

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Tuesday, April 21, 1970

Opening Prayer by Mr. Speaker.

PETITIONS

MR. J. WALLY MCKENZIE (Roblin): I beg to present the petition of Germain Gosselin and others praying for the passing of an Act to incorporate Club de St. Malo.

MR. SPEAKER: Reading and Receiving Petitions.

MR. CLERK: The petition of the Investors Group praying for the passing of an Act to amend an Act to incorporate the Investors Syndicate.

The petition of Stephen Juba and others praying for the passing of an Act to incorporate Seven Oaks General Hospital.

MR. SPEAKER: Presenting Reports by Standing and Special Committees.

INTRODUCTION OF GUESTS

MR. SPEAKER: At this point I should like to direct the attention of the honourable members to the gallery where we have with us 15 Grade 11 students of the Westgate Mennonite Collegiate. These students are under the direction of Mr. J. Suderman. This school is located in the constituency of the Honourable Member for Wolseley. We also have with us 92 students of Grade 9 standing of the Isaac Newton School. These students are under the direction of Mr. Neudorf, Mr. Rosen and Mr. Ferens. This school is located in my constituency, the constituency of Burrows.

On behalf of all the Honourable Members of the Legislative Assembly, I welcome you here this afternoon.

REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: Adjourned debate on the proposed motion of the Honourable Member for The Pas. The Honourable Member for Rupertsland.

MR. JEAN ALLARD (Rupertsland): May I have leave of the House to let this matter stand, Mr. Speaker. (Agreed.)

MR. SPEAKER: Notices of Motion; Introduction of Bills; Orders of the Day. The Honourable First Minister.

STATEMENT

HON. ED. SCHREYER (Premier) (Rossmere): Mr. Speaker, I'd like to make a short statement. I'd like to inform the House that the government at a meeting held at 9:00 a. m. this morning has decided to activate the Manitoba Flood Fighting Plan as a precautionary measure - and I emphasize the words "precautionary measure" - in view of the possibility of continued unfavourable weather. Based on the information available to us, it is expected the situation can be handled largely through normal procedures within the various government departments. However, the possibility does exist that there may be additional precipitation and we wish to be prepared to meet this eventuality.

It was to establish a framework for provincial assistance that we are activating the Flood Fighting Plan. As stipulated therein, the Manitoba Emergency Measures Organization will again act as co-ordinator. They will be using their own offices in the Fort Osborne Barracks for this purpose. The plan provides for consultation of all agencies involved, both those of the Provincial Government and at other levels, to provide assistance if it becomes necessary. Discussions will be held with municipal officials in areas that may be affected along the Red River so that they are fully aware of their responsibilities under the plan as well as those of the Provincial Government. Based on present information, the Red River Valley may be the only area that may be affected.

Again I stress that the activation of the Flood Fighting Plan at this time serves as a precautionary measure that will make it possible for the province to provide assistance if it is required. Predictions at this time indicate that under the very worst possible set of circumstances, based on precipitation to this time, the Red River would not produce greater flooding than that of last year, and with improved weather conditions peaks could be as much as two feet lower. As conditions warrant, the government will announce plans for handling costs

(MR. SCHREYER cont'd.) involved in flood fighting operations. Thank you.

MR. SPEAKER: The Honourable Leader of the Official Opposition.

MR. WALTER WEIR (Leader of the Opposition) (Minnedosa): Mr. Speaker, I'd like to thank the First Minister for his statement, and from our group to commend the government for taking this precautionary measure so that we will be ready should circumstances warrant.

MR. SPEAKER: The Honourable House Leader of the Liberal Party.

MR. GORDON E. JOHNSTON (Leader of the Liberal Party) (Portage la Prairie): I agree with what the Leader of the Official Opposition has said to the government, that it is wise to take the precautions and be prepared for the worst eventuality. I wonder if the First Minister could tell us, while it's highly unlikely that there'll be a degree of flooding, is he doing anything to help farmers with grain in land that may be temporarily flooded but the grain may be rendered unfit or it may cause some sort of damage. Is there anything in the plan to help these people to either transport their grain to a safer place or to have an emergency quota opened so that they may dispose of the product?

MR. SPEAKER: The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I too would like to commend the government for taking action. I would like to know from the Minister concerned whether, and to what extent, have the municipalities been notified and advised, and also what role are they to play in case the flood does come.

MR. SCHREYER: Well, Mr. Speaker, a number of questions have been asked. I can advise honourable friends that the Minister of Agriculture was present at the meeting this morning and that he is, if he has not already been, he is now in the process of consultation with the Canadian Wheat Board with respect to the question of emergency movement of grain and emergency quotas. I am sure that he is working on that at the moment and may be able to report to us on the results, if there are any results to report just yet.

As to the municipal people, they are being advised that we have activated the Flood Fighting Plan. They're being reminded or advised of their responsibilities under it, and also advised what agencies of government to contact in the event of unforeseen emergencies.

ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I wish to direct this question to the Honourable Minister of Labour. Is he giving any consideration to enacting legislation for an early notice to -- for the employers to give early notice for, say, dismissal of many employees? Is the Minister giving any consideration to enacting legislation during this session so that the employers would give early notice if they dismiss employees. I'm thinking of a mass dismissal of employees because of automation.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): I would be glad, Mr. Speaker, to take under consideration the point raised by my honourable friend. I understand that there is proposed legislation at Ottawa in respect of this matter. I have not as yet, Mr. Speaker, received from my colleague or compatriot, the Honourable Bryce Mackasey, the Minister of the Federal Department of Labour, but I certainly will take the matter under consideration on receipt of the same.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY ENNS (Lakeside): Mr. Speaker, I direct a question to the Minister responsible for the Manitoba Liquor Commission Act and the Licensing Board, the Honourable Attorney-General. Gondola Pizza Incomparable of Canada Limited and Gondola Pizza Limited are two firms engaged in the pizza business, my understanding is, in competition with Shakey's Pizza Parlors Limited who recently had their liquor license revoked. My question is, can the Attorney-General inform the House whether or no he is now, or has been in the recent past, a shareholder and director in one or both of these firms?

HON. AL. MACKLING, Q.C. (Attorney-General) (St. James): In private practice I was a solicitor, that's right.

MR. ENNS: A supplementary question, Mr. Speaker. The question is, is he now a director and shareholder of one or two of these firms?

MR. MACKLING: I am not a shareholder or director of any corporation or any business that has a licence from the Manitoba Liquor Control Commission.

MR. ENNS: Mr. Speaker, I'll attempt once more; that is not the question that I was

(MR. ENNS cont'd.) asking. I was asking the Attorney-General whether or not he is a director of Gondola Pizza Incomparable of Canada Limited.

MR. MACKLING: At the present date I am not certain; I don't believe I am, I think I tendered my resignation to that company. However, it has no licence with the Manitoba Liquor Control Commission, so I confirm the answer I gave to you earlier.

MR. ENNS: Mr. Speaker, I direct a further question then to the Honourable the First Minister. In view of the answers I just received from his Attorney-General, it at least leads us to believe that he has a connection with a firm that is in direct competition with another firm in the same line of business who had their liquor licence revoked. Does the First Minister not feel that, if not in fact, but certainly the possibility of a very serious conflict of interests is present here?

MR. SPEAKER: I believe the honourable member is asking for an expression of opinion.

MR. SCHREYER: Well, Mr. Speaker, clearly that is asking for an expression of opinion which is not only not in keeping with the rules but I'm surprised that the honourable member is interested in my opinion on anything. Furthermore, I'd ask my honourable friend how he would have liked it if the former Premier had commented on his actions or lack of them.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, I address a question to the First Minister. I wonder if the First Minister is in a position today to give us any further report on the negotiations going on with the Federal Government regarding operating or improving the federal policy on our wheat problem in Manitoba now, or are we still in a state of flux.

MR. SCHREYER: Well, Mr. Speaker, I bring that question to the attention of my colleague the Minister of Agriculture. I'm not able to say what, if anything, has transpired in the last four or five days in that connection.

MR. SPEAKER: The Honourable Minister of Mines and Natural Resources.

HON. SIDNEY GREEN, Q.C. (Minister of Mines and Natural Resources) (Inkster): Mr. Speaker, I did give my honourable friends notice of the new line-up of estimates and I want to indicate that I left out Tourism and Recreation to follow Government Services, so if they will just correct the notice that I gave them, Government Services followed by Tourism and Recreation, and the balance is accurate.

MR. SPEAKER: The Honourable Leader of the Official Opposition.

MR. WEIR: Mr. Speaker, if I might enquire of the House Leader, has there been something beyond the Department of Mines and Natural Resources or are we just sorting out the order of departments until we reach Mines and Resources?

MR. GREEN: That's correct, Mr. Speaker, I've just given them in the order up to Mines and Natural Resources. I hope to be able to provide beyond that in due course.

MR. WEIR: Mr. Speaker, in due course we could arrive at that position very early if we once get by the talkative member of the front bench. I wonder if "in due course" would mean today.

MR. GREEN: Oh, Mr. Speaker, I really don't think we'll be that fast, but I'll try my best to finish the line-up very soon.

MR. SPEAKER: Order, please. Yesterday, on April 20th, during questions before Orders of the Day, the Honourable Minister of Transportation rose in his place on what he termed a point of privilege and made a statement. Now rather than run the risk of having an honourable member suffer embarrassment as a result of my miscomprehension, I deliberately chose to await reading the transcript of this statement in Hansard before taking any further action. The statement recorded on Page 1074 of Hansard reads as follows:

"Mr. Speaker, on a point of privilege, is this side of the House going to get the same type of treatment as the other side, or do we have two sets of rules here."

Having read the statement, I gave the Honourable Minister notice of my reaction to it, that is to say that I fear that as it stands it could be interpreted to be a breach of privilege in the sense that it may be construed to reflect upon the conduct of the Speaker, and that I in my own humble opinion am inclined to interpret it as such and that in the absence of a retraction or an explanation, to remove the statement from the risk of falling within the area of breach of privilege, I shall be compelled to direct the attention of the House to this matter and then it shall become a question which only the House could decide.

(MR. SPEAKER cont'd.)

May I direct the attention of honourable members to Beauchesne Fourth Edition 1958, Citation 68 (1), which reads in parts as follows: "Reflections upon the character or actions of the Speaker may be punished as breaches of privilege. His actions cannot be criticized incidentally in debate or upon any form of proceeding except a substantive motion. Confidence in the impartiality of the Speaker is an indispensable condition of the working or procedure and many conventions exist which have as their object not only to ensure the impartiality of the Speaker but also to ensure that his impartiality is generally recognized."

Now I am certain that it is not the intention of any member of this House to violate its privileges. I also appreciate that on occasion in the heat of debate or in making spontaneous remarks, one's mind may race ahead of one's tongue and the expression may not read exactly as the spokesman intended it to be read and interpreted. Therefore, rather than proceed further under the rules, I would kindly ask the Honourable Minister to take advantage of this opportunity either to retract his statement hereinbefore referred to or to offer such explanation as to remove it from the danger of being interpreted as a breach of privilege.

HON. JOSEPH P. BOROWSKI (Minister of Transportation) (Thompson): I take it, Mr. Speaker, you're waiting for a reply? Well, I rose on a point of privilege, Mr. Speaker, and I think I had a point of privilege. One of our backbenchers was attempting to make a statement and wasn't given the opportunity and -- (Interjection) -- I beg your pardon? I felt that perhaps, Sir, you weren't paying attention to the proceedings -- and I don't blame you if you weren't, because some of the things that have went on in this House, I would probably leave the House if I was Speaker. However, after reading the rules from Beauchesne, I think you certainly have a point, Sir, and if I have broken the rules of the House, I certainly apologize to you, Sir.

MR. WEIR: Mr. Speaker, on the point of order, now that we've breached it, I wonder if the charge that the Speaker wasn't paying attention isn't as significant a charge as the one that was brought before the House a moment ago.

MR. SPEAKER: I think I'm prepared to accept that in a different light than the one made yesterday rather than prolong the . . .

The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Speaker, before the Orders of the Day, I'd like to direct a question to the Minister of . . .

MR. SPEAKER: I wish to thank the Honourable Minister for his apology. The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Speaker, before the Orders of the Day, I'd like to direct a question to the Minister of Mines and Natural Resources. Would the Minister be in a position to firm up the proposed date for the official opening of the Shellmouth Dam within the next, say, thirty days?

MR. GREEN: I believe so, Mr. Speaker.

MR. SPEAKER: The Honourable House Leader of the Liberal Party.

MR. G. JOHNSTON: Mr. Speaker, I'd like to direct my question to the House Leader with respect to the order of estimates. There seems to be some changing, shifting of the line-up of departments. I notice that we have gone through five of the departments and there are 45 hours have been used up out of the 80, and he gives us a line-up of six departments to come in the order. Could he advise us when the Department of Industry and Commerce is going to appear on the order list? I think there's some interest in that department.

MR. GREEN: Well, Mr. Speaker, I indicated to my honourable friend the Leader of the Opposition that I hoped to have the balance of the estimates in very soon, and I might congratulate honourable members because it looks like this might be one of the only years that we finish all departments.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I'm not sure who to direct my question to in the absence of the Minister of Agriculture. I'll direct it then to the Honourable the First Minister. According to press reports, potatoes, vegetables, sugar beets and corn will be qualified under the new quota proposal of the Federal Government. Could the Minister tell us whether peas and buckwheat will also qualify under this program?

MR. SCHREYER: Which program was my honourable friend referring to?

MR. FROESE: The Federal Government's quota program for the next year -- the grain quota program.

MR. SCHREYER: Mr. Speaker, I'll have to take that question as notice. I believe that the honourable gentleman is correct but I'm not certain and I'll take it as notice.

MR. SPEAKER: The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Mr. Chairman, before the Orders of the Day, I'd like to direct a question to the Minister of Mines and Natural Resources. I've been told that I'd get my Order for Return on correspondence in due time. I wonder would he do all he could to see that I had it before his estimates come in.

MR. GREEN: I will try and do that but we are trying all the time, so we'll keep on trying.

MR. SCHREYER: Mr. Speaker, before Orders of the Day, I should like to lay on the table of the House, as we undertook to do, seven copies of the letter of commitment or agreement entered into between Versatile Manufacturing Limited and the Crown.

MR. SPEAKER: The Honourable Member for Ste. Rose.

MR. GILDAS MOLGAT (Ste. Rose): Mr. Speaker, I'd like to address a question to the Minister responsible for Public Utilities. When will the House Committee on Public Utilities be called?

HON. SAUL CHERNIACK, Q.C. (Minister of Finance) (St. John's): Soon, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Ste. Rose.

MR. MOLGAT: Like the Budget. Mr. Speaker, I'd like to address a question . . .

MR. CHERNIACK: If I may just complete, may I say I want to keep the honourable member with us as long as possible.

MR. MOLGAT: I'd like to address a question to the Minister of Youth and Education, Mr. Speaker. Has a decision been taken to convert Sunset Lodge into a Youth Hostel and when was this decision taken, if so?

HON. SAUL A. MILLER (Minister of Youth and Education) (Seven Oaks): The decision has not yet been taken. It's under active study at the present time.

MR. MOLGAT: A supplementary question, Mr. Speaker. Has the Municipality of Old Kildonan, in which this is located, been consulted?

MR. MILLER: No, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, before the Orders of the Day, I have a question for the Minister of Youth and Education. In the recent edition of the Carillon News there is some fairly serious charges against the school board there. There are some fairly serious charges reported . . .

MR. SPEAKER: Has the honourable member a question?

MR. CRAIK: . . . in the Carillon News. Can the Minister indicate whether there have been any proceedings in the school division that the department has been concerned about and could he report them to the House if such have been discovered or made?

MR. MILLER: Mr. Speaker, I haven't read the Carillon News; I'm not aware of the charges that are being referred to. If the member would send me a copy I'd gladly read it over.

MR. SPEAKER: The Honourable Minister of Tourism and Recreation.

HON. PETER BURTNIK (Minister of Tourism and Recreation) (Dauphin): Mr. Speaker, a few days ago a question was directed to me by the Honourable Member for Rock Lake insofar as the official opening of the Spruce Woods Park. I've checked this out in the last few days and weather permitting, hopefully, on June 20th.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, my question is for the Honourable Minister of Youth and Education. Last night during the debate on estimates the Minister didn't have with him a breakdown of the university grants between the three universities. I'm wondering if he's able to supply that information now?

MR. MILLER: No, I haven't that information, but I will have it. I'll try to have it for tomorrow.

MR. MCGILL: A supplementary question. On the University Grants Commission, are all three universities represented?

MR. MILLER: To the best of my knowledge they are, but I'll have to check that as well.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. LEONARD A. BARKMAN (La Verendrye): Mr. Speaker, I was asking the Honourable Minister of Tourism and Recreation the other day concerning a grant at the International Peace Gardens. Has any consideration been given at this time? We'll try again, Mr. Speaker. The Minister of Tourism and Recreation. I wonder if anything has been -- you were to reply soon after I asked the question. Has something been done towards establishing a grant for the International Peace Gardens?

MR. BURTNIAK: Mr. Speaker, I will be glad to deal with that in my estimates.

MR. SPEAKER: The Honourable House Leader of the Liberal Party.

MR. G. JOHNSTON: I also have a question for the Minister of Tourism and Recreation. Will a start be made this year on a Provincial Park at Paint Lake?

MR. BURTNIAK: That also, Sir, will be dealt with in my estimates.

MR. BARKMAN: I wonder if the Honourable Minister could give us an idea when his estimates will be -- it will be after this next one, I understand.

MR. BURTNIAK: Right.

MR. SPEAKER: The Honourable Member for Ste. Rose.

MR. MOLGAT: Mr. Speaker, on the subject then of the order of estimates, the letter I have does not indicate Tourism and Recreation anywhere on the list.

MR. GREEN: It follows Government Services.

ORDERS OF THE DAY - MOTIONS FOR PAPERS

MR. SPEAKER: Orders for Return. The Honourable Member for Morris. The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, the Order for Return, in the wording which appears, could possibly be acceptable except for the fact that I don't want to mislead the House or the honourable member that brought it. The question of number of deputy ministers whose annual increments fall due, etc., due by the end of the fiscal year, which is the one that's just ended, possibly could be answered if one were clear on what is meant by "annual increments". The second question of course would seem to have a similar easy solution except of course that they seem to ask for the number which fell due by the end of - I assume - the previous fiscal year, which doesn't seem to make much sense. And finally, the third question, number whose increments have fallen due that have been denied.

I think we should therefore get clear just what the honourable member might mean by "annual increments" because I assume he is talking about merit increases, and I would read from The Civil Service Act, Section 2 (b) (r) as my note indicates, "Merit increase means an increase in the rate of pay of an employee within the pay range and granted as provided in this Act and the regulations in recognition of satisfactory services." The question would seem to imply that there is an automatic increment and I want to point out to the honourable member, who not having been a member of the Cabinet in his lifetime in the province, may not be aware of the fact that these merit increases are not automatic and therefore there are not annual increments which fall due as set out in his questions. I point that out only so that the member should be aware that there is not a question of denial or of granting when it comes to merit increases, but rather one of recognition of satisfactory service as set out therein.

Now, deputy ministers, as I am informed, do not have any tenure and do not have any grievance rights except insofar as they can go to their Minister, or indeed to the Premier, who is primarily responsible as I am informed, in connection with the appointment of deputy ministers. Assistant deputy ministers, however, like all other civil servants, have full right of appeal to the Civil Service Commission and any Assistant Deputy Minister who feels that he has been handled unfairly, does have an appeal right to the Civil Service Commission in the normal course.

Now I might indicate, Mr. Speaker, that pay ranges of positions in the Manitoba Civil Service are set forth in the Pay Plan which is public information and which is certainly readily obtainable by members of the Opposition and of the public, so that pay ranges are readily available. I assume also - I haven't checked it but I assume - that Public Accounts, which are filed annually, give actual payments for the year in which they are reporting, and this I suppose is information which can also be obtained by honourable members.

Now I am informed that there has been a practice that a list of deputy ministers and equivalents has been filed with Leaders of each Party, and never having been a Leader of a

(MR. CHERNIACK cont'd.) Party I can't say that I have received them, but if that has been the tradition, I am quite prepared to honour the tradition and distribute it.

But I think, Mr. Speaker, that we are involved here in a question of policy of what is proper for public knowledge and debate in relation to personnel matters and personnel management. May I indicate that I am informed that the Government of Canada has been prepared to give information on deputies' salary ranges but has not given information on salaries, that is public information on salaries paid to deputies, and I think that the reason is a proper one. I think that it should not be a matter for public comment, and I certainly think it should not be a matter for comment in this House on matters dealing with the personnel employed by the government which would make it appear as if the ability of any employee of government is being questioned or challenged or reviewed or considered publicly.

And this I think is a tradition that holds true in every other level of government of which I've had the honour to participate - and I speak now of municipal levels - where people's names and people's abilities, people who are employees of government, should not be bandied about in public, should not be discussed in public, should not be questioned or embarrassed in any way. I don't think that honourable members would want to do that, but if they did then they would have a right to do so on their side, especially if they have the support and encouragement of the person whom they want to debate, and if he or she is willing to expose themselves in that matter, that would be his responsibility and that of the member who raises the question. But, Mr. Speaker, I for one would not want to be party to giving an opportunity for anyone to be able to debate publicly the merits or demerits, the abilities, the capabilities, the good points and indeed the bad points of individual employees of this government in public. I wouldn't want to do it myself. I have refrained from doing it when I felt I had the opportunity so to do, and I certainly would not like to be party to making it possible for others to do so.

Merit increments relate to individual performance, and revelation of increments granted or not granted therefore relate directly to an individual civil servant. I do not consider it in the public interest to announce such personnel matters affecting an individual, nor of course do I feel that it is in the interests of the personnel themselves to have that discussed. I think it's bad personnel management; I think it's bad for morale. I would hope that I would have agreement on the other side that that is the case and I would hope that possibly the member proposing this motion would ask leave of the House to have it withdrawn, but that of course is his privilege and one which he can deal with as he sees fit. But I do indicate that I am prepared to give a list to each Leader of the Opposition parties of the deputy ministers currently employed, but I'm afraid that the government must refuse to vote for this Order for Return.

MR. SPEAKER: The Honourable Leader of the Official Opposition.

MR. WEIR: Mr. Speaker, I hadn't intended to enter this debate, but the fact that the Minister of Finance has left the impression that what was being sought here was information concerning individuals within the Civil Service, which just a simple reading of the Order would tell one that there is no names being asked for, there is no names being asked for in any way, shape or form. As a matter of fact, the member making the order has deliberately, I am sure, grouped them so that there couldn't be any identification with any individual within the Civil Service or at either of the levels. It includes groups of people that would, I would say, at least fall in a category where there would be 15 to 20 to 25 individuals collectively, and it asks for the answers collectively, not individually.

Mr. Speaker, it happens, it happens during a session when we have had a couple of resignations of deputy ministers, or the equivalent, during a session of the Legislature and there have been some reasons given. One of the reasons that there can be for an evacuation of good people is that something that might ordinarily be expected is being withheld. In other words there can be a pressure exerted, it can be not a pressure with an individual, it could even be a pressure being exerted against all of them, and, Mr. Speaker, if the answer came back and came back in the right form, I would think that it would be confirmation of the confidence that has been expressed by the government in the senior civil service rather than in any other form.

Mr. Speaker, I think that at a period of time when there has been a change of government and when expressions of faith are being given to the Civil Service generally, that now is a good opportunity to sort it out, because, Mr. Speaker, if there has been a withholding of something that was earned at the levels that we're talking about - we can talk about it being merit increases or not - but when you're dealing with people that are at the deputy minister level, or

(MR. WEIR cont'd.) at the assistant deputy minister level, you're talking about individuals who are responsible for the every day administration of the department, and if they're not doing a satisfactory job to warrant their increase that is within their range, then I would think that the road is very clear for the government, is very clear for the government of that day, whether it's our government that was there before or whether it's the government that we have now, that they could very well do without those people. If you have people who are administering, administering say 20 or 25 people who are responsible for the administration of \$500 million almost of the people of Manitoba's money and the policies that they generate, I think that the people of Manitoba require the knowledge that the confidence exists between the government and the staff that they have.

And the fact that the Minister of Finance has apparently deliberately indicated that we appeared to be seeking information in regard to an individual, which is certainly not the case within the Order, all that is contained within the Order is whether there is a trend, whether there is a trend within the government to place pressure on senior civil servants generally speaking within the Civil Service, and I think that it's information that the people of Manitoba and members of this House are entitled to. I think that it's particularly necessary when it follows on some resignations like we have recently experienced. As one who is exposed to the senior Civil Service, I can, I can express confidence and I would hope that under similar circumstances that the present government can express confidence. It's really not a matter of trying to pick holes or to pick an individual or anything else, but I would like to see the expression of confidence presented to the members of this House and to the people of Manitoba through the answering of this Order for Return.

MR. SPEAKER: The Minister of Government Services.

MR. PAULLEY: Mr. Speaker, I think that I should say something in respect of this debate. I'm sure that my honourable friend the Leader of the Opposition, if he were to reflect on the remarks of the Honourable the Minister of Finance in respect to this Order for Return, would agree with my honourable friend, and the rejection particularly in respect of Item No. 3.

Now my honourable friend the Leader of the Opposition has suggested that this may be a reflection on the Civil Service personnel. I had the opportunity last evening to pay a tribute to the civil servants in the Province of Manitoba in my capacity as Minister of Government Services, and, Mr. Speaker, it's not peculiar at all to reject temporarily increments to the civil servants and it's not peculiar just to deputy ministers or assistant deputy ministers. There is provision within the agreement between the Civil Service and the government for the payment or non-payment of increments. Increments, Mr. Speaker, are not automatic, but they're on assessment and I would imagine - I would imagine that my honourable friend when he was the First Minister in some of his departments would not have granted increments just automatically and may have withheld them for a period of time. There is provision within the agreement for a review, I believe it's after three months or possibly six months when an increment is not awarded, for a review. And surely to goodness it is quite reasonable for government or management - and this sure is done in private industry as well, Mr. Speaker - not to automatically give all increments.

I want to say, Mr. Speaker, what could conceivably be the outcome of an answer to the question that is being posed by the mover of this Order-in-Council -- or Order for Return. Excuse me. What if there were only one? By the process of elimination, that particular individual could be pinpointed. What if it were all of the deputy ministers? I think that my honourable friend can receive this information without it becoming public knowledge, because this could conceivably be reflected toward an individual unjustly. And that is the purpose of that - I hear some mumbling from the back row, but we'll let that go - but that is the reason for the rejection. And I, not being directly concerned with the deputy ministers or equivalent, I am concerned as Minister of Government Services charged with the general direction of the Civil Service, as to what implications could be contained within questions of this nature as applied within the department.

And I want to join with my honourable friend the Minister of Finance in an appeal to the mover of this resolution. My colleague has indicated that there's no objection insofar as the disclosure of the salaries. It can be obtained, as indicated, through Public Accounts, and I agree that Public Accounts are a year old but I guess we can't do too much about that. But when we get down to a basis of the denial of increments just by number, without any reference to the reasons why, it could conceivably be that because of transfers within departments of an

(MR. PAULLEY cont'd.) individual or because of the fact that an appointment may have been made at a higher salary level than might normally be attributed to that position, that there was no increment awarded.

But how, Mr. Speaker, could this be misconstrued by simply disclosing that by points of number. We're not denying it precisely, but I'm suggesting that rather than this become -- (Interjection) -- a witch hunt, to use that phrase - although it wasn't my choosing it was my interjection - but it's not a denial of information. I want to say to my honourable friend the member for Portage la Prairie, the House Leader of the Liberal Party, there's no desire to not disclose this except in the interest of good labour relations with individuals.

MR. G. JOHNSTON: The only interest is the public interest.

MR. PAULLEY: Oh, my honourable friend says the only interest is the public interest and I have to reject that. We're interested in the public but we're also concerned with public relations with the government services of the Province of Manitoba. And I say to my honourable friend that I think that that is as equally as important as disclosure of information requested in this Order for Return. I don't think, Mr. Speaker, that in this we're being unreasonable, I think we're being fair. If my honourable friend the Leader of the Opposition or the Leader of the Liberal Party in this House or any other member seeks information from a respective ministry, it may be forthcoming but let us not - let's not make this Assembly a forum where individuals, even through a process of elimination, are placed on a stage that may be detrimental to them.

Let's be fair about this, Mr. Speaker, and that's the appeal that I'm attempting to make on behalf of anyone in the government service, be it at the deputy minister level, the assistant deputy minister level or any other department of government services, because surely if we adopt this principle, Mr. Speaker, as requested by my honourable friend the Member for Morris, in respect of deputy ministers and assistant deputy ministers, the next Order for Return could be the same in respect of the ministry or the employees in Government Services, employees in Labour, employees in every department to the detriment of the basic concept of good industrial relations, good relationship between management and employee, because there's so many misconceptions and so many connotations can be placed on the use of this type of information to the detriment of all.

So, Mr. Speaker, I join in the remarks of my colleague the Minister of Finance in an appeal to my honourable friend the Member for Morris to reconsider the full context of this request for information.

MR. SPEAKER: The Honourable House Leader of the Liberal Party.

MR. G. JOHNSTON: Mr. Speaker, it's surprising what a few months in time and a change of position will do to some people.

MR. PAULLEY: Mr. Speaker, may I say to my honourable friend, I never sought such information.

MR. G. JOHNSTON: Mr. Speaker, I can recall a debate that took place two years ago in this House when I believe it was myself introduced a motion to do away with the Boundaries Commission, and at that time my friends opposite took great delight in discussing the salaries of the members of the Boundaries Commission and what their worth was and the job that they were trying to accomplish. It seems to me that members of the opposition have the right to ask questions. In this case it's a formal question by way of an Order for Return, and it seems to me that if the government have made some mistakes and they're exposed in a debate or they are exposed in the answering of a question, well this is the way it should be. My friends opposite seem to be very sensitive now and not once today have they mentioned the words "open government" which they have mentioned quite recently and many times in the recent past.

MR. SCHREYER: Would the honourable member permit a question?

MR. G. JOHNSTON: Yes.

MR. SCHREYER: Since he mentions open government, which is a phrase that is dear to me and which we try to live by, does he recall that at the same time as we talked about open government that I did indicate that there were three exceptions - and I've said this publicly many times over the past several months - the three exceptions being, you know, defence of the realm, security, which has no bearing on a provincial government anyway; the second being matters under current negotiation; and the third being matters of personnel relations within the Civil Service. I'm on record right from the day this group formed the government that those were the three exceptions to the whole concept of open government.

MR. G. JOHNSTON: I fail to get the question.

MR. SCHREYER: Does my honourable friend recall that these were the three exceptions?

MR. G. JOHNSTON: I recall my friend making a statement as he has repeated now, but I don't think he had a formal vote as to see whether or not the statement was acceptable in all corners of the House. My understanding of the reason for government to hold back information is if it's damaging to the national security, if it involves negotiations with a party outside of government and there may be prejudice to the negotiations, or if a party outside of government wishes that they not be named or any of their information not be revealed, and the only other qualification I would give is that if it is in the best interest of government not to release the information. Now in my opinion this Order for Return doesn't fall in any one of these three categories.

MR. SCHREYER: Personnel relations.

MR. G. JOHNSTON: Personnel relations between who? Between a Minister, a Cabinet Minister and a deputy? Or relations between the people of the province who pay the salaries and the good government that would come from the Civil Service upwards and downwards. So I don't accept the arguments put forward by my friends opposite.

It has been said by the Minister of Labour, or by the Minister of Finance that if you wish to know this information you can check the Public Accounts which are a year old. So therefore it's not privileged information, but it is not current information and that's the only difference. It's a year old - it's a year old. The suggestion was given, and I think it is correct, that from time to time once a year the leaders of the parties receive a sheet that lists the deputy ministers and their salaries. Does this mean that any leader of a party must take this in confidence and he's bound to secrecy with it? It's public information. -- (Interjection) -- Well you're suggesting that it should be kept that way, and if you want to know come and see me behind closed doors and I'll let you know. You suggested that ten minutes ago.

MR. PAULLEY: I wonder, Mr. Chairman, would my honourable friend permit me to clarify if that was his impression. I wasn't referring at all to the question of the precise salaries of the deputies and the assistant deputies but rather to the question of the increment. That's what I was referring to, not the other two.

MR. G. JOHNSTON: Well, I didn't get the question, Mr. Speaker. But really what this could be is a quiet method of exerting some pressure on a deputy minister. This is what it could be. If it's not an annual increase and it's a merit increase or it's a combination, then who decides on the merit of the deputy minister. Some members of the Cabinet I presume, eh? This is the final judge - this is the final judge. If a mistake has been made no one knows about it. This is the way you want it, and you say this is in the best interests of labour-management relations.

MR. CHERNIACK: . . . of the member? Is he now arguing differently from the Leader of the Official Opposition that names should be revealed to the House and to the public?

MR. G. JOHNSTON: There's no mention of names on the Order.

MR. CHERNIACK: I'm asking the honourable member, if he'll permit me, are you now suggesting that mistakes will be revealed in any way other than by this kind of reference to individual people who are employed by the government?

MR. JOHNSTON: Well, if the name has to come out it has to come out, but I don't think that the Cabinet should be the tribunal where this is decided in secrecy and no one else knows what the decision was or on what grounds it was made. -- (Interjection) -- My honourable friends don't like what I'm saying and I can appreciate that. They're in a very indefensible position when they're trying to say that they . . .

MR. GREEN: Mr. Speaker, may I ask my honourable friend a question? Do you think that the Minister should also have some court of appeal with regard to promotion, or hiring or firing, other than what is contained in the present Civil Service Agreement? Do you suggest a Court of Appeal from the ministerial authority over his department with regard to staff?

MR. JOHNSTON: That's a different argument. I'm saying that if my friends opposite make a decision to deny a deputy minister an annual increase or a merit increase, who is to know that their decision was correct or not? -- (Interjection) -- Well, it's public monies, it's a public servant.

MR. GREEN: We're not spending any money. We're saving money.

MR. JOHNSTON: Well, Mr. Speaker, I can see that my friends are very sensitive

(MR. G. JOHNSTON cont'd.) . . . about this point and I think this is the crux of the matter right here as to whether or not their judgment is the almighty judgment in the province when it comes to whether a senior civil servant is denied or gets an increase. And for them to stand up here and say this is not in the best interests, we're not going to answer this question, for ones who create quite a feeling of being for a democracy, this is a strange way to go about it because this is not democratic. This is not democratic; you can not stand up and say it is not in the public interest to answer that question.

MR. SCHREYER: All right, all right, fine, what's your alternative?

MR. G. JOHNSTON: Answer the question. Answer the Order.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I have to rise in support of the request made by the Honourable Member for Morris. Some of them said "Shame" on the other side. I'm not ashamed of this because we're discussing a very important principle, a principle that will go very far. It won't stay with this because it'll find its way into Public Accounts. The next thing we know Public Accounts will not give the record of what these people receive. We know from Public Accounts at the present time how much was received. They know how much we as members receive and I think this should be open. We've been discussing open government, that these people are the ones that will disclose, and now we find that they're reversing their stand.

MR. GREEN: Would the honourable member permit a question?

MR. FROESE: Sure.

MR. GREEN: Can the honourable member state any democratic Parliament that he knows of, whether in the United States or Canada or in any of the provinces, where the question of the ministerial salary to a Deputy Minister is the subject of legislative debate?

MR. FROESE: Legislative debate?

A MEMBER: What about Coyne's salary - James Coyne.

MR. FROESE: The member sitting next to me is mentioning James Coyne.

MR. GREEN: It's not a question of legislative salary, Mr. Speaker.

MR. FROESE: Mr. Speaker, I feel that the practice that we've had up to now should be upheld, that we should stay with it, and certainly when the Minister of Labour says that this is to the detriment if they will disclose this, this is to the detriment of the public service, that's not true. How can we fight or how can we go and support a certain civil servant when we feel that he is underpaid or that he is not getting the increment that he is entitled to. There's no way of us knowing. And then if people should resign as a result and if this is not disclosed, how are we to know the reason for them leaving? Certainly I do not accept what the government is proposing at this time in denying this request, because this principle would not rest with the decision that is made here. It would continue on, it would continue on into Public Accounts and before long the Public Accounts, as we have them now, will not be what they are today and information would be withheld.

MR. PAULLEY: That's absolutely ridiculous.

MR. FROESE: One further matter is that the Minister states that the leaders of the opposition parties are given this information. Here again we're differentiating. Are the people in my constituency second-class people that they're not supposed to have -- their representative is not supposed to have the same information that other members of this House are able to get? I think this should stop. I think if we make information available, it should be available to all members of this House.

MR. PAULLEY: You get it in Public Accounts.

MR. SCHREYER: Well, Mr. Speaker, perhaps you could advise me, Sir, whether I have the right to speak. It occurs to me that I do inasmuch as I haven't spoken on it yet, therefore how could I have exhausted my right to speak? -- (Interjection) -- Well, I'm asking Mr. Speaker for advice in this.

MR. BOROWSKI: Could I speak while you're looking up Beauchesne?

MR. SPEAKER: Yes. The Honourable Minister of Transportation.

I believe that the Honourable First Minister has lost his right to speak under our rules. The Honourable Minister of Transportation.

MR. BOROWSKI: I've changed my mind.

MR. PETER FOX (Kildonan): Mr. Speaker, I move, seconded by the Member for Logan, that debate be adjourned.

MR. SPEAKER: I'm sorry, your seconder?

MR. FOX: The Member for Logan.

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

MR. SPEAKER: Order for Return. The Honourable House Leader of the Liberal Party.

MR. G. JOHNSTON: Mr. Speaker, could I have this matter stand? (Agreed.)

PRIVATE MEMBERS' RESOLUTIONS

MR. SPEAKER: The proposed resolution of the Honourable Member for Fort Rouge. The Honourable Member for Fort Rouge.

MRS. INEZ TRUEMAN (Fort Rouge): Mr. Speaker, I consider myself very much more fortunate today in speaking to this resolution since I now have the Minister of Recreation and also the Minister of Cultural Affairs present in the House. There seems to be a certain futility in speaking on Friday afternoon.

Now just to recap briefly what I was saying, I was pointing out that the Floodway is a strip of land 29 miles long with a top width of a thousand feet, 500 feet being used up for the bottom and 250 feet on each side. Part of this side area is used for a disposal but there's approximately 125 feet less on each side of the banks which could be very suitably used for recreation purposes, and as I am particularly suggesting, in a tree planting program as a means of commemorating our Centennial Year. I have not heard of any program, any tree planting program having been mentioned in connection with centennial and this would of course provide recreation for whole families; it would be a very wholesome program indeed. I suggested that a five-mile stretch of the Floodway might be used and that we might suggest the planting of evergreens so that we could have an example of every evergreen type that grows in Canada. Or we could plant a five-mile stretch with flowers that bloom and this could become a tourist attraction which would perhaps rival apple blossom time in the Annapolis Valley.

I had pointed out the beneficial effect of trees and green areas in connection with pollution of our atmosphere, the fact that they consume carbon dioxide and produce oxygen. Also, that a tree draws up a very large amount of water and keeps this water within the community, cleansing and renewing the atmosphere.

I believe when I finished I had just been pointing out a note in this pamphlet which comes out concerning resources. I'm not sure where it comes from, which department of government it comes from, but under a section entitled "Parks and Recreation" there's a statement. "The signing of a Federal-Provincial ARDA agreement to share the development costs of provincial parks and recreation sites was announced recently by the Federal Department of Regional Economic Expansion and the Saskatchewan Department of Natural Resources. This program is meant to increase income and employment opportunities by developing the tourist industry through the provision of public recreation areas." I don't know whether the Minister has taken advantage of this possibility of cost-sharing in any other programs but it certainly could be taken advantage of in this situation as well.

Now I did go back through some of the old newspaper clippings because I recalled that in the past there had been quite a promotion of developing recreation areas on the Floodway, and I came across an article from the Free Press of March 19, 1969 in which the then Recreation Minister, Mr. Carroll, in speaking to his estimates said that "four areas of the Floodway had been earmarked for the following developments: At the floodway inlet in the St. Norbert area, plans for a marina as well as picnic and sports facilities. At the junction of the Floodway and the Trans Canada Highway there would be a visitor orientation centre and a wayside park. Gardens and facilities for snowmobiling, picnicking and boating would be provided at the Lockport Inlet and there was also a possibility of a carnival area. At the junction of Highway 59 and the Floodway near Birds Hill Provincial Park, there would be winter sports facilities and snowmobiling." Now I haven't heard anything, but perhaps we will hear something when the Minister is speaking to his estimates very shortly.

In the meanwhile, I would ask the support of the House for this resolution so that families might have the pleasure of planting a tree, living in harmony with nature and providing a lasting commemoration of the province's first 100 years.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, before it should go to a vote, maybe I should have adjourned the debate on this, but I think the resolution is a valid one. Certainly we should I think

(MR. FROESE cont'd.) do something about the Floodway, not just having it go to waste or spending large amounts of money in maintenance. I think - what is it? - about 400,000 that we've spent each year in maintenance of this Floodway? At least it's a large amount. I can't recall the exact -- I haven't got the figures before me but it's a very substantial amount and I think it involves something like 10,000 acres of land. If this was used for pasture, you could have a herd of 5,000 head of cattle and have them graze on it, and this would certainly bring a lot of revenue. But I'm not suggesting that this be done. -- (Interjection) -- Pardon? -- (Interjection) -- A corporate farm. Well, it could certainly be put to better use than just having it go idle and waste the way it is. This way it just costs a lot of money and it's not going to be put to any real use. As the Member for - Fort Rouge, is it? - has stated, that we should plant some trees and make it a beauty spot, make it something where people can get recreation, I am all for it, but certainly I don't think we should just leave it idle and spend the amount of money that we are going to spend in years to come without getting anything out of it.

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

MR. SPEAKER: The adjourned debate on the proposed resolution of the Honourable Member for Assiniboia and the proposed motion of the Honourable Member for Rhineland in amendment thereto. The Honourable Minister of Mines and Natural Resources.

MR. GREEN: Mr. Speaker, I think that this is an appropriate time to distinguish between what the government is doing when it passes a motion such as was just passed and moved by the Honourable Member for Fort Rouge. The proposal that has been put by the honourable member is one that the government feels is worthy of consideration and we'll consider it, and I think that having said that, that's all there is to say.

The next resolution asks the government to consider the advisability of reimbursing to each municipality the equivalent amount lost to the municipalities by way of such exemption and implementing the program within the current fiscal year. Now I gather from your remarks, Sir, that you have attached the word "consideration" to the word "implementing" so that we are still in a position of consideration of the advisability of implementing a program within the current fiscal year, and if we wanted to be facetious about these matters, which the honourable members opposite suggest that we are, we could pass the resolution knowing that no consideration could affect what the government program is before the House, and we don't intend to mislead. The passing of the resolution as it's presently formulated would mean that the government would give consideration to the implementation of a program within the current fiscal year which is not contained within the current estimates and which we've indicated in the Speech from the Throne we are not prepared to do. That doesn't mean that we don't consider the resolution to be one worthy of consideration.

MR. FROESE: . . . Throne Speech, it just states what they are going to do, it doesn't state the things that they're not going to do. It does not mean automatically that no other things will be considered.

MR. SPEAKER: Order please, I don't believe the honourable member has a point of order.

MR. GREEN: Well, Mr. Speaker, just to -- (Interjection) -- I intend to continue. We could be playing with words. The Throne Speech indicated that there would be no programs this year which would further shift the taxation load, that we would deal with those at the next session of the Legislature - and I'm paraphrasing, I'm not stating it exactly. Surely the honourable member knows that once any kind of taxation relief is given it involves picking up the taxation from another source, and I think possibly that this is one of the failings that my honourable friend has, that he will tell people that the Provincial Government can relieve municipalities without telling the same people that once that is done the municipal taxpayer has to continue to pay taxes except in another and perhaps worse form, with the result, Mr. Speaker, that a whole series of reeves from my honourable friend's municipality came to visit me and said that if only the Provincial Government . . .

MR. FROESE: . . . that these people came to see you.

MR. GREEN: They nevertheless came, Mr. Speaker, and my honourable friend was there, and they had the notion that if the Provincial Government would completely broaden its drainage program that this would be relief for the municipal taxpayers. I explained to them what my honourable friend well knows, that I have a tendency to believe in that kind of a program. I have a tendency to think that the Provincial Government can do things better and

(MR. GREEN cont'd.) cheaper but that they should not be deluded into thinking that because the province pays for it rather than the municipality, therefore the citizen doesn't pay taxes, because if we did go into the type of drainage program that we went into, it would be not only for my honourable friend's municipality but for the total province and the taxes would then be spread out in a different way - possibly by an income tax, possibly by a sales tax, possibly by any other method of taxation, but it doesn't come free when the Provincial Government does it and we never ever said so.

The Member for Rock Lake suggested that we never told the taxpayers during the campaign that when we shifted taxes from the premium to something else that it would cost them income tax. Mr. Speaker, not only did we tell them, but I in this House thought the increased income tax would be 50 percent over and above what they are now paying and I still advocated it, because it was still better than a premium tax. And the Member for Rock Lake knows it, because he heard it and he was sitting in the House. And I said it on television; I said it in my election literature; I said it wherever I could say it and the people knew that that's what we were doing so that there is no magic in these programs. Therefore, the suggestion that the program that the consideration take place this year -- Mr. Speaker, if we wanted to act with some sort of duplicity we could pass this resolution, say that we've considered it and then not include it.

Mr. Speaker, we have no intention of misleading anybody, least of all my honourable friend, and therefore we are telling him that this consideration cannot take place this year, that the consideration of what the estimates will contain this year is now being done by all members of the House, that the government has announced its program, that the resolution itself, at least the articulation of the problem itself as indicated by the Honourable Member for Assiniboia, we agree with. As to whether that is the specific way of handling it, we will consider and we will come next year with the program that the government intends to bring forward towards providing additional relief from what are considered to be inequitable taxes.

But, Mr. Speaker, we will not be a party to any suggestion that we are going to not seriously consider an opposition resolution, and whereas we are certainly willing to consider the substance of the resolution, to suggest that we would seriously consider doing it this year would just not be credible and would not be true and we don't intend to adopt that posture. So we will be voting against the amendment.

MR. SPEAKER: Are you ready for the question on the amendment? The Honourable Member for St. Vital.

MR. JACK HARDY (St. Vital): Mr. Speaker, I beg to move, seconded by the Honourable Member from Gladstone, that debate be adjourned.

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

MR. SPEAKER: The proposed resolution of the Honourable Member for Ste. Rose and the proposed motion of the Honourable Minister of Industry and Commerce in amendment thereto. The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I would ask this to stand, but if anyone else wishes to speak, feel free to do so.

MR. GREEN: Mr. Speaker, I did want to -- No, I presume that the resolution, the amendment is going to be brought forward again. I'll just let it go.

MR. SPEAKER: The proposed resolution of the Honourable House Leader of the Liberal Party. The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I adjourned the debate for the Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: I'll be closing debate if no one else wishes to speak.

MR. SPEAKER: The Honourable Member.

MR. G. JOHNSTON: Mr. Speaker, nearly everything has been said that could possibly be said on this resolution. It was discussed last year and again this year and I know the government say that they are sympathetic and they agree. I believe the Minister of Education said they supported the Bill. Am I correct or incorrect? -- (Interjection) -- In spirit. That means I guess whatever meaning any of us would wish to take out of it, but I'm suggesting to him that the real property taxpayer can not take any more increases of the nature of the increases that have been loaded on to him in the past few years.

The Member for Fort Garry mentioned the problem in his area where there's a 7.9 mill increase in the area, of which most of it is for school, and it is getting pretty serious

(MR. G. JOHNSTON cont'd.) when the mayor makes the following statements for public information: "Mayor Dick Wankling took exception to the School Board's demands and said that Council couldn't tolerate, year after year, increases of a six mill average. He suggested that the Provincial Government should put a ceiling on special levy of the mill rate similar to the government in British Columbia." Now, Mr. Speaker, it's a very sad situation when you have the mayor of a municipality criticizing people on School Boards who are locked in and can't help themselves when they have to ask for money to fulfil their budget commitments.

So I know the government is aware of this problem and I know that during the debate they said; Well give us some time; we're studying 10 solutions and hopefully we'll be ready to do something in another year or so. If I could accept that as an iron-clad guarantee that within a year there would be a change, or there would be some sort of guarantees given that the property taxpayer would not be called upon to pay these steady, heavy increases year after year, I'd be satisfied, but the Minister in his part of the debate seemed rather doubtful and hesitant that he knew the answer to the problem. He didn't enumerate or go into detail or discuss the 10 suggestions that he was considering, and this is the only idea I've heard considered amongst municipal people and amongst legislators in this House. We've not had the other 10 brought out so we could examine them and decide whether there's a better alternative. I think even though the government's only been in power for less than a year, if they don't have any ideas at all on this subject to mention publicly and they admit that this is a good idea, well then they should accept the idea and proceed with it.

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

MR. G. JOHNSTON : Yeas and Nays, Mr. Speaker.

MR. SPEAKER: Call in the members. We're dealing with the motion of the Honourable House Leader of the Liberal Party on Page 3.

A STANDING VOTE was taken, the result being as follows:

YEAS: Messrs. Allard, Barkman, Bilton, Borowski, Boyce, Burtniak, Cherniack, Claydon, Desjardins, Doern, Einarson, Enns, Evans, Ferguson, Fox, Froese, Girard, Gonick, Gottfried, Graham, Green, Hardy, Henderson, Jenkins, Johannson, Johnston (Portage la Prairie), Johnston (Sturgeon Creek), Jorgenson, McBryde, McGill, McGregor, McKenzie, Mackling, Malinowski, Miller, Molgat, Moug, Patrick, Paulley, Petursson, Schreyer, Shafransky, Sherman, Spivak, Toupin, Turnbull, Uruski, Watt, Weir and Mrs. Trueman.

NAYS: Nil.

MR. CLERK: Yeas, 50; Nays, nil.

MR. SPEAKER: I declare the motion carried.

The proposed motion of the Honourable Member for Assiniboia. The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I will be closing the debate. At this time I wish to express my appreciation for the members that have taken part on this resolution, and as I stated when I introduced the resolution, this is a very minor change and would make the law uniform. I think it would be in the right direction because at the present time the legislation in Manitoba does not entitle an employee to his pay if he is off on any of the statutory holidays, and the law says he must be paid only if he receives below the minimum wage. What I'm saying, if he's off on any of the statutory holidays he should be paid.

As well, the second part of the resolution has asked that Boxing Day and the civic holiday in August be declared as a general holiday as well, and this would increase the holidays from seven to nine. I know that only on very few occasions probably that this is misused, but I think it would make the legislation and have it uniform and there would be very little misunderstanding as there exists at the present time between some of the employers and employees.

So I hope that all the members of the House will support it and I will be waiting to see what the Honourable Minister of Labour will do, because I was not sure if he said he will be supporting it. I didn't recollect what he said in the resolution when he did speak but I believe on the last time he had an amendment to the resolution that he'll be doing some further study, and again he mentioned that, at that time he was critical that the members on this side cannot find any of their original ideas and cannot propose anything to the House except what he had proposed before. Well, Mr. Speaker, I would at this time say that the Minister of Labour has

(MR. PATRICK cont'd.) never, at any time in this House since I've been in this House, spoken on this topic, has never at any time requested for this legislation when he was in opposition, so I think it was wrong for him at the time to say, well this is something that I've requested, because really the Minister has never even talked in respect to statutory holidays, increasing the statutory holidays, and employees are not entitled to pay for the statutory holidays. That's one area that I know that the Minister has not taken any part in the debate, so I hope that he will be in agreement at the present time and I would be most happy to see all the members of the House support this resolution.

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

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

MR. SPEAKER: Call in the members. We're dealing with the motion of the Honourable Member for Assiniboia on Page 4, Resolution No. 9.

A STANDING VOTE was taken, the result being as follows:

YEAS: Messrs. Allard, Barkman, Bilton, Borowski, Boyce, Burtniak, Cherniack, Claydon, Craik, Doern, Einarson, Enns, Evans, Ferguson, Fox, Froese, Gonick, Gottfried, Graham, Green, Hardy, Jenkins, Johannson, Johnston (Portage la Prairie), Jorgenson, McBryde, McGill, McGregor, McKenzie, Mackling, Malinowski, Miller, Moug, Patrick, Paulley, Petursson, Schreyer, Shafransky, Sherman, Spivak, Toupin, Turnbull, Uruski, Watt, Weir, and Mrs. Trueman.

NAYS: NIL.

MR. CLERK: Yeas, 46, Nays, Nil.

MR. SPEAKER: I declare the motion carried.

MR. MOLGAT: Mr. Speaker, I was paired with le membre de St. Boniface. Had I voted, I'd have voted in favour of the motion.

MR. GABRIEL GIRARD (Emerson): Mr. Speaker, I was paired with the Honourable Minister of Municipal Affairs. Had I voted, I would have voted in favour for the motion.

MR. SPEAKER: The proposed resolution of the Honourable Member for La Verendrye. The Honourable Minister of Mines and Natural Resources.

MR. GREEN: Mr. Speaker, may I have the indulgence of the House to let this matter stand? (Agreed.)

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MR. SPEAKER: The proposed Resolution of the Honourable Member for Ste. Rose. The Honourable Minister of Mines and Natural Resources.

MR. GREEN: Mr. Speaker, I stood this matter on behalf of my friend the Honourable The Minister of Finance.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, the resolution advanced by the Honourable Member for Ste. Rose on the matter of estate tax rebates cannot be supported by this government. First, our position on this subject is explicit. We do not believe that a bad idea gains any value because more people support it, and we do not believe that any fallacy in a tax measure can be corrected by continuing to tax, on the one hand, and giving the money back on the other hand. Two or even three wrongs do not make a right.

The government has said, let there be one equitable estate tax in Canada. Let the Federal Government administer it and let the provinces be given equalized compensation. That way, all Canadians will be treated with equity. All legitimate tax obligations will be supported, and no jurisdiction or region will be given advantage over others. Furthermore, we simply do not agree that the rebate of estate tax would give any meaningful or long lasting advantage to anyone. The scheme is self-defeating, for as it becomes universal all advantage disappears. And of course the people of Canada have lost a vital aspect of equitable public sharing in the accumulation of wealth, an accumulation made possible only because public service and facilities and government create the opportunities and the climate and the protection for enterprise and saving.

Let me quote a passage from the report of the Smith Royal Commission on Taxation in Ontario in 1967. "Death taxes are admirably suited to control the growth in this country of an economically powerful minority whose influence is based upon inherited wealth. By this device, the amount of capital that passes from one generation to another can be controlled, an essential safeguard for the basic fabric of a democratic society. Moreover, because the tax is not payable until death, this end is achieved with a minimum deterrent to working and saving during a man's earning and creative life." This is the report of the commission which was set up by the, - I suppose it was the Progressive Conservative government of Ontario.

Both the Member for Ste. Rose and the Member for River Heights have said that they don't disagree with the contention that in the long term we can all agree that estate taxation is justifiable and that it ought to be uniform and that the Federal Government ought to be the taxing authority, but both seem to say, well all that notwithstanding, give way now, not because the principle is drawn but because there may be some short term advantage. The Member for Ste. Rose cited an article in the Financial Post of March, 1968, and he more or less conceded that there was really nothing in that article to prove that new substantive benefits to the broader Alberta economy or community were imminent or likely, just simply that a lot of trust companies were going to make money setting up the security transfers to help some investors save some potential tax money for their heirs. All claims for benefits to any economy from giving wealth a free ride between generations are at best conjecture. And the Member for River Heights, through all the syntax and the passion of his contribution, offered no substantiation for any claim that giving estate taxes away would help Manitoba as a community. Oh there were some thoughts as to how individuals with estates of as much as a quarter of a million might be helped, and I suppose even more help might be claimed for the still bigger fellows, if there were any, but I am not impressed that generosity in that direction would help what my friend from River Heights calls the "small person" in any automatic way or any way at all.

What the Member for River Heights is really saying, and my colleague the Minister of Mines and Natural Resources established this pretty effectively, that what my honourable friend opposite is really saying is, no taxes would be best, but if you must tax, let everyone else pay a little more so that a few can pay a lot less. Because that is exactly what would have to be the case if we were to rebate estate taxes, and I repeat, I haven't seen one iota of real evidence to the contrary. And if my friends opposite suggest that we could take back in income tax what we give away, well why give it away in the first place? And in any case we wouldn't get it all back, and certainly not from the people we gave it to.

I confess I don't really like to argue with my friend the Member for Ste. Rose on this subject. I really think we are in agreement on the basic issues of estate taxation. After all, he accepts explicitly the basic position of this government: (a) Ottawa, not the provinces, should handle estate taxes. (b) Provinces should not compete by manipulating the tax rebates. (c) There should be uniformity across the country. In which case, really, why are we arguing?

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(MR. CHERNIACK cont'd) . . . We really agree. I note that my friend from Ste. Rose does not fall into the trap of the Member for River Heights. He does not suggest we alter our spending priorities to make some estate tax rebates available for those \$200,000 estates which were referred to by the Honourable Member for River Heights. I wonder how our friend for River Heights would explain to a family on Social Assistance that he wanted us to hold back a little on their money because - well just for now, of course - he wanted to help out a chap who had just inherited \$200,000 or so. Or perhaps he could think of something convincing for the school board in northern Manitoba as he held back on a new classroom while some poor fellow in Winnipeg got help holding on to his inherited hundred thousand dollars or so?

Well, I won't pursue it, but let me say again the claims for the alleged benefits for the community are just that - claims; not fact, nor even logical supposition. There's nothing to pin down the alleged advantage to the community. If the assets are movable, they may well move anyway after an interval. There's nothing to say that the wealth we don't tax is now or likely to be necessarily invested for the public good. There's nothing to say that poor management by the heirs won't throw away even more than we might give back on some major estate. And most important of all, there's absolutely nothing to substantiate claims by my friend from River Heights in his concern for the small person as he calls them. He knows as well as I do that estates can pass intact to the spouse and that there are substantial exemptions for direct heirs, so what we are really hearing is that what's good for the big fellow is good for the little fellow. I say maybe, but not likely. As for driving people out if we don't rebate - who? - The big fellow? But my friends say they aren't really worried about the big fellow; it's the small businessman or the farmer who matters to them, they say. Well why necessarily would a small businessman want to go to Alberta even assuming the estate tax were a substantial factor, which I contend is not the case? Is Alberta a small business province? Is it a special haven for little entrepreneurs? I'd advise a little closer look at some parts of Alberta - at Marlborough country; oil, gas, mining, ranting millionaires. I imagine they're pretty happy in Alberta, but I really don't hear much about the little man being better off in Alberta. I don't really hear very much about the little man being better off in Saskatchewan. Maybe the Manitoban with an estate may want to move to Saskatchewan where the farm economy is really hurting and the small business man who serves that economy is showing pain, acutely. My best source for that statement of fact is the Saskatchewan budget. I commend it to my friends opposite. But I doubt that it will paint a picture of marked attraction for any Manitoba farmer today or small enterprise looking for a new home.

On the TED Report -- we've heard of that report -- I'll simply say that while there was much of value in that report - and there was - the sections on taxation were not the most logical or persuasive. In fact, any reading of those sections would indicate that the Commission was really on all sides at once. According to TED, Manitoba taxes were not hurting business or investment, and I quote: "In Manitoba, responsible business opinion views the present tax load as no significant handicap to industrial development" - and I acknowledge the fact that we did do something about income taxation since the report was published, about which there has been some little discussion in this House already, but that's part of the second paragraph on Page 359 of the report. Of course, TED went on to say that any increases in taxes would tip the scales, and that's opinion too, and my friend from Ste. Rose has already said that he supported generally our tax changes of last autumn which I've referred to, so we can't really quarrel with him anyway about that.

But TED did say in a simple way, "Estate taxes ought to be rebated," but it did not establish any convincing case for the recommendation. In fact, the section on estate taxation on Page 360 does not give a statistical reference for any of the statements that section contains. Not one. And for good reason, I suspect; namely that the statistics either did not exist or did not prove the case.

In passing, I might say, so much for study in depth. If TED did one on this, I haven't seen it, and if TED didn't do one, then there's no substantiation for the TED claims for estate tax rebate benefit.

We've looked at the actual experience of estate taxation in Manitoba. Today we average some 300 taxable estates a year. The federal estate tax - that's the whole tax on the taxable estates - is averaging \$6.6 million a year, the provincial share of that being about \$5 million. That works out to a provincial share of about \$16,500 in tax per estate on gross average, and most estates would be substantially less. Now I don't want to be construed to say that \$16,000, or even less, isn't a fair amount of money in some circumstances but on the facts it doesn't

(MR. CHERNIACK cont'd) . . . suggest that we are looking at massive investments likely to move, or indeed much incentive to move.

But I don't want to quarrel with my friends needlessly. Let me simply say that the transfer of assets between generations is of vital concern to the society that makes possible the accumulation of wealth. We're not prepared to forego our responsibilities in this regard. We would expect to be consulted on future estate tax policy; we do not intend to evade responsibility now by simply giving away estate tax revenue without any real or substantive benefit to the community as opposed to the individual beneficiaries. We believe that the whole area of estate taxation should be re-examined as part of a tax reform, and I might say that in our discussions with the Federal Government and other provincial governments on the Benson White Paper, we have made that point on almost every occasion we discussed it, that estate taxation should be re-examined together with all the other tax reforms proposed. Income taxes, capital gains taxation affect assets obviously; therefore it is wholly reasonable to re-examine taxation imposed on assets; that is primarily what estate taxation is.

The previous position was given to the House in the last session. The former Premier's position differed little in principle. I stand by the position that tax reform is desirable, tax giveaways on dubious principles undesirable, and I wish to propose an amendment to the resolution, which I suggest will confirm the position we've taken, one which I believe that the Honourable Member for Ste. Rose clearly supports and which I trust will also receive the support of the Progressive-Conservative Party, because indeed it is not contrary to the position taken by the previous Premier when it was first mooted that Manitoba should consider the rebate of taxation, his point being that he agrees with estate taxation, that he disagrees with this race for giveaways and that he feels that there ought not to be this kind of competition.

Therefore, Mr. Speaker, I beg to move, seconded by the Honourable the Attorney-General, that the proposed resolution be amended by striking out all the words after the word "provinces" where it appears in the first paragraph, and substituting therefor the following words:

AND WHEREAS equity and uniformity of estate tax administration would be better served by all estate taxes in Canada being exclusively levied and administered by the Federal Government;

AND WHEREAS equalized compensation from the Federal Government to the provinces in lieu of any direct provincial sharing in estate tax revenue, would more equitably and practically benefit regional economic development;

THEREFORE BE IT RESOLVED that the Government of Manitoba continue to press upon the Government of Canada the desirability of exclusive federal administration of estate and succession taxation in Canada with equalized compensation for the provinces in lieu of any direct provincial sharing in estate tax revenue.

MR. G. JOHNSON: Mr. Speaker, before you read the amendment and accept it, I ask you the question, is the proposed amendment in order? It appears to me, speaking to the point of order that it is a substitution of the original motion, not an amendment.

MR. GREEN: Well, Mr. Speaker, on the point of order, the amendments which deal with a problem in a slightly different manner in which the resolution was put, have always been accepted in this House. Mr. Speaker, I can remember the situations where resolutions were amended by saying, "Strike out everything after the word 'Whereas' in the first line thereof." Certainly the amendment that is now being put by the Minister of Finance is an alternative way of dealing with the question and should therefore be acceptable.

MR. SPEAKER: I wish to thank the honourable members for their comments. I will take the amendment under advisement and give my ruling thereon when it next appears on the Order Paper.

The proposed resolution of the Honourable Member for La Verendrye. The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, this interesting and highly justifiable resolution by the Honourable Member for La Verendrye generated a rather lengthy lecture ten days ago in this House by the Honourable Member for Crescentwood, on all the evils and ills befalling the Canadian economy at the present time and a definition of just to what extent those evils and ills could be laid at the doorstep of the United States, and particularly at the doorstep of the military-industrial complex in Washington, and it was an interesting dissertation on North American social and political situation. But it seems to me, Mr. Speaker, that the Member for Crescentwood, in addressing himself to the resolution in the manner he did, really took the opportunity and the occasion to make his views known once again to the members of this Chamber

(MR. SHERMAN cont'd) . . . and to the members of the press gallery and, through them, the public, on the whole question of American influence in Canada, and although it is a question worthy of study by all of us, it begs the question posed by and contained in the resolution before us. Really, the question of American influence and Canadian sovereignty in terms of the same definition, Canadian subservience, seems to me to be substantially removed from the basic point in the mind of the proposer of this resolution, in the basic argument implicit in its wording.

As I've said, it's an interesting subject and certainly the remarks of the Member for Crescentwood amounted to an interesting lecture - not a new one, by any means. It's the one for which he's widely familiar in the Manitoba community now, but nonetheless an interesting one. But Sir, I repeat that it begs the question at issue here in this resolution, and I fail to see where the whole philosophical question of Canadian society and the Canadian economy vis-a-vis the United States has any bearing whatever, or any place whatever, in an argument that concerns itself with the immediate financial and economic problems that face the average citizen of the Province of Manitoba, and it's the position of the average citizen in the Province of Manitoba, it seems to me, Mr. Speaker, which is the basic issue, the basic matter facing us here in the resolution at hand.

The proposal of the Honourable Member for La Verendrye, it seems to me, is aimed basically at striving for some relief in the area of economic pressures, in the area of financial burdens for the taxpayer, the property owner, the average income earner, the average family in our province, for it's all well and good for the Honourable Member from Crescentwood to argue about the miniscule effect that any changes in gas rates and electric power rate structures in Manitoba may have on the over-all problem of inflation in this province because of the influence and the impact of the problems of the American economy. It's all well and good for him to argue that, as I say. But the point at issue surely is that the people who are going to suffer as a consequence of these recently granted increases in gas rates and electric power rates, are the people who are living ordinary lives and fulfilling ordinary responsibilities and doing their ordinary daily labours in this province and having to pay their ordinary daily, weekly and monthly bills.

Now I see the Minister of Finance and the Minister of Mines and Resources both eager to rise to their feet and question me, and before I permit a question from the Minister of Mines and Resources, may I just say to the Minister of Finance - and I hope that I'm reading the question that is racing through his mind at the moment - may I just say to him that surely he doesn't expect anybody in this House to sit here and assume, or labour under the delusion that rate increases in gas and power utilities are going to be absorbed by anyone in the long run other than the man who is running a home and has his light and heat bills to pay. Surely this is the point, that the increases in gas rates and electric power rates are going to be passed on. In the long run they are going to be handed on to the man who has to pay heat and light bills every month and in --(Interjection) -- Pardon?

MR. CHERNIACK: The consumer of industry.

MR. SHERMAN: Well, to the consumer of industry and to the consumer of these utilities, these home services; to the consumer of light and power.

MR. CHERNIACK: Industry is the big consumer.

MR. SHERMAN: Industry may well be the big consumer, Mr. Speaker, but the Minister of Finance is also a consumer and the Minister of Mines and Resources is also a consumer, and I am also a consumer, and all three of us, I suggest, Mr. Speaker, are in a much better position to support and sustain the increases in our tax bills that are going to result from these rate increases than are many other consumers in the Province of Manitoba who must meet monthly tax bills.

MR. CHERNIACK: Now would you permit the question that was in my mind? I wanted to get clear in my mind just whose rates, what companies' rates are being discussed, because I'm not clear from the resolution nor from what the honourable member says. Could you name the companies whose rates we're discussing?

MR. SHERMAN: Well, no, Mr. Speaker. As I'm not the person who introduced the resolution, I cannot name the companies whose rates are under consideration here. What I am arguing to, what I'm speaking to is the concept embodied in the resolution no matter what companies and what company rates are involved, and what I'm also addressing myself to, is the rather unobjective and illogical argument brought to bear on the subject ten days ago by

(MR. SHERMAN cont'd) . . . the Honourable Member for Crescentwood. The point is that the resolution asks that recently granted increases in gas rates and electric power rates be rescinded, and the Honourable Member for Crescentwood argued that such an action would have no effect on the inflationary spiral in Manitoba and the pressures that Manitobans are put under as a consequence of that inflation because, he argued in short, that we are not masters of our economy or of the costs, the ingredients that go to make up our cost of living.

But what I'm saying is that in the final analysis, whether it's industry who is the big consumer of gas and electric power or not, each one of us in his own way to a greater extent or a lesser, to a greater capacity or a lesser, is a consumer of such services and such utilities, and that includes everybody in the Province of Manitoba who lives in a dwelling that is so serviced, and because of that, what I am saying is that the philosophy implicit in this resolution is a philosophy that really should be embraced by the members of the government that really should be very close to the things that are dear to their hearts, because it's a philosophy that covers the average income earner, the low income earner, as well as the high income earner, and it covers those people who are less equipped, less able to meet increased costs, increased taxes, increased financial pressures in their livelihoods. It covers them and affects them to a greater extent that it affects us or than it affects industry, because industry is in a better position to pay such costs, to pay such increases.

I don't think that I need to remind either my friend the Minister of Finance or the Member for Crescentwood or anyone else concerned with this particular resolution, that the cost of living index, particularly in our community, has established something of a record of consistency **for itself**, Mr. Speaker, in inching continually upward month by month and year by year. Probably, in fact, our part of the country is more gravely affected by and more gravely injured by increases in the cost of living than many other regions. Costs in all levels have chronically and continually crept upward over the past month and years. Assessments, as we all know, have recently been substantially increased in the Metropolitan Winnipeg area. The mill rates in municipalities across the province have increased. The last budget introduced by this government called for increases in personal as well as corporate income taxes; and the combination of all these factors has made for a situation which surely needs not too much elaboration here, Mr. Speaker, a situation of extreme difficulty and pressure for the average homeowner, the average family, the average wage earner in this province, and I submit that any resolution such as this that is aimed at a revocation or a roll-back on increases in utility rates is a resolution that's aimed at the best interests and the improvement of the situation of these Manitobans, the majority of Manitobans, who are caught in this cost-tax-price spiral at the present time; because I reiterate - I appreciate the Minister's point that the increases, that the consumers of these utilities are industries in large part, but in the final analysis the consumer of the services performed by an industry is a Manitoban - is a Manitoban, whether he be of high estate or low in economic terms. He's a Manitoban who is meeting an employment commitment, meeting a family responsibility and meeting monthly bills, and if industries have to pay higher rates, if industries have to meet higher responsibilities, the normal course is that in the final analysis at the end of the line those increases and those difficulties are passed on to the consumer, and whether relief for the consumer has any bearing on the over-all problem of Canadian inflation vis-a-vis the American situation or not is beside the point, in my view. What's important is that in today's high cost of living climate and high cost of living situation, with all the pressures and efforts that have been mounted by Federal authorities - and my honourable friends opposite in the administration of this province - to bring some semblance of order and reason and responsibility to the inflation situation, in that climate anything that can be done to help the average Manitoba wage earner and the average Manitoba family meet its bills, or to help that family or wage earner keep its bills down and within reason, I think it's exemplary and worthy of the consideration of this House, and this is where I see the thrust of this resolution pointing. This is the direction in which I see the meaning and the thrust of this resolution pointing.

MR. CHERNIACK: Would you permit a question?

MR. SHERMAN: Yes, I will, Mr. Speaker.

MR. CHERNIACK: I'm just waiting for the honourable member to get to his suggestion as to how Hydro, say Manitoba Hydro for example, would be able to finance the interest rates which it is now required to pay, or any of its other expenses, in the light of the fact the Public Utility Board has recommended a further increase of, I think something like 10 percent beyond

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(MR. CHERNIACK cont'd) . . . what is now being discussed.

MR. SHERMAN: Well, Mr. Speaker, that's an excellent question, and I wish that I occupied the office that the Minister of Finance did and had the resources and the expertise and the advice to draw on that he has, in order to cope with a question like this and try to produce an equitable answer.

MR. CHERNIACK: Is the honourable member prepared to vote for an increase in taxation in order to provide that necessary money?

MR. SHERMAN: Mr. Speaker, I'd be prepared to consider it provided it was the type of taxation that did not impose a heavier burden on what could be described as the average and below average income earners in this province.

MR. CHERNIACK: How about estate tax?

MR. SHERMAN: Well, estate taxes will be back on the Private Members' debate period Friday afternoon, Mr. Speaker, and I may enter the debate on that particular resolution then. At the moment, I'm concerned with the increases in utility rates that are forthcoming and that are going -- well, they are. They're going -- what I'm suggesting to the Minister of Finance, that such increases that are being contemplated are going, in the final analysis, to reflect themselves in the bills and in the household budgeting of Manitobans who maintain homes and support families.

MR. CHERNIACK: My question to the honourable member is, would he please read the resolution which refers to "recently granted." Not what are forthcoming but what have been carried out.

MR. SHERMAN: I've read the resolution. I don't see that that alters the -- I don't see that that alters my argument. Those that have been recently granted are certainly, and in a definitive manner, going to produce heavier bills in the long run for consumers; and those that are contemplated are potentially going to produce such increases. My point is simply this, that anything done in this area is going to work hardships on those who are least able and can least afford to carry that burden. This isn't the kind of equitable stricture or equitable burden or equitable taxation policy such as been espoused by members opposite, particularly the members on the Treasury benches, which helps the average and low income wage earner and perhaps puts a little additional pressure on the high income earner. These are the necessities of life -- heat and light. Surely no one opposite, Mr. Speaker, is going to argue that point, is going to dispute that point. Surely no one opposite suggests that Manitoba is still in a social and economic situation where heat and light and utilities of that type are luxuries.

We're not talking about luxuries here. We're talking about the basic necessities of life. We're talking about services that are used by everybody. Everybody. Those who are in the income category of my honourable friend the Minister of Finance; those who are substantially below that level such as myself; and those many thousands who are substantially below the level that I'm fortunate enough to occupy; and it's the majority of Manitobans who are least able to pay for this kind of, and support this kind of additional financial load because they cannot live without light and heat and such utilities as that. So where the equity and the justice can be found in distending the other side of the argument, escapes me, Mr. Speaker, entirely.

This is essentially the aspect that I wanted to emphasize in connection with this resolution, the fact that increases in fields of this kind, for services of this type are passed on those who can least afford them, who are least equipped to carry the additional burden, and I think if anybody on the other side of the House or this is labouring under the delusion that such increases are only going to affect a privileged sector of our community, he is labouring under a very unfortunate delusion indeed, because this is precisely the type of burden that hits everybody, and because of the discrepancies in income and earning ability it hits the so-called little man much harder than the average or above-average wage earner.

A few moments ago, in discussing the resolution proposed by the Honourable Member for Ste. Rose on the subject of the estate tax, the Minister of Finance made specific reference to two classifications of Manitobans which he described as the big fellow and the little fellow. Well, what I'm saying here is that increases in gas rates and electric power rates hit big fellows and little fellows, and hit little fellows obviously, by definition, a great deal harder than they hit big fellows, so the arguments advanced the last time this resolution was discussed, by the Honourable Member for Crescentwood, I feel are utterly irrelevant to the point at issue. He, as I've said, gave us a very interesting personal commentary on the reasons for our

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(MR. SHERMAN cont'd) . . . inflationary problems in this country, but as far as the bread-winner and the family supporter and the wage earner in this province is concerned, the kind of academic exercise that the Honourable Member for Crescentwood indulged in is academic and nothing more. His problem is the bills he has to meet. Inflation for him is the fact that the money he makes, the money that goes into his pocket this week, will now no longer meet the expenses of his family for this week, or if that money will meet those expenses it meets them just barely with nothing to spare, and with each passing week and month it becomes more difficult to match the income to the outgo; and in the light of that, inflation for him means precisely the kind of thing that's practiced by granting increases in gas rates and electric power rates, because it means that the cost of his essential life services is going up.

Now, the Minister of Finance asked me how would I cope with it, what would I do. I suggest that it's a question that has to be resolved in the preparation of the budget, to which all of us in this Chamber are looking forward. It's a question that has to be resolved by taking the total over-all over-view of the financial situation of the province and the people of Manitoba and determining to what extent he can balance the needs of the people of Manitoba and the administration that he serves with the revenues available, and if it's absolutely crucial to the survival of utilities and utility companies that such increases be granted and such increases be introduced, then other measures have to be taken to remove that pressure from the average and below average wage earner. Other measures have to be taken in the budget and in the financial planning for which the Minister of Finance is responsible, to remove that burden from the shoulders of the majority of Manitobans, because the majority of Manitobans are the Manitobans who are least able to support that increased kind of financial load.

MR. SPEAKER: The Minister of Mines and Natural Resources.

MR. GREEN: Mr. Speaker, I know very well that I probably have no business taking part in this debate but when there is a debate on economics I generally can't resist getting into it. Though I'm not trained as an economist, the subject has always intrigued me and the remarks that were made by my honourable friend intrigue me even more because he suggested towards the end of his speech that this resolution would involve the Provincial Treasurer in looking into methods of raising the money which would be involved in implementing it, and in making that suggestion he is really suggesting that the resolution is out of order in that it involves the expenditure of public funds, and the resolution, as it speaks now, calls merely for a rescission of certain recently granted increase in gas rates and electric power rates, and as such implies that this could be done without any call upon the Treasury whatsoever, and that kind of proposition, with the greatest respect to the Honourable Member for Carillon, just doesn't make economic sense, and the Member for Fort Garry has put it in its proper perspective. So we're dealing with a resolution which appears to make an appeal, the kind of appeal that the Honourable Member for Fort Garry was just making to some populous type of sentiment of support that "here is the way in which certain of my rates are going to be reduced," when actually it doesn't do that at all and has to be looked at for what it really says.

Now the reason that I am involved here is because the Member for Fort Garry made quite a point of criticizing the discourse that was given by the Member for Crescentwood with regard to the causes of inflation in the North American continent, and what the Member for Crescentwood said in summary, as I heard him, is that this particular measure, even if it were implemented, would not reduce the inflation, would have no real effect on the inflation. And I may suggest, Mr. Speaker, that even if we adopted the measure that was referred to by my honourable friend, it would prove that what the Member for Crescentwood had said is correct, because the Member for Fort Garry implies that if, let us say, three or four million dollars - and I'm just using figures which have no meaning whatsoever - were to be eliminated in these costs by virtue of a roll-back of the fees, and the corporations concerned were to be reimbursed from the Treasury, which is what my honourable friend implied, it would mean that three or four million dollars would then have to be drawn from the community that has just saved three or four million dollars. In other words, we would be reducing the rate so we would be increasing the tax, asking people to pay three or four million dollars which we have just saved them. We would be giving them a blood transfusion through one arm and taking it out through the other arm, and there would be no financial change on the economy at all. What would happen - and I concede this - that it might be different people who are paying, but the notion that my honourable friend has that it would be the lesser-off people who would save money is just not correct, because with every form of taxation, and I've said this in the House before; I have always indicated that even the most equitable forms of taxation programs, which

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(MR. GREEN cont'd) . . . I believe in because they are the only way of presently dealing with the situation, but even those programs ultimately are paid for by those who are in a weaker position to resist them, and it's always the lowest economic group that is in the weakest resistant position to pass on taxes. If it is an income tax and a person has the power to pay taxes, then he generally has the power to pass those taxes on. That holds true as to whether he's a doctor, a lawyer, a steel worker or anybody else who has a strong economic bargaining position. So the fact is that the notion that the homeowner will save some money because this is picked up in taxation, doesn't take into account the fact that when that taxation is paid the very people who pay it will use the same inflationary device to collect it from the people who have been saved taxes, and monetarily you are right back where you started. You say that you'll give \$3 million back and you'll pick up \$3 million by virtue of a taxation program, and I say that there may be some change but there will be no change in the inflationary situation. And I think that that's all that the Member for Crescentwood said, because he indicated that we are a part of a North American market and basically these facts remain true, that \$70 million a year - \$70 billion a year -- no, \$70 million --(Interjection) -- I'm talking about the war in Viet Nam.

MR. CY GONICK (Crescentwood): The U. S? -- billion.

MR. GREEN: \$70 billion a year of the productive capacity of the United States of America. Let us assume that their total productive capacity was \$300 billion. That means 70 billion of that is in effect being removed from the consumer and thrown into the ocean. Let us say that that was the effect of it, which means that of a total productive capacity of \$300 million, \$70 million is being removed from the market and thrown into the ocean. The balance of the 230 million is then made available to the people, and any economist in the world will tell you that this can not help but increase the prices on the remaining \$230 million of goods and services.

MR. SHERMAN: One question. Would the Minister not concede that some people are better able to cope with inflation than others?

MR. GREEN: I said that earlier, but to suggest that the poorest person is best able to cope with inflation, or that the homeowner, that if you reduced his gas bill or you reduced his hydro bill, that that will help him is a fallacy, because it doesn't take into account that those who have the power will increase their prices of everything else that person buys, and that if you won't get it on the power rates you'll get it on some other rate, and eventually the man who pays for inflation, or pays for any kind of process of this kind, is the man who is in a relatively poor economic bargaining position to do it. But what the Member for Crescentwood was talking about is the cause of the inflation, and I have heard nothing from what the Member for Fort Garry says which challenges that. If we have a machine that can produce 300 pairs of trousers and that's all that's going to be produced, and 70 pair are taken and thrown into the ocean, then the price of the rest of the 230 pairs goes up and there is nobody who will suggest to the contrary, and I think that really that's all the Member for Crescentwood said.

Now governments have always dealt with inflation in one of two ways. And one is that being sometime soft-hearted - which is not a criticism, I hope that we all have the compassion of human beings - that they have tended to say that we will permit inflation to carry on in such a way that it will cancel debt. Because that's really what happens. Inflation hurts the person who is a creditor. It means that the hundred dollars that I loaned to somebody a year ago will be paid back in 75 inflated dollars and that \$25 of that debt will be cancelled. So government have permitted, and from time to time they have done this rather irresponsibly. The government in Germany cancelled all debt during the years of the twenties, but they probably couldn't have existed if they didn't do it. Other countries have cancelled -- well, the Member for Rhineland says we should do the same. He says we should cancel debt by in effect making a currency which will pay off all debts as they are now.

MR. FROESE: Through the Bank of Canada.

MR. GREEN: By the way, he may find a friend if he keeps on talking that way. But the fact is, the fact is that that's what governments have done. They have said the cost of these increased goods which have resulted -- and which have resulted essentially in my opinion from the fact of the war in Viet Nam. I agree with the Member for Crescentwood. The effect of this is for government to say, well how will we do it? Are we going to squeeze the individual into making him consume less or are we going to cancel some debt which is held by insurance companies and other creditors. And for some years they go along and they cancel debt until

(MR. GREEN cont'd) . . . the creditors say: Look, we are not going to lend any more money; you are making our position entirely unsound, and therefore unless you change your ways we are not going to advance credit and you're going to have a serious situation. And then the government turns around, and what the Federal Government has done and has said, we must stop cancelling debt, we are hurting the wrong people. What we should do is instead of cancelling debt to make up for these high prices, let's make sure that a few people eat less.

And they say that there's going to be - who knows - very proud of it, we're going to keep on until we have 6 percent unemployment, and if we have to have 7 percent unemployment we'll have 7 percent, and he may not be able to stop it at 7 percent, it may go up to 8, 9, or 10 percent. But essentially what he is saying is that we have two choices. We will deal with this situation of rising prices by cancelling debt and permitting people to thereby buy things and consume at the same rate as they were before and the creditors will pay for it. And don't forget that creditors aren't always rich people. They could be people who have annuities, they could be people who have pension. They are creditors because they are entitled every month to a payment from an insurance company. And rather than cancelling debt we will we will create unemployment, we will say that the public is going to consume less, and this existing Federal Government has chosen to say that people will consume less. I happen to disagree with their policy. I'm not going to say I agree with the Member for Rhineland because I don't think that that is the solution to the problem, but the fact is that that's the course that they've taken. And this particular resolution as an anti-inflationary weapon just doesn't make any sense, and I think that's all that the Member for Crescentwood was saying.

Inherent in the remarks that the Member for Fort Garry made is another proposition which I find very intriguing, because who are the companies that are involved? One is the Hydro, and we know the situation there. Hydro is a public corporation, the public has invested the money, the public is setting the rates, the public has to judge what the return will be and we have a fairly standard approach. We do have the power of saying, in looking at an economic program, that we feel that Hydro rates should be lower and that there should therefore be a subsidy of the Hydro from another source. You can do that when you have a public corporation. You can say that in the interest of attracting hydro dependent industries that we're going to ask the entire public to pay a lower hydro rate and hopefully that this will accrue to the benefit of the economy, and the taxpayer will have to make up - and the Member for Fort Garry implied this, he said that if you subsidized Hydro then you're going to have to tax us all, and that might make good sense, I'm not arguing with that - but we are doing it to our own corporation.

Now the people who supply gas - am I correct? - the Member for Carillon is surely referring to the Winnipeg Gas Company. Now the Winnipeg -- the Member for La Verendrye. Surely he is referring to the Winnipeg Gas Company. Mr. Speaker, although a great number of people in the political party of which I am a member are very very high on controls of one kind or another, price controls, rent controls, I've indicated in the House that I'm willing to try these things. I rather think as a person who I believe has some knowledge of economics that this really doesn't work very well, but it appears to be an easy solution and people say give it a try. We talk about rent controls, we talk about price controls, we talk about things of that kind, in fact with this particular company the situation is that they do come to the Public Utility Board; they do establish their cost; and they do ask the Board to set a rate.

Now do I get it now from the members of the Liberal Party who have advanced this resolution, that the members of the Conservative Party, that they would adopt a philosophy which says to the Winnipeg and Central Gas Company, a private company, which says that your rates are too high and we are going to cut them back and we don't care what your costs are. Is that what you're saying? Is that what the Member for Crescentwood is saying? Mr. Speaker, I would never say it. I would never say it; I would say that if I'm going to take a company and say to them that you have to follow those rates that are set by the Legislature - he wants to do it in the Legislature - that 57 people should come in here and say that their rates should be cut back 10 percent. Well, why stop at 10 percent? My God, we'll save the poor person a lot more money if we make them cut it right in half. Now is that really the proposition that's being advanced by the Liberals and the Conservative Party, because in my wildest moments of flight, Mr. Speaker, I've never ever advocated that the Legislature should come in and tell a . . .

MR. G. JOHNSTON: Will the Minister permit a question?

MR. GREEN: Yes.

MR. G. JOHNSTON: Are not members of your Party, and others, right at this moment in Ottawa saying that voluntary restraints are not working?

MR. GREEN: They mean nothing at all, and I agree with the members of my Party who say that, that they mean nothing at all. And there will be members of my Party who will then say that you should have some type of price control and you should have some type of wage control. You do have in connection with the Gas Company, which I really don't accept, but you do have, in this case you do have a rate control. This is not a voluntary restraint, this is a control where they have to go the Municipal and Public Utility Board; they have to demonstrate their cost . . .

MR. G. JOHNSTON: . . . Minister permit a question? Is it not a fact that Manitoba Hydro are not bound by the Public Utilities Board? They are not bound by law?

MR. GREEN: Mr. Speaker, I have indicated that with regard to the Hydro I'm not really concerned, because I do agree that it's a good thing for the public to have control of the hydro rates and that that control is what we've got. We own the company and we control the rates and we can control it, and it is a consideration for us to say are we going to lower or increase the rates or decide that hydro power should be supplied cheaper and make it up from the Treasury, but when we do so, we do it over our own company. Now what the Member for Fort Garry is saying, and what apparently you people are saying, is let them make the investment, let them put in the money, but we will tell them what rate scale they can charge them and we'll do it in the Legislature despite what rate control there is. Now, Mr. Speaker, in my --(Interjection)-- That's not what it says? Then I have to read the resolution.

MR. SHERMAN: Would the Minister read the resolution and then concede that the resolution framed in the context of the facts about the present inflationary situation makes no mention of cutting rates in half, such as was exaggeratedly stated by the Minister at all. It refers to a roll back of the recently granted increase.

MR. SPEAKER: Order, please. I believe I understood the honourable member to ask for permission to ask a question.

MR. GREEN: Well, Mr. Speaker, I'd like to continue because I can see that the honourable member is not asking a question and therefore I have the floor and I would ask him to sit down. The fact is that I didn't say that the resolution asks them to cut rates in half. I am suggesting that the resolution implied that we can go to a company which is presently governed by a form of price control - which I have very little faith in and I concede that to all members of the House - and we say that after this control has been set by the Municipal Public Utility Board we, by our desire to do good, say to it that that rate, even though it was properly arrived at, we 57 members assembled here are going to say that the rates should be less. And I say to you that once you say that, you imply that somebody could be even a bigger sport than you by saying not only should this rate be reduced but you should go 10 percent below that. Mr. Speaker, I have never -- this is a kind of radicalism in its worst form. It is a form of anarchy; it is a form of the most deliberate type of government dictatorship that could ever be imagined.

Now I'm not saying that the gas rates shouldn't be dealt with, and I have indicated that I don't have a great deal of faith in the present method. But the alternative, Mr. Speaker - and I wonder if that would be agreed to by my honourable friend the Member for Fort Garry - because the alternative is to say that if we in the Legislature are going to talk about what the gas rates are going to be and going to talk about what they hydro rates are going to be, and going to say that they should be set backward instead of forward, which I believe we should have a right to do, then we have no right to tell other people to invest their money and operate our private business on the basis that the Legislature is going to come in and tell them next week to cut their rates by 10 percent or by 20 percent. Mr. Speaker, if we are to do that, then the honourable members have to suggest a much more rational solution. And I await that type of suggestion. He may find a great deal of support for it, but the fact is that if he is . . .

MR. SHERMAN: . . . talking about utilities, not industry in general.

MR. GREEN: Well, if he wants to limit it to utilities, then I am suggesting to him that the utility as it is presently constituted is not in a position to accept that kind of dictation from the Legislature after it set up the rate board. But I don't think it should stay as it's presently constituted, and I wonder whether the honourable members feel that in order to be able to do the kind of things that they expressed in this resolution - which I fully agree with - and I think

(MR. GREEN Cont'd) . . . we should look at the over-all and I think we should say how much should be paid in gas rates and I think we should say how much should be paid in Hydro rates, that we have to have a much different system with regard to the manner in which that utility is conducted. Well, I await my honourable friend to suggest an economic form of doing it and making it reasonable and making it rational to do everything that he wants to do and yet to be fair, because the way this resolution is constituted, Mr. Speaker, it constitutes a form of government control which nobody in this party has ever advocated, and I would suggest, Mr. Speaker, that we have advocated different things from time to time and that if the resolution made a little bit more sense, both economically and as to dealing with inflation and as to how Public Utilities should be conducted, he might find a great deal of favour where he never expected it to come from but in its present sense, Mr. Speaker, in its present state it just makes nonsense and can't be supported.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, after hearing the last speaker, I couldn't help but participate in the debate. It seems to me that this resolution really is a political one - it can't be construed anything but, because here we're dealing with increases in gas and gas rates and electric power and if I do give it support it will be a qualified support because -- I'm not saying at this point that I'll even support it, because I want to hear from the people that brought it in that the gas company and the electric power companies are not able to operate and that they are operating at a deficit. If that is the case, then they were justified in getting the increase, because in my opinion Crown corporations should not have to be subsidized, they should pay their own way; they should operate in that range that the --(Interjection)-- private enterprise the same way. Sure, it should not be subsidized. I feel that private enterprise -- I'd rather refer to it, would like to refer to it as competitive enterprise because companies should be able to compete, and since these particular companies have to go to the Public Utility Board for increases, maybe it's a good thing that this matter has been brought before the House so that we will take a good look at it. I think we should look at these matters to find out whether the increases that are being allowed by the Public Utilities Board are fair ones, are just, and will give the companies or the Crown corporation sufficient amount to carry on and to operate, because if these increases were justified then we should not be rescinding it, because I feel that we should not take moneys from other people to help pay for the hydro costs and for the gas costs to the consumer.

I was rather intrigued by the Honourable Minister of Mines and Natural Resources when he made the statement that the lowest economic group has to pay the shot more or less. This is what he said, the emphasis he put on it. Well, Mr. Speaker, if that is the case, then our commercial users are not paying a fair share and I think we should take a good look at this situation, whether we are passing on the larger burden of the costs to the domestic user. If that is the case, we should definitely have these corporations and these agencies appear before committee and investigate it, or set up an investigation committee to assure the members of this House that we have a proper allocation as to the rates and that the domestic user is not subsidizing the commercial user, because this is what I more or less gathered from the Honourable the Minister when he said the lowest economic group were the ones to pay the burden and to pay the shot.

And then, too, if I recall correctly from a previous submission made by another member, the high cost of interest was a very significant factor in the increases of power rates. I forget, I think it was the Member for Crescentwood that gave the information as to what one percent of interest on the capital -- one percent of increase in interest rates on capital would do, how much more the user would have to pay in rates. I thought this was very substantial and I think herein lies one of the big and chief factors why we have this matter before us. It's because of the increase in interest rates that has caused the higher cost, and I say that this is an inflationary cost that is not justified. I see no reason why interest rates had to go up the way they did. I also claim that if the Federal Government had not lifted the ceiling on interest rates that banks could charge, we would not be faced today with the high and enormous interest rates that people are subjected to.

The matter of inflation and whether restraints should be exercised and to what extent, I think this is also a matter in itself that needs consideration. I always feel that if it means that we will have fewer jobs and reduce production, then the matter of fighting inflation is not justified and we better carry on, even if it does bring about a certain amount of inflation. I

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(MR. FROESE cont'd) . . . don't think we should set out to fight inflation to that extent.

I am rather interested because of the large amounts of capital that we've put into Hydro in recent years, ever since 1966, what the final costs or the final rates will be as far as Hydro is concerned once the project is completed. The first phase of the hydro project we were told in 1966 was to cost 300 million but I think costs have risen considerably, and as we embark on further projects and I think adding to it, that the amount will be much much more. If the government can provide some projection, or if Hydro can provide some projection as to what the rates will be, or will have to be once the present project is completed, I think this would be enlightening to members of this House.

The Minister of Mines and Natural Resources gave various examples. He mentioned the matter of cancelling debt. Well, I think that it's about time that we did some cancelling in Canada because we have an enormous federal debt right at the present time. The total debt in Canada stands at \$90 billion, and this is an enormous amount of debt for the people of Canada to carry with the increased interest charges that are being added on to this debt. I feel that as far as the national debt is concerned that we should use the Bank of Canada and buy up the various bonds that are outstanding to the people of this country, and as I understand, very little is outstanding. The banks own the largest share of it. I don't know what exact amount it is at the present time but a few years ago 88 percent of the national debt was held by the banks, so why cannot we use the Bank of Canada to take over this debt and then cancel it out. There's no such thing as "It can't be done," and the people of Canada would certainly be saving themselves a lot of money. The federal budget, this last one, the estimates show that \$1.8 billion is spent on interest alone. This represents 15 percent federal estimates and this is an amount that we could save. There's no reason why this debt should be outstanding to any other people or to any other concern than the Bank of Canada and they would have the right to cancel it out, so that here is an area that we could bring about very considerable savings and certainly one factor that I subscribe to personally.

He mentioned the matter of war goods being produced in the States. Well, this is another prop just to serve the economies of the western world. If it wasn't for this type of production that does not come to rest on the shelves of our stores, forming part of the inventory that we sell in Canada, then we would have just that much more in the way of sitting on the shelves today, and this is one way in which the economies of the United States and Canada at least are providing the necessary purchasing power to buy back the essential goods that are being produced at the present time.

Mr. Chairman, when the capital costs were introduced earlier this session, we found that considerable moneys were required for Telephones. I objected at that time to the increased capital cost, or the increased capital that they required for Telephones, because if this money is going into the expansion program this means at a later date the rates will have to be increased, and I wouldn't be surprised once that happens that we will have another resolution on our books before this House requesting for the same thing. This is why we should take a look at capital spendings when they're presented to this House and not after the thing is passed and done.

MR. SPEAKER: Are you ready for the question.

MR. G. JOHNSTON: I beg to move, seconded by the Honourable Member for Assiniboia, that debate be adjourned.

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

MR. CHERNIACK: It appears to be 5:30, Mr. Speaker.

MR. SPEAKER: It is now 5:30. I am leaving the Chair to return at 8:00 o'clock tonight.