tax burden as if the Province of Manitoba, the taxpayer, in the Province of Manitoba, the property owner, were the only people who had a heavy tax burden to bear, as if we were the only province. I have been around to other provinces just as much I suppose as many of the other members have here, and I have found that we are facing similar problems here and they are facing problems similar to ours.

But what really made me get up on my feet was I can't remember hearing from any of them any concrete suggestion - not as yet, we might get it when the Honourable Member for St. Boniface stands up - as to what they are going to do about it. --(Interjection)-- Well, they say it won't be long, so maybe before the eight days are over we will hear it as a result of me standing up here and asking them.

I would like also to know what would the tax burden have been like if the government had not entered into education, if the government had not been pouring 65 percent of the Foundation Program into education. I would like to know what the tax burden in this province would be like if the government had not entered into a provincial road program. I would like to know what the provincial tax burden would have been like if the government had not entered into those things that are mentioned here in the budget speech.

And let's take a look at them, Mr. Speaker, if I can find the place. I had them just a moment ago. It says, "Through such measures as the recent greatly enlarged school foundation program, the expansion of the provincial road program, and of health and welfare services, the province had shouldered a greater proportion of rising costs previously supported from local tax resources." And just ask yourself, Mr. Speaker, if the government hadn't done that, what would the tax be now? "Provincial resource development and recreation programs, and tourism and trade promotion also help local communities grow stronger. Decentralization of provincial government services - in northern and southern centers alike - furnishes the focal points for local economic development across the face of the province." And here in the budget address, "Had it not been for these provincial policies, local government costs would have risen far more than has been the case. A much greater proportion of provincial revenues is shared with the municipalities than the Federal Government shares with the provinces in relation to its fiscal capacity. Well over half of the total provincial revenues may be said to go to the direct and indirect support of local government." If that had not taken place, what would the tax rate be like now? If there had been no provincial road system, what condition would we be in the Province of Manitoba? If there had not been the massive influx of money into the education system, where would education be in the Province of Manitoba today? If there had not been the massive influx of money in various fields of government, where would the province be?

It must be recognized, Mr. Premier, that the Province of Manitoba has some particularly difficult geographical things to contend with. We have about one-third of easily accessible country, we have two-thirds of the Precambrian Shield -- and that's very difficult country to work in, it's very costly country to work in! but look what has been accomplished. When I go back to the front page of the Budget Address and they speak in terms here of what took place, one phase of our development has been well established and has given new basic strength to the province; power, roads, communications and essential public services are all categories that have been expanded and improved. I can get into a car, I can drive a hard surface road all the way down to Melita; I can drive a hard-surface road all the way to Sprague, I can drive a hard-surface road all the way to Flin Flon; I can drive through Dauphin; I can drive a hard-surface road to Roblin; I can drive a hard-surface road over thousands of miles in this province, where I couldn't do that ten years ago. And when we talk about the base, over the period of time that base has been felt by the men and the women that are here, and given this province a base to build on, and not only has that development taken place in those major roads but the development has taken place between those roads and the country can move between the arterial highways with the provincial road system. And where would the taxes be if we hadn't done it? There is only

(MR. WITNEY cont'd.) . . . once choice - the taxes would have been higher or there would have been no roads. You wouldn't have been able to drive from Minitonas to Birch River on an all-weather road, on a provincial road. And where would our education system be? The opportunities are there for the young people and for those that want to go back and had been provided during that ten-year period to the point where this province doesn't have to look askance to any other province for what is being done in education. And it's been done by this government, been done by the men and the women who are here, and been done by the Cabinet Ministers that are on this front bench in here.

I can remember driving 48 hours to get from Flin Flon, 48 hours and you were lucky if you got down with your muffler and not having at least two mufflers. I can remember when the Honourable the Member for Dauphin came up to nominate me, and he made it behind a tow truck, because the road was out. He can come up with my nomination the next time and he'll be able to get there if he follows the speed limits within a period of about ten to twelve hours. And when I take a look at what's happened in the north country over the ten years under this government, and as a result of this government, and I think that right now we have developed it to the point where the communication systems are going to provide for color television for the whole of the north country now, at least those major cities. It would never have happened if the development and the encouragement had not been there from the men and women that sit on this side of the House. I can think of the mines that have started up in the ten years since we've been in power; and I don't suppose we can take all the credit for developing mines. But the climate was there, the climate was there, the climate has been there for the expansion of the Hudson Bay Mining and Smelting System to Chisel, to Osborne to Stall, to all of those places. We have Thompson and an announcement of about \$100 million development a while ago; ten years ago, before the government came into power, we had nothing but bush up in that area. So when the Throne Speech says that we established a base, I say we did.

And when I take a look at another phase of a base that was established, Mr. Premier, Mr. Speaker, I don't know how many years we had asked for the development of the Nelson River, I don't know how many years we'd asked for the development of the Saskatchewan River. Those rivers have now been developed, the Saskatchewan is now delivering power, the Nelson River is just being controlled now for the delivery of power, and during the period of time that this government has been in office when we talk about the base that's on this front page, Mr. Speaker, we now control the water resources of this province. The Assiniboine is in the process of control with the Shellmouth. The Red River is controlled with the Floodway. The Saskatchewan River is controlled with Grand Rapids. The Nelson River, the Nelson River which empties the water resources of over half a continent from the east over toward the Great Lakes, from the Rocky Mountains and from the top part of the United States is now going to be controlled. And I wonder, Mr. Speaker, whether or not we could have said that ten years later if this government had not been the government in power. And you just imagine, you just imagine what the results of that are going to be at a time when the world is screaming that they have to control the fresh water resources that they have. They're not only being controlled for power, they're being controlled for other resources as well.

When I heard the opposite members speak over there and it seemed to me that it was -- I got a depressed feeling. I thought that at least I had to stand up and to say something about the back part of the book. I don't expect the Opposition to find the good things in the budget and to be promoting them; their job is to oppose and to criticize. I recognize that. But at the same time I think that we also have to recognize that the Province of Manitoba has gone ahead; the Province of Manitoba will go ahead and the Province of Manitoba is going ahead, and some of these little items that I have underlined here to me are indicative of that fact.

Let's take a look at the gross provincial income, rose seven percent over 1966, a rate of growth equal to or slightly ahead of that for Canada's G.N.P. Income from employment alone climbed by over 11 percent, whereas the average weekly salaries and wages in the commercial sectors rose by nine percent, and that too was matching the Canadian average. We heard something about business being driven out of the province. The year's experience showed retail sales up over 1966 by nearly eight percent to a level of \$1,083,000,000, an increase for Manitoba above that experienced for Canada as a whole -- I think it was the year we put in a sales tax.

These are the types of figures, Mr. Speaker -- there was some more that I had here. High levels of employment remaining substantially above the levels of employment of the country as a whole. More than 97 percent of the labor force was gainfully employed on an average

(MR. WITNEY cont'd.)... of one year. Items such as that that can be found in this budget which indicates and proves what I have mentioned to you that the Province of Manitoba has gone ahead in these past ten years; the Province of Manitoba will go ahead and the Province of Manitoba is going ahead.

When I take a look at the situation in the North country, just in recreation alone, which has become a very important factor in our lives, when I think of the parks that have been developed by this government, that are going to have a beneficial effect upon the economy and the development and the growth of the province of Manitoba -- the park up there -- Paint Lake Park -- the Clearwater Park. And I think of the Turtle Mountain Park down here, when I think of Assissippi Park; when I think of the one that's going over here at the Sprucewoods -- and how well do I remember being requested at the time by well-meaning people that that area of the country be produced. --(Interjection)-- Well, we did it. We didn't just talk about it, we did it. And from what I hear from over here, I'm just wondering if they had been in power whether they would have done it, because from the way they speak, Mr. Speaker, I don't think they would have done it. I don't think that at all.

I think, Mr. Speaker, that I've really sort of blown my bolt more or less will we say; I've used some crude terms, but I feel a lot better. Because I've been sitting listening to all this coming over here and I've listened to it and I've heard these expansive adjective, and I thought to myself, from what I see when I travel around the province, it just can't be that bad. To anybody who wants to come to the Province of Manitoba -- if nobody else is going to say it, although it's being said over here -- they'll find a good opportunity here, they'll find a good living here, they'll find good quality of education here, they'll find good quality of health services here, they'll find good welfare programs here -- although I gather you don't agree with that; they'll find good roads, they'll find good schools, they'll find good universities, they'll find good hospitals, and they'll find a north country that has been developed beyond what I ever expected it would be developed, in a period of ten years' time. So thank you for listening to me, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Thank you, Mr. Speaker. After hearing the Honourable Minister speak, I felt that I surely should get on my feet...

MR. T. P. HILLHOUSE Q.C. (Selkirk): Mr. Speaker, all that I wanted to do...

MR. SPEAKER: I wonder if the Honourable Member for Rhineland is prepared to release the floor for a question by the Honourable Member for Selkirk.

MR. FROESE: Yes.

MR. HILLHOUSE: What I'd like to ask the Honourable Minister is when would you have developed the Kettle Rapids Hydro Electric Plant?

MR. WITNEY: I didn't get the question.

MR. SPEAKER: Would you repeat it.

MR. HILLHOUSE: When would you have developed the Kettle Rapids Hydro Electric Plant?

MR. WITNEY: We're developing it now. We're developing it now, Mr. Speaker.

MR. HILLHOUSE: Well, why accuse the other government of inactivity?

MR. SPEAKER: Order, please, The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I hope that I will be able to throw a little light on some of the things that were said so forcefully by the Minister of Health. I for one don't see things as rosy as he does. Probably the government has spent more of its money on the north and the southern part where the wealth actually is. The people that own the wealth have to do with very little in the way of services and I think by the time I'm through this will be shown quite clearly.

Our First Minister is used to dealing with dead bodies or has been in the past. I'm just wondering by the time that he will be finished with this government whether we will not have another dead body on our hands. When I listened to the Budget Speech the other night, it seemed to me that the one that blew the balloon all these years was no longer there, and that the balloon was rather shrunk and deflated the way it came out -- the wind was gone out; no longer did we have the buoyancy chapter that we used to have in the Budget Speech. This was definitely missing. And when I see the headlines of the Tribune, I think the following day, which mentions that spending was up six percent, the smallest in ten years, I don't think that that is quite the case, because I felt this was very misleading. Spending in my opinion is continuing at records because we have the budget estimates of \$377 million, an increase of

(MR. FROESE cont'd.)... something like 23 or 24 million over the year before; certainly this is no minor increase, this is a very substantial increase, and this is nothing to sneeze at. And the reason we have this increase is that we have had no change in policy. We're still continuing on the same course as we did before; we're still continuing with spending, we're still on the same course that was established by the previous First Minister on an escalator basis which just increases the costs of such departments as education, health, welfare and I'm sure you have others -- the Attorney-General's was one -- and urban development and not least of all the public debt. I'm just wondering whether there will be any change, and when can we expect a change; because if we have no changes in policy we will just continue on with adding taxes and increasing spending; and is this supposed to continue on for ever or in perpetuity, or how long?

Now we're faced with the situation in Manitoba that they say there will be no tax increases. On the other hand, we are informed that our Crown corporations, Manitoba Hydro will be increasing its rates; the Hospital Commission no doubt will be increasing its premiums, and the Public School Finance Board has already increased the mill rates for the unitary divisions. So that you will have three tax increases that we know of at the present time. You would think that the five percent sales tax that was imposed last year would suffice and would go a little further than what it is. Surely the 39 - or close to \$39 million that was collected last year should last longer than one year or not even quite a year. This will be increasing in the coming year when we have a full year to more than what I think the estimates or the budget mentions, \$50 million. This should certainly have been sufficient to cover all the additional costs that the government was planning. In addition we don't know just what they have in mind as far as capital spending is concerned. This has still got to come - and how much they intend to borrow in the next fiscal year. In my opinion this is nothing but poor management and that we should have better management of the situation here in Manitoba.

I have before me the Financial Post, the April 13th edition, where they have a special section dealing with the prairie provinces of Alberta, Saskatchewan and Manitoba, and the headline says: "Prosperous prairies have some worries," and then under the sub-heading is: "Capital spending upsurge may not persist and some key markets are soft." I would like to read one paragraph and I quote: "While still confident the richness of their natural resources will keep their economies expanding many businessmen and civic leaders confess they are worried that tighter money policies, high interest rates and a slowing down of business in other parts of the country will restrict their growth." And proceeding a little further on, on the same page, I would like to quote further under the sub-title Manitoba: "In Manitoba agricultural Minister Harry J. Enns forecasts prospects for Manitoba farmers in 1968 are likely to continue favourable, but he warns the coming year may be one of increasing stocks and declining exports and that it might be prudent for farmers to divert some wheat acreage to alternative crops unless the export outlook changes by seeding time. Since 1946, the number of Manitoba farms has dropped 27%, from 54,448 to not more than 39,700 in 1967; average size of farms has increased from 306 acres to 480 acres. In the same period the farm population has dropped from 221,919 to 159,500." That is a sad picture in my opinion, the way we lose the people off the farms and I feel that it might be in a short time that we will be crying for farmers here in Manitoba as well as in other parts of Western Canada.

The market outlook is very dismal; the wheat is not moving and the price certainly is not something to be looked forward -- what is presently offered. And, Mr. Speaker, I figure it is much worse than that because of the tight money situation today, farm prices have gone down. In our area the papers are filled with ads and parcels of land that were sold, or were offered last year, they're offered for \$100 less an acre. This is a serious matter, that within a period of one year that you can have such a difference, that the farmer's equity that he thought he had is no longer there; I feel that this situation is very very serious.

Talking about markets, the Honourable Minister mentions that we should divert wheat acreage to other sources. What are we going to seed? The sunflower market is shot, too. We in Manitoba for the last number of years have grown a considerable amount of sunflowers. Now the United States is going into it, full force; they haven't used their land to sunflowers like we have over the past years and therefore they're crops are doing much better and two years ago they grew something like 50 to 70,000 acres. Last year it was increased to 300,000 and the prospects for this year are that they will be growing more than half a million acres. So, this will cut out the market that we used to have in the United States as far as bird feed is

(MR. FROESE cont'd.)... concerned, as far as the sunflower crop is concerned, and where are we going to turn to? What are we going to seed and use as alternatives in cropping? I certainly would like to hear from the Minister, when he mentions alternatives as to what the farmer in Manitoba is supposed to do.

When I take a look at the Canada Year Book I note there that bankruptcies have increased tremendously, they have increased by 100% from 1959 to 1964. This is a very substantial increase and certainly this is being brought about largely due to the high cost of money and the supply of money and the scarcity of it. I have a book here that relates the story of what happened in United States quite a number of years ago in connection with the matter of the scarcity or the very limited amount of money in that nation. This goes back to the year 1866 and I would like to quote several paragraphs from this book. It's called "Lincoln Money Martyr," by Doctor R. E. Search. I quote: "When this letter was written the country was in possession of \$1 billion 906 million currency. During this year 1866 there were but 520 business failures in the whole country involving a loss of but \$17,625,000.00. Labour was well paid and fully employed. In 1867 this year the work of contraction was vigorously pushed and there were 2,386 failures with a total loss of \$86,218,000.00. In 1868, during this year \$473 million of money was destroyed and failures increased to 2,608 with a loss to creditors of \$63,774,000.00. Money began to be tight and financial spasms were frequent. In 1869, during this year over \$500 million of money passed into the cremation furnace, producing 2,799 failures and a loss of \$75,054,900; money growing tighter and wages lower. In 1870, this year \$67 million of money was destroyed and 3,551 failures took place, involving a loss of \$88,442,000; money very scarce and wages of labour were reduced all over the country. In 1871, \$35 million of money this year was retired with 2,915 failures and a loss of \$85,250,000; more men out of work and wages cut down. 1872, only about \$12 million was destroyed this year but such had been the strain upon the business of the country for the past five years that this proved the last straw to 4,069 business firms involving a loss of \$121,058,000; more cutting of wages and strikes talked of. 1873 - and this is the last one I'm going to mention - this year the storm reached its climax. Businessmen had hoped that with every returning season prospects would brighten and money would become plentiful; instead of this however, notwithstanding, but \$1,609,000 was destroyed, the people became panic stricken and 5,183 business firms were precipitated into bankruptcy, with a loss of \$288 million; 500,000 men were thrown out of employment, wages cut down all over the country and strikes were frequent occurrences." end of quote.

Mr. Speaker, this is what happens when we get a tight money situation and a high cost money situation; we have a contraction and business will not function as it does heretofore. It also brings up the point of interest, the matter of interest costs and certainly is affecting our budget and estimates when we show that we need \$20,568,000 to cover the interest on the debt of Manitoba. This is between 5 and 6% of the total estimates of \$377 million. This, however, does not include the utilities where this matter also applies as to hydro, telephone, the credit corporation, development fund, water supply, wherever there is borrowing, these agencies are being affected as well. And not only is the government and the utilities but also the individual in Manitoba, the farmer, and we've heard of the difficulties in connection with farm improvement loans that they were able to get 5% before and for a while at least they were discontinued and farmers in getting loans had to get personal loans at 7 and 7 1/2% from the banks. And, not only were the banks increasing, because if the banks increase, naturally the other financial institutions and organizations such as credit unions and small loan companies went up too with their interest rates. So that the cost is also increasing to the individual, then also to the businesses in Manitoba and as we know most of businesses are operating on bank credit and are completely dependent on borrowed money and they will definitely be ones that are facing increased interest rates, and these in turn will then add it on to the cost of goods and the consumer naturally is the one to suffer.

Now where and when will this stop? It seems to me, I've mentioned this on other occasions, but no one will participate in the discussion of this matter, everyone is mum. We don't hear anyone of the Cabinet Ministers discussing this point as to the remedy, whether there is any remedy or a solution to this situation. They just sit there and twiddle their thumbs. Mr. Speaker, this is a very very important matter and one that has to be discussed and has to be solved; certainly we cannot afford to have this continue indefinitely.

I already mentioned Manitoba Hydro, that they will be increasing their rates. Why? Mostly because of the interest costs and this was told to us in no uncertain terms in the

(MR. FROESE cont'd.) . . . meetings that we had with the officials of Hydro. They are facing refinancing of certain bonds that are maturing, bonds that were running at 3 and 4%; the cost of these are now increasing from 7 to 7 1/2 -- their average will be a little lower than that but this is what the new money is costing them -- and they will require large amounts for their capital expenditures. I think it was \$52 million that they spent a year ago, in the current year 57 million and we know the total cost of the construction at Gillam or at Kettle Rapids will be \$240 million, and this does not include the transmission lines which will be another \$180 million. Interest will be paid on all this money through Hydro rates and the consumer will have to bear the cost. This is not going to be a short-term matter either because when questioned in committee whether borrowings were made on a short-term basis, we were told that their policy was to borrow for long-term, longer periods of 20 to 25 years. So this means that when Hydro utility is financing these projects at this particular time that people will then be paying for 20, 25 years at these high rates, and this is no matter that is just here for a day. We will be suffering as a result for many years to come.

Now we might turn around and blame the Federal Government for the legislation that was passed last year removing the ceiling on interest rates so that banks could increase their rates the way they have done now. But they themselves are in the same position and probably worse than we, because I have a copy here of the estimates of the Federal Government and in those estimates they have an item of \$1.4 billion that they will have to pay interest on the national debt which presently amounts to something like \$26 billions of dollars. This interest must be paid annually from current account and is contained in their estimates; it's not a thing that can be deferred. They, too, are in a position where they do not pay their debts but are just, when they come due, refinancing them and in this way they're just adding on to their debt too. In addition to this we were told in committee, when we sat as the Statutory Orders and Regulations Committee, that the consumers of Canada had another \$7 billion of debt where interest is being charged on it. So that in total, you have a tremendous amount that has to be paid by the consumer of Canada in interest. This is a real problem; this is a serious problem in my opinion and this is something that we should be looking for to correct and try and do something about.

Mr. Speaker, there is a way that this can be remedied. It rests with the Federal Government to a certain extent in the legislation that they pass, because banking is a Federal Government concern under the Constitution. But I feel that our Federal Government should be asked to take certain action and that we in this House should prompt the Federal government to take certain action. Why not have the Bank of Canada take over the national debt? This need not be done all at once. This could be done in stages, and in this way we could save the interest on our national debt; in fact, we could pay it off the way it is created. This would in turn free a lot of capital which could be used for private development and public development as well in Canada. We could really get going with the amount of money that is tied up in our national debt.

Then, too, we would be saving the 1.4 billion dollars annually that we pay in interest. This is almost as much as we are paying for national defence of our country. This amounts to about 15% of the federal budget and is a very substantial amount. Think of what we could do with the 1.4 billion each year. This would be sufficient to build 100,000 new homes in Canada, just in a single year, and in this way in a matter of short order we could have our country built up. The interest costs certainly could be cut down very very substantially and as I mentioned, that the takeover could be on a gradual basis, so that the cost would be a very nominal amount probably a fraction of 1%. Then we could use the Bank of Canada to provide interest free money for such public institutions as hospitals, schools, roads, what have you. Why do we have to pay the private banking institutions this enormous amount of money each year in interest when the power rests with the Federal Government to bring this very thing about. I do not mean to say that we should not have our banks to service the people of the province and the country. Surely they could function. But bring them on a 100% reserve and not have the private or line banks given the privilege of the fractional reserve whereby they can create \$14 for every \$1 that they deposit with the Bank of Canada; and in this way we would not be paying three times over for our schools, for our hospitals, for our roads, where money is being borrowed in order to develop. And this in turn would then also affect the interest rates for private investment and private businesses; I am sure it would lower the interest rate right across the board.

As I pointed out before, in times of tight money, in times of scarcity of money, we have

(MR. FROESE cont'd.).... business failures and we have business failures galore. I'm sure that as a result of the tight money that is in Canada today, the high cost of money, that we will have more business failures this current year, that we will have a substantial increase because there is just not sufficient money to go around.

Under our present monetary system there are bound to be failures because we bring into existence under an item that we manufacture or produce the cost of the raw product, the cost of labour, but when it comes to the product to the consumer, we add on a margin and the portion that represents the margin has never been brought into existence. Therefore, we are unable to purchase back the goods that we produce and as a result, we have a shortage of purchasing power and somewhere this money has to come in, either it is being borrowed at the consumer level, of which we have seven billion dollars today, or it could be brought in through a national dividend such as we in Social Credit recommend. This would be provided by the Bank of Canada and would not cost the people of Canada any money. In this way, we could prevent business failures; in this way, we would have sufficient purchasing power to buy back the goods that we produce. Under the present system, our total earnings, commission, salaries and so on are much less in any given year than the gross national product so that we are always short at any given moment of time in purchasing power and we can never buy back the goods that we produce under the present system.

So, Mr. Speaker, we certainly have a long way to go and certainly we could do a lot of things for the people of Canada if we only applied ourselves, if we only took the necessary action and attack the trouble at its source and not try to patch up and remedy them in some other way.

The present high cost of money definitely will have detrimental effects on many aspects of the economy. I'm thinking here of the construction business. Sure enough they will suffer this year, because we just won't have the same amount of building and construction going on that we have had here in the past, because the cost of interest is too high, the cost of money is too high, and people will not go and borrow for long periods of time to bring about construction in industry and private homes. I don't see how the government can have the nerve and the courage to encourage anyone to build a home or expand his business and contract a large term debt at this high rate of interest. To me it just is not feasible and I certainly would not want to ask anyone or induce anyone to go into large projects and create a large debt and then be saddled with it. So, Mr. Speaker, this is the one point I feel is one of the more important points that we should tackle and that we should give consideration to.

Other matters have been touched on in the budget. I think the matter of the Constitution was raised as well as the new fiscal agreements that will have to be arranged with Ottawa. I feel as far as the Constitution is concerned that had we abided by it strictly we would not be in the trouble that we are in today in Canada. I think we should abide more closely by it and avoid the pitfalls.

I think the Honourable the Official Leader of the Opposition had something to say on uniting with other provinces and probably have the three prairie provinces constituted as one. Well in my opinion, we should stay where we are. However in some cases we might benefit. We might then elect a social credit government in the western part so that we could implement some of the policies and programs that I recommend. We also might have aid to private schools if we had it because both Saskatchewan and Alberta have this. I feel this is a subject matter that should be considered and something should be done about it because our private schools cannot carry on indefinitely the way they are and have been doing. The burden is getting heavier all the time.

MR. SPEAKER: I hate to interrupt the honourable gentleman but I must tell him he has four minutes.

MR. FROESE: Thank you. So that when we collect a 5% sales tax from all the people in the province, surely these people are entitled to some service as well. I might also include those divisions that are not in the unitary system; here again these people should be getting assistance and more than what they're getting. The amount that was given them last Spring, \$300 for an elementary teacher and \$400 for secondary is actually peanuts and I think the Minister should have been ashamed to offer this amount when other divisions were getting much more and when these people are contributing in such large amounts to the general coffers of the province. I do hope that they reconsider and do something about it because this is just unfair and is very unjust in my opinion, and certainly in the long run something must be done.

(MR. FROESE cont'd.) . . . The costs of education are rising annually and I for one would think that we have to place limitations on it, sometime somewhere. I think we should start at the University level, that students going to University should pay a greater portion of the costs of their education at university level, because those people that do not attend university, they are taxpayers and they have to support their comrades who go to university. The ones that go to university should treat this as an investment on their part because later on in life they will be drawing larger salaries, whereas those that do not will have to be satisfied with a lower remuneration for their services and therefore I feel that if we start limiting this is where we should start the limitations.

I had some other matters that I was going to touch on but I imagine that I haven't got sufficient time. It deals with an article in "Canada Month" and is written by Premier Ernest Manning and which in my opinion is very informative. I would have liked to touch on some of the points that he lists; however, at this time I do not have sufficient time on my hands so I will try and bring it in on some other occasion.

MR. SPEAKER: The Honourable Leader of the New Democratic Party.

MR. PAULLEY: Mr. Speaker, I realize that the hour is getting on toward that of adjournment but I think that possibly I should say a word or two in connection with the budget of the Province of Manitoba and in particular with the amendment as proposed by my colleague the Honourable Member for St. John's. For I feel that in the amendment to the amendment as proposed by the Member for St. John's that there is sufficient criticisms of the government that really should warrant some reply from government, particularly the Provincial Treasurer. I'm sure all of us appreciate in this House the remarks of the Honourable Minister of Health this afternoon; we appreciated what he had to say. But really, Mr. Speaker, the honourable gentleman didn't do anything other than repeat what was already known in this House.

For instance my honourable friend did not touch on the problems of Medicare which problems are in his own balliwick. He spoke of the fact that the government had built a few roads over the last 10 years or so; he said that the government had made some contributions to the field of education over the last 10 years; he told us that in certain other aspects of government contributions had been made over the last 10 years; that it was now possible for the Honourable Provincial Secretary to go on a paved road from Dauphin up to Flin Flon. I don't know whether or not -- and of course through the valley of the Swan, Mr. Speaker -- I don't know really whether my honourable friend the Minister of Health was suggesting that if it hadn't been for the members opposite and the old seeing eye that these things wouldn't have happened, but I suggest that they would have even despite the government that we have in Manitoba today had of occurred. But what my honourable friend, who is the first, if I am correct, of the front benchers to take part in this debate, what he omitted was really to refer to his own department. He omitted, as we have tried on this side of the House ever since the session commenced to elicit some information from government as to why they adopted the policy that they have in respect of Medicare. Not a word, Mr. Speaker, from my honourable friend the Minister of Health, of the conditions of health in Manitoba. A few roads, yes; a few schools, yes, a few additional dollars to our universities - without the provision of course of the availability of university education to all of the citizens of Manitoba based on their ability to absorb knowledge - not a word about that - Uh, no. My honourable friend, and I don't want to pick on him because he's a lovable sort of a soul, I really don't want to pick on him, but he is, Mr. Speaker, the First Minister of the Government who has taken part in this debate - and what did he say at the offset? What almost was his first words? They were his first words - that nobody on this side had offered any concrete proposals as an alternative to the deficiencies of the government opposite.

HON. GEORGE JOHNSON (Minister of Education)(Gimli): He made a good speech, Buzz.

MR. PAULLEY: He made a lovely speech that said nothing. And I admire my honourable friend. You know, my honourable friend the Minister of Education has really put his finger on the pulse of the operation from the government side, particularly in this Session. They make such marvellous speeches and say nothing. --(Interjection)-- Pardonnez moi, s'il vous plait?

MR. LYON: . . . exposure to that kind of process .

MR. PAULLEY: Yes, that's right, there's a lot of exposure from either on the right or the left of my Honourable Friend the Attorney-General, and I admit that he is subjected to that type of exposure. I'm not privileged of course to be a member of the caucus, but I'm sure

(MR. PAULLEY cont'd.) . . . that what happens in the caucus meetings emanate in to what happens in this House, so my honourable friend the Attorney-General is perfectly correct when he says that he's associated with this all the day long. I can understand why it is then that he raises these sort of asinine statements, or makes these asinine statements in the progress of the debate as we've just heard from him just now.

But the Minister of the Crown who is most responsible to this House for the budget has as yet been peculiarly silent in the debate. --(Interjection)-- It could be that he is tired, and I would suggest that he has lots of reason to be tired, Mr. Speaker.

MR. LYON: And you are one of them,

MR. PAULLEY: Yes, yes, I may be one of them, and thank goodness for Manitoba there are ones like even the member for Radisson that make the Member for Fort Rouge, the Provincial Treasurer, tired, because I'm sure that my honourable friend the Provincial Treasurer must get tired of the complaints that are directed toward him as to the operation of the fiscal policies of the Province of Manitoba. So I can agree with the member for Fort Garry, the Attorney-General, that the Provincial Treasurer should be tired. How he has borne up as well as he has with what he has to work with in the conduct of the affairs of Manitoba is a marvel to me and I offer him my congratulations; I offer him my sympathies.

However, I would like to hear before 9:30 tomorrow evening some rebuttal from my honourable friend the Provincial Treasurer as to the specific points raised by my colleague for St. John's in the budget. It did appear, Mr. Speaker, that an hour or so ago that the debate on the budget was going to be adjourned without a word opposite, and then my friend from Flin Flon stood up. I guess he was even disgusted with the lack of participation of the government.

Let's just take a quick run over the proposition, the sub-amendment proposed by my colleague from St. John's. No. (1). That the government has failed to conduct the public affairs in a planned, prudent, progressive businesslike manner, and neglected to conduct cost-benefit studies which would provide a development policy of sufficient scope. I wonder if my honourable friend the Provincial Treasurer can recall from whence the basis of that resolution came. I'm sure my honourable friend the member for Lakeside will remember it. Basically, it came from the Conservative Party, Mr. Speaker, when they were on this side of the House. This was their criticism of the former administration - with which I joined at that time and I feel sure that the Liberals in this House will join me now in the same criticism of the government opposite today - failure to conduct the public affairs of Manitoba on a prudent, progressive, businesslike manner. You're not doing it, to the detriment of all of Manitoba.

(2) Failed to provide in its budget for the carrying out of the Medicare program now. I thought again, Mr. Speaker, that when the Honourable Minister of Health rose in his seat today we were going to hear some reference to Medicare, but I suppose it's a fact of life that one can be disillusioned on many occasion and wrong. Possibly my friend from Gimli, the Honourable Minister of Education, before the debate is ended will stand up, now that the Honourable Minister of Health has by-passed Medicare, to give us the stand of the government. . .

MR. JOHNSON: Not unless you make a better speech than you're making now.

MR. PAULLEY: Oh, I don't make good speeches at all. As a matter of fact, it's not my purpose to make good speeches; it's my purpose to elicit from government good proposals, which were not forthcoming.

And what about No. (3). Failed to develop the natural resources in the best interests of the greatest number of the people. You know, Mr. Speaker, I believe it was in 1955 or 1956 the Conservative Party of Manitoba voted for that resolution. I challenge you to do it now, because the situation is just as bad now as it was at that time.

Now what about No. (4). While imposing a Revenue Tax and Sales Tax for the alleged purpose of shifting the oppressive tax burden from the Municipal real property taxpayer, has failed. My colleague from Seven Oaks, my colleague from Inkster, and also my colleague from Brokenhead has pointed this out in very emphatic terms in the last couple of days as to this fact. Have we heard anything at all from the front bench? I don't expect too much from the rear bench, but nothing from the front bench in support of the position of the government.

No. (5). Has failed to adopt a policy of equity in taxation. And all we've got from the Provincial Treasurer is a little booklet saying why we cannot adopt the policies or suggestions of the Carter Commission on Taxation. What about a capital gains tax? Not a word, not a word from my friend the Provincial Treasurer, and yet the Minister of Health has the

(MR. PAULLEY cont'd.)... consummate gall to stand up and say that we haven't suggested any alternative proposals as to where the money was coming from. The other day, the other day my colleague from St. John's was talking and trying to refute the general accepted principle of the Conservatives and the Liberals that there is only one taxpayer's pocket from out of which the tax dollar can come, but my friend from St. John's also pointed out that there are many avenues where there is sources of revenue to carry on the affairs of government that are not being taxed at the present time. Have I heard, or have the members in this House heard a word from the Provincial Treasurer in this regard? No, not a word. Is there no answer from government? Are they prepared to continue with a status quo without a revision of the taxation basis in Canada?

And then the next one, No. (6). That the government has failed to adopt policies which would relieve the agricultural industry of the problems of the cost-price squeeze. Where is my honourable friend the Minister of Agriculture? He's just going to leave I see - he's just going to go his merry way. Has he taken any part in the debate dealing with the economy of Manitoba, dealing with the question of the cost-price squeeze in agriculture? No, his attitude seems to me to be, Mr. Speaker, the attitude apparently, he's adopting now of leaving the Chamber instead of taking part in the debate and giving us some of the answers to the problems of agriculture.

MR. LYON: .... has much more important things to do than....

MR. PAULLEY: Yes, that's exactly the psychology, Mr. Speaker, of this government as just enunciated by the House Leader, that he has more important problems to take care of than the problem of the cost-price squeeze in agriculture. Now that's what the Honourable House Leader just finished saying.

MR. LYON: Mr. Speaker, I didn't quite say that. Mr. Speaker, I think I did say just for the sake of the record, that he had more important things to do than to listen to a bad speech.

MR. PAULLEY: Mr. Speaker, I want it clearly on the record that my honourable friend the House Leader said that the Minister - maybe he was referring to him as the Minister of Highways - has more important things to do than to consider the question of the cost-price squeeze in agriculture, and for that reason he was leaving this Chamber. And that's what the Honourable the Minister the Attorney-General said.

MR. LYON: You can twist, but you....

MR. PAULLEY: And let him twist it as much as he likes, that is what Hansard, I trust in truth will record, that my honourable friend the House Leader says that the Minister of Agriculture has more important things to do than to worry about the cost-price squeeze in agriculture, and that is what's happening, my honourable friend the Minister of Agriculture is now outside of this room.

MR. LYON: He's not listening to a silly speech anyway.

MR. SPEAKER: Order, please. I find myself in somewhat of a dilemma that I cannot give any opinion on what the Honourable Minister is being accused of because I didn't hear him say it. However, I believe the argument is probably settled that Hansard will take care of it tomorrow.

MR. PAULLEY: You know, Mr. Speaker, as one who comes from an agricultural district basically as you do from Swan River, you would be appalled if you had of heard the remarks of the Honourable the Attorney-General, and we leave it at that at the present time. I agree with my honourable friend the Attorney-General; I accept the criticism of my honourable friend when he says that I may be making a silly speech, but, Mr. Speaker, may I suggest that having such silly company who are in such a dominant position in Manitoba, possibly there's some justification and licence for me to do so. When we hear such silly propositions, such inane, asinine propositions from the Government of Manitoba for the conduct of the affairs of Manitoba, I guess some of us can be excused unless we happen to be possessors of halos which must adorn the curly-headed locks of the Attorney-General, which halo, incidentally, I would suggest, Mr. Speaker, one of these days will come down about six inches and choke him.

And then let us take a look at No. (7). And while increasing tax costs on low and middle income taxpayers, has failed to provide a planned program of economic and social development for Manitobans which will bring about in Manitoba the just society.

MR. LYON: ....Trudeau.

MR. PAULLEY: That's Trudeau, yes. He's using it now, and there are some who

(MR. PAULLEY cont'd.)... consider that possibly for the first time in Canada we have a socialist Prime Minister, even though he may be heading a so-called Liberal Party in Canada. Of course I'm not so sure of either the attribute of Trudeau being a socialist -- or anyone can lead a Liberal Party because I think they're so split that they're no party at all.

But, Mr. Speaker, we've had no reply at all - we have had no reply at all from the government opposite as to their policies and their programs aimed toward the establishment of a just society here in Manitoba. --(Interjection)-- "It's all in the north," someone interjects. I'm sorry that the Honourable Member for Churchill is not here this afternoon because I do want to dwell for a few moments on the question of Churchill, the Port of Churchill in the north. I do want to refer, Mr. Speaker, to a news article that appears in the paper today which allegedly contains the report of the Jones Commission and associates pertaining to Churchill that we have not been given the opportunity of receiving as yet in this House, and I might say too that the Honourable the Minister of Urban Affairs, who unfortunately is not here at the present time, has referred to as a draft report. What the final report will reveal, we don't know as yet.

But, Mr. Speaker, my honourable friends the members opposite love to tell us in this House of the progress in the last ten years. The Honourable the Minister of Health, the Honourable Minister of Welfare, the Honourable Minister of Education, the Honourable the Attorney-General, --- they want to stand up in this House and tell us of the progress of the last two years for humanity. The Honourable Member for Churchill, as I say unfortunately is not here, has in the last few months followed a commission around northern Manitoba pointing out the deficiencies of the government. And now what have we? Now what have we? Ten years of progress on behalf of humanity. I said the other day to the Attorney-General, I asked the Attorney-General the other day, insofar as legal defence of the citizens of Churchill in respect of people attending or appearing before the court, what legal aid they have, and he says none, because there are no lawyers available in Churchill. Well there is a prosecutor, there are those that will sentence people, but there is nobody there to defend them. Ten years of progress? And what are some of the suggestions that come out of the report that hasn't been tabled in this House as yet? But I am sure, Mr. Speaker, that the news report basically is correct. And what does it say?" It has been estimated that 70% of the town's buildings are substandard." Urban Development and renewal under the auspices of the Minister of Urban Affairs. Ten years of Toryism in Manitoba - a Progressive government? - Hallelujah! No. 2. "Primitive methods of sewage disposal have created a serious health hazard with 80 cases of hepatitis reported last year." Ten years of Conservative concern for the health of the people of Churchill? Not a word this afternoon, Mr. Speaker, of this, from the Minister of Health.

"There is no organized water supply and the supply that now exists may be cut off this summer, killing whatever business exists." Where do you stand Mr. Minister of Industry and Commerce? Are you going to beat the drums for 70 in Churchill where there is a possibility of the cutting off of the water so that there will be no business in Churchill? Are you going to be like the rest of the members opposite, mute and silent, when we are dealing with the progress of Manitoba? "Chronic health problems have been blamed on the lack of a proper water supply for Churchill." Where is the Minister of Health?

The town tax base cannot support the installation of basic municipal services and the Attorney-General laughs. And I think, Mr. Chairman, the laughter of the Attorney-General is indicative of the approach of the Conservative Government to the Town of Churchill --(Interjection)-- yes, yes. A laughable matter? A legitimate joke? Then if my honourable friend listens to legitimate jokes instead of the problems of Manitoba he should be doubly criticized in shame. This to me again indicates, Mr. Speaker, the approach of government to the problems of Manitoba. They'd rather listen to a legitimate joke than listen to the problems that face Manitoba and Manitobans. --(Interjection)-- Of course, it's shame. And what else? "A freeze on new subdivisions and primitive conditions write off any possibilities of residential mortgages." This is nothing new, we didn't need the Jones Report to tell us this. This has been going on for five or six or seven years, by my friends opposite, and every time the matter is raised in this House, either the Minister of Municipal Affairs or somebody else says "we have the matter under consideration."

You know, Mr. Speaker, I wouldn't be a bit surprised if the Honourable the present Member for Churchill gives up the ghost, as did his predecessor, John Ingibrittson, and say, "What's the use. You can't get anywhere with them; you might as well leave them." And that's what

(MR. PAULLEY cont'd.) . . . happened insofar as the previous member concerned, because of the attitude of government opposite.

And then, another quote from the report says, "Churchill is run by a provincially appointed administrator and it has no leadership and no effective representation in local government." This is what the report says. And what are we getting from opposite? - Stony silence and non-participation. Then the report goes on to say, or this news report goes on to say, that the report places responsibility for Churchill's plight squarely in the lap of the Federal Government. Now I can see my friends opposite may take a little solace because the report does criticize the Federal authority, but the fact of the matter is that this government has taken upon itself from time to time the lip service responsibility for the Port of Churchill, in conjunction with the Federal authority.

My honourable friend, the Minister of Welfare is responsible for many of the peoples in Churchill, and I don't know, Mr. Speaker, how many members of the Legislature have gone down or gone up to Churchill and seen the conditions that prevail there. And when we hear, as we heard this afternoon, a defensive government policy in connection with the building of roads, schools and other provisions, forgetting entirely the situation that's prevailing at Churchill, we as Manitobans should hang our heads in shame. And when we do talk of education, when we do talk of education in Churchill, I don't know of another spot in the Province of Manitoba in which there has been more trouble in education than there has been in Churchill. Where there has been more dissatisfaction, where there has been more dissatisfaction among the teaching personnel and others. . . .

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