

## THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Tuesday, April 28, 1970

Opening Prayer by Mr. Speaker.

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

INTRODUCTION OF GUESTS

At this point I should like to direct the attention of the honourable members to the gallery where we have with us today 40 Grade 11 students of the Neelin High School. These students are under the direction of Mr. Jones. This school is located in the constituency of the Honourable Minister of Industry and Commerce.

And we have 68 Grade 11 students of the Sisler High School. These students are under the direction of Mr. Tanchak and Mr. Clark. This school is located in the constituency of the Honourable Minister of Mines and Natural Resources.

And 30 Grade 6 students of the Harold Edward School. These students are under the direction of Mrs. Roytukery and Mrs. Bishop. This school is located in the constituency of the Honourable Member for Portage la Prairie. On behalf of all the honourable members of the Legislative Assembly, I welcome you here this afternoon.

REPORTS BY SPECIAL COMMITTEES

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

MR. J. WALLY MCKENZIE (Roblin): Thank you, Mr. Speaker. I would like to compliment and congratulate the Task Force who gave us the document in the House, which is very valuable, and I am most concerned - in fact I would not have spoken, Mr. Speaker, had not the Member for Rupertsland spoken yesterday. Well, let that be where it may, but nevertheless, on the Orders of the Day, the Routine Proceedings says that we are receiving a report of the Special Committee. That was the resolution that was presented to the House by the Honourable Member from The Pas. However, when I get the document in my hand, it says an Interim Report, and what brought me to my feet today is the fact that the Member for Rupertsland also said it was an interim report. Now I wish the Member for Rupertsland and the Member for The Pas would get together on it. Is this an interim report or is it a report? The way I read it, it's on the Order, it says the Report; and this again, of course, is one of the reasons why the members of our party are rather concerned about the way this Task Force has handled the very important business of the North. I well recognize that the weather conditions under which the report was tabulated were very difficult. I think most of the members of the Assembly have had the occasion to travel in the north during the winter and that is a difficult task in itself, let alone go around from community to community and try and document and tabulate some of the facts and the problems that those people are facing today.

I, however, Mr. Speaker, support the views and the evidence that has been given by the two members from the Task Force who are not northerners. I support the views of the Member from Swan River and the Member from Portage la Prairie in most of their views on this Task Force; and I was one of the ones, if you would recall, Mr. Speaker, who spoke up when this committee was formed, and was most concerned that southern people were not involved in this Task Force. I don't think that we need to have northern people going round their constituencies looking at their own problems. If you want to prepare a Task Force for Roblin constituency, I'm ready tomorrow, and I don't want myself involved in that committee. I would like the First Minister to come and look at my constituency and people from outside the jurisdiction, but I think it's wrong for MLAs from their own constituencies to go back as a Task Force to look at the problems of their own constituencies. I would much rather, Mr. Speaker, take it from an outside point of view or from a southern point of view to take a look at the problems of the north. This has been of great debate over the years, that the problems of the north are not well-known to us who don't reside there, and I'm most alarmed by the report that has been tabled in the House by this committee, because basically what they are saying is some of the things that they knew already.

So, with those few remarks, I ask now: how much added dialogue is needed to the problems of the North, Mr. Speaker, as we stand or sit here this afternoon? I think we have dialogued the problems of the North very well. The speech that was made by the Honourable

(MR. McKENZIE cont'd.). . . . Member from Lakeside yesterday afternoon tabulated some of the problems that he recognized. The Member from Swan River has presented his views; the Member from Portage; and many other members over the years have laid on the line what they consider to be the problems of the North. And I think the evidence is documented. I think the report is most acceptable; I think it is well done; and what I'm asking of this government and the Minister today is: where's the planned action? Where are we going now with this new government, this new open government with their new ideas about the North? Let's put your plans on the table today. I'd like to see it today before we talk as to whether this Task Force should carry on, or where they are going, or how much money is available by this government today for the problems of the North. These are simple little questions, Mr. Speaker, that I ask today, because how can we keep this government or future governments to grapple with the problems of the North unless we come up with sincere legislation and put the money on the table; and how much money is available for the North, and let's take a hard look at it.

I think the document itself, I read through many of the findings and here's one on page 18 I thought most interesting. It says, and I quote, Mr. Speaker: "The experience of the Northern Task Force would indicate that, given the opportunity, the people of the North are well able to describe their problems - concisely, vividly, with dramatic impact." And they have done that traditionally for years. "While perhaps not always aware of what resources are available or of how a community secures needed resources, the people know what needs to be done to solve many of their basic problems of living. Many of the ideas presented were creative and innovative, and deserve serious consideration by those responsible for programs for the north."

And who today, Mr. Speaker, is more responsible for the programs for the north than this government, who provided us with the Task Force; we've got the knowledge; it's documented: it's on the Table; and I ask them today for the legislation to try and solve at least a few of those problems. And I ask the other question - how much money is available for the North? -- (Interjection) -- Right. I agree. No doubt there will be some legislation coming from time to time, but why not put it in with the report? I don't think the government needs any further direction in this line. I think it's well documented. The Minister in his speech the other day, and I'm not one to be critical, Mr. Speaker, but I submit that he was maybe waffling in his remarks when he presented his few remarks on the Task Force. Of course, he was one of the members of the force.

There is another very interesting report that I saw on page 39 of the report, and it said here, and I quote, Mr. Speaker: "It is true it would be cheaper to send these people to old folks homes in Winnipeg when they become of age. But there they cannot communicate with other senior citizens and they will merely sit and stare at the walls and wait to die. They would sooner be buried alive here than to be shipped elsewhere like cattle." This is some of the senior citizens of the North making what I think is a fair statement and one I think that's general over the whole of this province. So I'm asking the Minister today: what has he got lined up for the senior citizens of the North in the programs of this government?

The Minister has stated, Mr. Speaker, "There'll be before this session of the Legislature, matters which will affect the democratic life of the communities of the North." Now that's a fair statement, Mr. Speaker. That's a fair statement. But where is the program? Can we help you to put the documents on the table? I say, Mr. Speaker, let's move; let's move ahead; let's move ahead today; let's move in fact ahead immediately.

HON. SIDNEY GREEN, Q.C. (Minister of Mines and Natural Resources)(Inkster): Mr. Speaker, is the honourable member aware that not today, but that yesterday, which is one day in advance of his expectations, first reading was given to a bill relating to these matters?

MR. McKENZIE: I well recognize that the first reading was given to the bill, but at first reading, Mr. Speaker, we don't know what the program is as I stand here this afternoon, and that's why I'm wondering why this bill wasn't brought in long ago. It should have, in fact, come in with the report. I think that would have been the sensible thing to do, then I wouldn't have to stand up and make this speech this afternoon.

MR. GREEN: Was the honourable member listening when His Honour the Lieutenant-Governor read the Speech from the Throne?

MR. McKENZIE: Mr. Speaker, I've tried to interpret that document since the day that he read it, and I'm not an academic or I'm not a genius, and I don't think there's many people in this province that know what's in that document.

A MEMBER: It was just window dressing.

MR. McKENZIE: Well, window dressing or waffling, I'm not sure which, and time will tell, and as we proceed with this session no doubt we will get the evidence and then we'll be able to debate that point, Mr. Minister, more accurately than I can today, but I humbly submit to this committee, how come they haven't referred to the Mauro Report? No reference whatsoever. Well I don't read it. I've tried to find it. It's not there.

HON. ED. SCHREYER (Premier)(Rossmere): Would the honourable member permit an observation, or a question?

MR. McKENZIE: Mr. Speaker, would you clarify the word "observation"?

MR. SPEAKER: I believe the Honourable First Minister corrected himself and indicated that he wished to pose a question.

MR. SCHREYER: Yes, a question -- to ask the Honourable Member whether he is aware that I have on repeated occasion referred to the Mauro Report and referred to it as being an excellent report.

MR. GORDON E. JOHNSTON (Portage la Prairie): . . . , Mr. Speaker, permit a further question? So that he can answer both questions. Is it not a fact that the Mauro Report is concerned only with one aspect of the north, namely transportation?

MR. McKENZIE: I agree with the First Minister and I agree with the Leader of the Liberal Party on those points, but I would think, Mr. Speaker, some place in that report reference should have been made to the Mauro Report because it's a very valuable document which has many implications as far as the North is concerned.

Then I ask about the TED Report. No reference to the TED Report in any shape or form, and the Member for Churchill, you know, I thought sure that the Member for Churchill would add something about the TED Report to the north, because I think it had many of the answers. I fail to find them in this document, Mr. Speaker. And, of course, there are other comments that I expected to receive, and they are not there. And, of course, possibly Mr. Speaker, this is a sort of, one of these what you call inter-departmental problems that come up from time to time in government, and if that is the problem, I well recognize it and no doubt this government will clarify that issue, because the inter-departmental problems of the North have been one that -- I think the Minister of Transportation the other day recognized this problem. He mentioned the inter-departmental problem. We shall move on.

I humbly submit, Mr. Speaker, the debate is not going to -- we are actually stalling the development of the North, or the programs for the North, as I debate here today. I again ask the Minister to put his program on the table, put his money on the table and let's take a -- use the measuring stick of the committee. It's there; it's well-documented. Establish our priorities and let's get on with the job.

The Member for Rupertsland rather concerned me yesterday, and I just don't get this trip to Russia what he's going -- I tried to read between the lines, but are you going to Russia to look at the problems of the North?

A MEMBER: Siberia.

MR. McKENZIE: Or was that what he was trying to get across? If he is going to Russia, Mr. Speaker, I'd love to go with him. I could carry his bags, but as far as solving the problem of Northern Manitoba I humbly submit that you don't have to go to Russia to solve them, we can solve them ourselves, and I congratulate this government who have documented this report, but let's not get on a wild goose chase and spend the taxpayers' money by going to Russia to look at some of these problems. I'd like to go, and if the Member for Rupertsland is going I hope he would consider me as one who could carry his bags.

Otherwise let's say, Mr. Speaker, the whole exercise was in vain. Why provide the Task Force in the first place? If we are not going to do something about it, if we are not going to put some bucks on the table, I say let's scrap the whole thing. And on those grounds, Mr. Speaker, I say that we do not need another Task Force until the 49 priorities in that book are tabulated and the priorities established. Ten of them no doubt are federal and maybe some of the others are shared on a federal-provincial basis, but the priorities are there and they ask the Minister and they ask the Government to put up the money. Let's establish the priorities and let's develop the North.

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

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I beg to move, seconded by the Honourable Member for LaVerendrye, that the debate be adjourned.

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

MR. SPEAKER: Notices of Motion; Introduction of Bills; Orders of the Day. The Honourable House Leader.

#### STATEMENT

MR. GREEN: Mr. Speaker, I rise to my feet merely to indicate to you that yesterday you had made reference to something that occurred in the House on Friday last. The Honourable Minister of Transportation is not here today and . . . .

MR. G. JOHNSTON: Mr. Speaker, on the point of order, I think the House Leader is anticipating an action that you may be taking and I think he is entirely out of order, that he should wait for the Speaker to bring this subject up.

MR. GREEN: Well, Mr. Speaker, it's exactly because I don't want the subject to come up that I'm on my feet, so it's not a question of anticipation. It's a request that either the -- and the Minister of Transportation permitted me to speak for him, which perhaps might not be satisfactory, or else to withhold any action that you may take -- (Interjection) -- Mr. Speaker, I wonder why we should have disagreement when none exists. I have indicated. . . .

MR. SPEAKER: I take it that the Honourable House Leader wishes to make a statement on behalf of the Honourable Minister of Transportation.

MR. GREEN: No Mr. Speaker, I wouldn't do that, especially in view of the immediate reaction from the other side, and I indicated that if that is not satisfactory certainly there's no intention that it be resolved in that manner but that any future activities in connection with this matter await the return of the Minister of Transportation.

A MEMBER: Who is out on government business.

MR. G. JOHNSTON: Well Mr. Speaker, on a point of order, I suggest to you that none of the business of the House should be held up because someone is absent. If someone is absent, well, whatever course of action the House takes, then a decision is made, but to presuppose that because someone is not in the House and the Speaker should delay or put back an action that may be considered, in my opinion is not correct.

MR. GREEN: Mr. Speaker, with the greatest of respect, I agree that my honourable friend can say that you needn't, but I am making what I consider to be a reasonable request and which is quite likely to prevent discomfort, as you indicated yourself yesterday, rather than to cause it.

MR. WALTER WEIR (Leader of the Opposition)(Minnedosa): Mr. Speaker, speaking to the point of order, I am sorry that this circumstance has to come about, but in view of the circumstances I don't propose to object to any decision, Sir, that you make in regard to any request that there is. I think it's a suggestion that has been made to you, Sir, and I am prepared to sit in my seat and allow you to come to a judgment on your own. It's something that I don't think that I can help you with.

MR. GREEN: Mr. Speaker, there's just one more thing. The Minister of Transportation left because of emergency flood conditions in Gladstone, Manitoba, which he is trying to do something about. -- (Interjection) -- because I assumed that you knew that he was on business.

MR. SCHREYER: Mr. Speaker, I think honourable members would think it appropriate if I were to observe on their behalf that we have back with us for the second day, after an absence of more than a month, since March 17th, I am told, the Honourable Member for Souris-Killarney. I understand that he was quite seriously ill for a number of weeks, has had good care in the hospital and, with a bit of a rest, that he'll be back in his old form, and we all welcome him back.

MR. WEIR: Mr. Speaker, while I join in the remarks of the First Minister, may I extend from this side of the House - I noticed he was back, I think it was yesterday - the Honourable Member for Flin Flon, who had been away for a considerable period of time, and I know all members. . . .

MR. G. JOHNSTON: Mr. Speaker, our group is so small that we cannot afford to be ill.

HON. RUSSELL PAULLEY (Minister of Labour)(Transcona): Mr. Speaker, . . . not an acknowledgement that the Liberal Party is a sick Party.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. WEIR: Mr. Speaker, before the Orders of the Day, I understand that there has been informally an agreement, I believe, reached amongst members of the House that in view of the visit that we are receiving this afternoon from the Right Honourable John Diefenbaker, that

(MR. WEIR cont'd.). . . . there be an opportunity given to him to bring a greeting or such to the Legislature, and there seemed to be a thought that it might be wise to put on the record, agreement of the House and the recognition of the fact that it's something that is seldom done within the Legislature, the reasons being that there are very very few people who achieve the highest elected office in the Dominion of Canada. He represents one I think, including the present incumbent, of possibly four that are living today and it's not that many if you add them all up right back since Confederation, and that the House is extending a significant privilege and wanted to be accepted as such by Mr. Diefenbaker, and I think that we would like it for the record, Sir, for your benefit and for the benefit of the House, that it is something out of the ordinary and that the House would be happy to have this greeting from Mr. Diefenbaker.

MR. SCHREYER: Well, Mr. Speaker, it's obviously appropriate that this be done and I merely want to, for the record, concur with the comments made by the Honourable the Leader of the Opposition.

MR. G. JOHNSTON: Mr. Speaker, we also are in accord. We look forward with anticipation to hear from this great Western Canadian.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I'm not sure whether unanimous consent is required in this matter but I'd certainly go along and am anxiously awaiting to hear the former Prime Minister speak. I think we should always have an open door, as far as this House is concerned, to any leader of the Federal Government, be it past or present.

MR. SPEAKER: The Honourable Member for Souris-Killarney.

MR. EARL McKELLAR (Souris-Killarney): Mr. Speaker, Mr. Premier and members of this Assembly, I want to thank you all for your kindness as shown to me this afternoon. I did have a long, very long rest and I don't know who to blame it on, whether it's the Irish on the 17th of March or whether it's some germ that the Minister of Labour left here while he was sitting in this chair. It seems that there were many announcements made while I was sick in the hospital and I was only praying that I would regain my health before the debate took place, because I've always tried to defend the free enterprise system. I'm feeling better every day and I know the time that secondreading of the Bill takes place that I will be in top shape and able to hold my own with anyone who cares to debate otherwise. So thanks again. I want to thank you for all your letters, for your visits, and I want to thank the press too for their letter of good wishes they sent to me.

MR. SPEAKER: Orders of the Day. The Honourable Member for Rhineland.

#### ORAL QUESTION PERIOD

MR. FROESE: Mr. Speaker, I have a question to direct to the House Leader. Is the government prepared to construct a temporary bridge at the customs at Gretna? This is required in order that people can again cross at that border.

MR. SCHREYER: Mr. Speaker, I'm wondering if the honourable member has directed the question to the right Minister. Would he ponder about it and direct it to the appropriate Minister, please.

MR. FROESE: Well then, I'll refer to the acting Minister of Transportation seeing that the Transportation Minister is not in his seat.

MR. SCHREYER: Mr. Speaker, I suspect that that is the kind of question, even if the Minister were here, likely would have to be taken as notice, it's a matter of some particular, so I shall do so on his behalf.

MR. FROESE: Thank you, Mr. First Minister, for it. I have a further question - I think this one goes to the House Leader because he is the one that informs us on flood forecasting. The people at Gretna are very anxious to know whether there are any further flash floods to be expected at that point. Rumour has it that there are further flash floods coming up at Walhalla. Can the Minister confirm this and, if so, that we can inform the people at Gretna of this?

MR. GREEN: Mr. Speaker, the practice of the department is to advise the municipality concerned and by the media the people in the area regarding any flash floods; I know that my administrative people are in the Gallery right now and I will urge them to go back to the office and immediately inform the relevant people in Gretna as to the present situation.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. BUD SHERMAN (Fort Garry): Mr. Speaker, I'd like to direct a question to the Honourable Minister of Mines and Natural Resources and ask him whether he has had a chance to investigate a situation I made reference to yesterday in a question to him and the Minister of

(MR. SHERMAN cont'd.), . . . . Municipal Affairs, with respect to a serious flooding situation in the Turnbull Drive and Red River Drive areas south of the Metropolitan area.

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs)(Selkirk): Mr. Speaker, in connection with the flood situation relating to Turnbull Drive referred to by the member, there will be a flooding problem in that area. The municipal people have been warned of this. It's my understanding that the people in that area, and possibly including the Honourable Member for Fort Garry, wish the lowering of the flood gates, but it is our advice that if these flood gates are lowered that it will cause much more damage and much more loss to people along the Red River and also in the City of Winnipeg, making it just an impossible alternative to lower the flood gate in order to permit the alleviation of this threat in the Turnbull Drive area.

MR. SHERMAN: A supplementary, Mr. Speaker. I thank the Minister for his information, particularly in the area with respect to the flood gates that he's just referred to. Might I ask, Mr. Speaker, whether the Minister's department has acquainted the municipality with the reason for the level of the flood gates at the present, because there's a good deal of consternation about it.

MR. PAWLEY: It is my understanding that they have been in communication with the municipality, and it's also my understanding that this information has been conveyed to them. I would like to assure the honourable member that I will certainly verify that this is the case, but it is the understanding given to me that this communication has been given to the municipalities. They've been warned and advised of the full implications of the lowering of the flood gates.

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

MR. G. JOHNSTON: Mr. Speaker, I would like to direct a question to the First Minister. The First Minister's not paying attention, but it is in relation to the general problem of flooding. Could the First Minister give an assurance to the House and the public that those who have been affected by the floods in Manitoba will be treated in the manner in which they have been treated in the past by way of compensation where - well, as I say in the past, where compensation has been paid to those who have lost a great deal through flooding.

MR. SCHREYER: Well, Mr. Speaker, I can say to my honourable friend that this is what I have assumed all along - there has been no change in policy in this respect - and that the level of damages suffered by residents in flooded areas, that consideration will be given to damaged compensation the same way as it has in the past, and I would think that same levels prevail.

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

MR. GILDAS MOLGAT (Ste. Rose): Mr. Speaker, I'd like to address a further question to the Minister responsible for EMO who was replying earlier on the Floodway. Am I to understand from his reply that the present operation of the Floodway creates more flooding south of the floodway gates.

MR. GREEN: I'd like to take that question. The operation of the Floodway is designed to have the position south of the Floodway exactly as it would be if there were no Floodway.

MR. MOLGAT: A subsequent question, Mr. Speaker. Did I not understand the Minister correctly to say that there's a request to lower the floodway gates, and if they were lowered there would then be less flooding south.

MR. GREEN: Mr. Speaker, that is correct, but the fact is that this would be using the Red River Floodway to alleviate as a flood-fighting device south of Winnipeg rather than as a flood-fighting device for Greater Winnipeg. We would have more water in Greater Winnipeg and less water south of Winnipeg, whereas the operation of the Floodway has, in all the years that it's been there, been designed so as to have the same level of water running through Winnipeg but through two channels and the same volume of water south of Winnipeg.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: A supplementary to the Minister of Mines and Natural Resources, Mr. Speaker. I would like to ask the Minister, do we not have the confidence that he expressed yesterday in reply to a question from my colleague the Member for St. Vital, that the long range problem of backwash from the floodway gates is being examined by the government.

MR. GREEN: . . . Mr. Speaker, the allegation that there is a back-up, and the problems that result from the change in flow and all of those problems are being looked at, and I indicated to my honourable friend yesterday that they were; but I wish to emphasize to the Member for Ste. Rose - and that's the reason I rose to my feet - that the Floodway is not used to back water up south of Greater Winnipeg.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I direct this question to the Minister of Education. I'm wondering if he can inform this House as to whether there is going to be any change in the grant structure to divisions where vocational schools are situated in this year.

HON. SAUL A. MILLER (Minister of Youth and Education)(Seven Oaks): Mr. Speaker, I noticed in the estimates that there are changes envisaged in the grant formula effective September 1st.

MR. EINARSON: A supplementary question, Mr. Speaker. I'm wondering if there's any improvement going to be made in the grant structure to non-unitary divisions in the Province of Manitoba.

MR. MILLER: No, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, a question to the Minister of Mines and Resources. Inasmuch as the federal Minister, Honourable Jack Davis, has indicated an interest-free loan program to fishermen in Manitoba affected by the decision regarding commercial fishing, can the Minister indicate the progress of negotiation, or litigation or whatever the proper term is, with the polluting agent inasmuch as the federal Minister has said that the only way the fishermen would in fact receive anything, any compensation, is if the money is collected from the polluting agent, and I don't believe this is what was indicated earlier in the House by the Minister of Mines and Natural Resources.

MR. GREEN: Mr. Speaker, I believe that my honourable friend wrongly interprets the Minister of Fisheries, or I do, but that is not my understanding. My understanding is that they will be provided with interest-free loans; that they will then attempt to recover from the polluting agents; that if they recover, they will repay the money to the Federal Government and the Provincial Government; if they don't recover, they will not be required to repay the money to the federal and provincial governments.

MR. SPEAKER: The Honourable Member for Emerson.

MR. GABRIEL GIRARD (Emerson): I have a question for the Honourable the First Minister. I wonder if he would share with the Minister of Cultural Affairs and with Mr. Bovey, the Archivist of the province, my expression of gratitude to them in bringing to Manitoba what rightfully belongs to Manitoba, the Girard papers.

MR. SCHREYER: Mr. Speaker, it would be a pleasure to do so and accordingly the expression is shared.

MR. SPEAKER: The Honourable Member for Churchill.

MR. GORDON W. BEARD: Mr. Speaker, I'd like to direct a question to the Honourable Minister of Mines and Natural Resources respecting pollution and the problem of employment of those fishermen. Is he considering a development fund at all to go into commercial fishing of lakes in the north where they're killing off the fish and restocking them with trout? I believe they call it fish farming. It would seem to be appropriate because you could use the men effectively this year to . . .

MR. GREEN: Mr. Speaker, various programs are being considered and I must admit I'm not aware of each one of them, but your remarks are recorded and certainly it will be looked at.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, another question to the Minister of Mines and Natural Resources. Can he indicate or clarify who is actually pursuing this on behalf of the fishermen? Are the fishermen suing as an organization or is the Manitoba government carrying it on for them?

MR. GREEN: Mr. Speaker, I must say that the mechanics are being left to the lawyers, but the lawyers are our in-House lawyers of the Department of the Attorney-General, and I made that quite clear in the announcement that we are prepared to finance the legal case as to how it proceeds. Since I'm not practicing any more, I'm not going to give advice.

MR. CRAIK: A subsequent question, Mr. Speaker. In the earlier reply today the Minister indicated that the fishermen actually were proceeding with the action, and if they receive compensation back from the action, then the money would then go to the joint federal-provincial governments?

MR. SPEAKER: . . . the member is entering into debate rather than asking a question?

MR. CRAIK: No, I think there is some slight conflict in the statements by the federal Minister and the provincial Minister on this.

MR. GREEN: Mr. Speaker, perhaps my words literally could be given that interpretation. My impression is that there will be an attempt to compensate the fishermen. That's why it's an interest-free loan. An attempt will be made to compensate the fishermen by action against the polluting agents. Now whether the action is commenced by each fisherman as plaintiff, whether the government can take an action, whether it's a class action, how the procedure is gone about, I leave that to the legal people, and what happens is that however the action is commenced, if it results in recovery to the fisherman then the loans are repaid. That's why it's an interest-free loan.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. JEAN ALLARD (Rupertsland): Mr. Speaker, I have a question for the Minister of Mines and Resources. The figure of \$1 million or \$1 1/2 million has been publicly reported as a statement of his and there is a considerable amount of concern amongst fishermen that this is the limit. Would he care to state whether this is a limit or whether this is just something out of the top of his head?

MR. GREEN: Mr. Speaker, the figure that I used at one time of \$1 million is best described as a "ball park figure". What is intended to be compensated is actual net loss. Now whatever that amounts to is the figure that will be ultimately used.

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

MR. MOLGAT: Mr. Speaker, I'd like to address a question to the Minister of Municipal Affairs. Is he able to inform the House when we will get printed copies of the Automobile Insurance Bill?

MR. PAWLEY: I certainly understand the impatience of the honourable gentleman yesterday and today. I would just request of him, and I know his interest was aroused last Sunday when we had a friendly little discussion on T.V., and I would just urge him to be patient just a little longer.

MR. MOLGAT: Mr. Speaker, I thank the Minister for his little speech and his lack of information. Could he inform the House whether the regulations will be tabled at the same time as the bill will be tabled, whenever that may be?

MR. PAWLEY: I would just again plead with the honourable member to be patient and he will see in due course.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, with reference to a question that was previously asked by the Member for Churchill - he's now referred me to a magazine which deals with trout farming. I want to tell him that there is indeed, and has been for approximately a month I would think, a trout farming program that has been instituted in Manitoba.

MR. SPEAKER: The Honourable Member for Emerson.

MR. GIRARD: Mr. Speaker, I'd like to direct a question to the Honourable Minister of Municipal Affairs and it might be a supplementary question to that of the Member from Ste. Rose. Is the delay in introduction of this bill due solely to the printing of the bill?

MR. SCHREYER: The honourable member is, of course, free to speculate all he likes as to why it is that the legislation has not been introduced just yet. May I just say to him that it is not at all unusual to have this kind of delay in the introduction of bills.

MR. SPEAKER: The Honourable Minister of Cultural Affairs.

HON. PHILIP PETURSSON (Minister of Cultural Affairs)(Wellington): Mr. Speaker, may I at this point bring in a reply to a question that was raised during the presentation of my estimates by the Honourable the House Leader of the Liberal Party. It had to do with rental rates of the Concert Hall, he may recall. There are various classifications of rates depending on whether the events are with paid admission or no admission, or exhibits, shows or conventions. Class 1 is events with paid admissions and reference is made to what they call the first show. The rental rate is determined on the basis of 50 cents per occupied seat with a minimum payment of \$500.00 per day. The maximum is \$1,131.50 per day.

Now, for the second show - and this means if the same show is repeated the same day, that is afternoon and again in the evening - for the second showing the rate is 25 cents per occupied seat with a minimum of \$250.00 per day and a maximum of \$565.75 per day.

Now, in the event of events without admission, then the rate charged is the same, 50 cents per occupied seat, with a minimum of \$450.00 instead of \$500.00, and a maximum rate of \$787.50.

Class 3 - events with no admission and rated as being charitable, educational, non-profit



(MR. PETURSSON cont'd.) . . . . and so on, there is a flat rate of \$450.00 per day with no increase for occupancy of seats.

Class 4 - exhibits, shows and conventions, the rate is a flat rate of \$1,131.50 per day.

Now, another part of the same question was how many people attended last year and the reply, as I have it to that question, is that there were 201 performances during the year with a total of 297,349 people in attendance. And then there was a third question the honourable member asked and that had to do with the recovery of any deficit on the Centennial Centre operation, that is the operating administration and so on, and recovery is made through a grant from the Department of Cultural Affairs, my department.

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

MR. G. JOHNSTON: . . . . a question to the Minister who has been so kind to answer my question. With respect to the deficit, the Minister says that it comes from his department. Does it come from his department by way of a levy on the taxpayers or does it come by way of drawing on the reserves that were built up through voluntary contributions plus contribution from taxpayers?

MR. PETURSSON: Mr. Speaker, I'll have to take that as notice and bring in a reply later on.

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

MR. MOLGAT: Mr. Speaker, I'd like to address a question to the Minister of Mines and Natural Resources. Did I understand him correctly some time ago to say that it was the intention of his department to send publicity material to the tourist camp operators that they could then forward to their proposed clients or people who had booked reservations with them, to tell them exactly what is the situation insofar as the ban.

MR. GREEN: Yes, Mr. Speaker. That may be a little late as now, because many of them have booked arrangements and what have you, but it is our intention to give them material.

MR. MOLGAT: Could the Minister indicate whether this material is now ready, or if not, how soon it will be ready?

MR. GREEN: Well, I'll take that question as notice, Mr. Speaker.

MR. SPEAKER: Orders of the Day.

#### ORDERS OF THE DAY - MOTIONS FOR PAPERS

MR. SPEAKER: Orders for Return. The Honourable Member for Kildonan.

MR. PETER FOX (Kildonan): Mr. Speaker, I'll be very brief. This has been on the Order Paper for some time. I'm sure the Member for Morris is most anxious to receive the information and, as was indicated by a number of speakers on our side, there is some need for clarification in respect to the wording to make it more explicit. Consequently, I move that an amendment be made to the motion and the amendment moved by myself, seconded by the Member for Winnipeg Centre, that paragraph numbered 1. be amended by deleting all the words after "equivalent" up to the word "fiscal" and substituting therein: "who became eligible for merit increases during the"; and that paragraph numbered 2. be amended by deleting all the words after "equivalent" up to and including "1969" and adding the words: "who became eligible for merit increases during the fiscal year 1969-1970"; and that number 3. and paragraph so numbered be deleted in its entirety.

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

MR. G. JOHNSTON: Mr. Speaker, before you put the question I suggest to you, on a point of order, that the amendment is out of order. On a point of order, it's denying the information the Order asks for. -- (Interjection) -- Well I'm suggesting to the Speaker to consider this point.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): On the point of order raised by the Member for Portage la Prairie. This is obviously denying information that the Order asks for, and in my view this is clearly out of order.

MR. SPEAKER: I believe there was -- Are you ready for the question? The Honourable Member for Fort Garry.

MR. SHERMAN: I move, seconded by the Honourable Member for Swan River, that debate be adjourned.

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

MR. SPEAKER: The adjourned debate on the proposed motion of the Honourable House

(MR. SPEAKER cont'd.). . . Leader of the Liberal Party. The Honourable Member for Ste. Rose.

MR. MOLGAT: Mr. Speaker, I had adjourned the debate for the Leader of my group.

MR. PAULLEY: Mr. Speaker, I think it should be indicated that the honourable member will be closing debate.

MR. G. JOHNSTON: Yes, Mr. Speaker, if I speak I'll be closing debate. Does anyone else wish to speak?

MR. SPEAKER: I must apologize. I had missed the comment of the Honourable House Leader.

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

MR. SPEAKER: Are you ready for the question? The Honourable House Leader of the Liberal Party.

MR. G. JOHNSTON: Well, Mr. Speaker, when the Honourable the Attorney-General replied in the first instance to the Order, which does ask for what had been the results of detaining intoxicated persons who have not committed an offense in the detention institutions throughout the province, the Minister indicated that he would be pleased to give the information but he wasn't sure that he had either the jurisdiction, or the municipalities concerned would have the proper records, and I appreciate his concern and I appreciate his sincerity when he says that he would like to give this information but he's not too sure whether or not he can. So I would like to quote to him the experience in the City of Portage la Prairie in this instance. I have before me a letter that comes from the Chairman of Police and By-laws in Portage la Prairie and I believe he has a copy of the letter sent to himself.

HON. AL MACKLING, Q.C. (Attorney-General)(St. James): Will the honourable member send me a copy of that letter? It may have been received by my department and not brought to my personal attention.

MR. G. JOHNSTON: I'll be glad to, Mr. Speaker, but I note at the bottom of the letter a carbon copy to the Attorney-General, so if he has not this, well I am pleased to give him this copy. This is on a response to a request from me that the Chairman of Police and By-laws, Mr. Orest Pressey, consulted with the RCMP who have the contract for policing of Portage la Prairie. I will quote freely from the letter and if anyone wishes it tabled I'd be happy to do so. "Persons detained under city by-law for the period of December 1st, 1969 to January 31st, 1970." This is a two-month period, detained under a different jurisdiction and naturally a different set of circumstances but the results were the same. People were not charged with a crime but there was a \$10.00 fine. I should say they were charged with a minor offense but there was a \$10.00 fine. There were 45 people charged in the two months, so that the residual municipality where the offenses occurred would have an income of \$450.00 under a \$10.00 fine for the two month period.

Now for the next period from the February 1st, 1970 to March 31st, 1970, there were 75 persons detained under The Intoxicated Persons Detention Act. No offense had been committed but they were detained for being under the influence of alcohol. During that period of time, they were kept for varying periods, some were kept overnight, some were kept for a few hours, and very few meals were supplied I might say, only 14 meals were supplied. But it's interesting to note that of the 75 persons who were detained -- and I would hate to conduct a lottery in this House as to what the members would guess were the good citizens from the City of Portage la Prairie who were detained. For the information of the members, out of 75 people who were detained in the detention cells in Portage la Prairie, only four were from the City of Portage la Prairie. This means 71 people were from outside of that area where the taxpayers of the City of Portage pay for the detention services and pay for the policing. -- (Interjection) -- My friend the Minister of Youth and Education says that this is tourist promotion. Well I hope that we use our tourists a little bit better than that. But I appreciate his point and I'll pass this on to the Centennial Committee when I get back home.

Now I'm going to read from the letter because it's for the information of all and I know that the Town of The Pas, Swan River, Winnipeg, Gretna -- do they have a jail in Gretna? -- (Interjection) -- They have one at Winkler my friend from Rhineland informs me. But really I'm trying to point up a problem where the places of detentions are, then this is naturally the only place that people can be held under the Act that was passed by this Legislature last year. I think because of this, that it becomes a provincial responsibility, it is not a responsibility of the municipality or the city where the place of detention is, and I would like to read the letter:

(MR. G. JOHNSTON cont'd.). . . . "The RCMP advise that certain persons are regularly detained, presumably because it is a most convenient way to obtain lodging, a meal and free transportation home. The meals have been kept to a minimum because the police discharge or drive the detained person home as soon as he is sufficiently sober. "The Act works a hardship on us" - and now they are talking about the municipality - "The Act works a hardship on us mainly because our facilities were only barely adequate before the Act and are now completely inadequate. We have only five cells and one night guard. Some days we have ten or eleven persons detained under the Act, and this number added to the persons normally detained creates a congested situation that is difficult to handle. If there is an upward trend in the number of detained persons, we will have to hire another night guard and provide more space which is almost impossible to do so in the existing building.

"On the bright side of the ledger, however, the police advise that since the passing of the Act their work load has diminished with respect to drunk persons, the savings as in court time, transportation, paper work, etc. This does not assist us financially, however, as we are under contract with the RCMP. It is difficult at this time to estimate the actual cost of providing the services and facilities required to implement the Act because there has not been time to compile meaningful statistics. We had written earlier to the Minister expressing our concern and we appreciate that there may be some time before it can be fully assessed."

And I appreciate this fact, Mr. Speaker, but I still think that the province has a responsibility here to undertake the study, to assess the costs, and then when all the information is in, to sit down with the municipalities concerned and arrive at an equitable solution for what in my opinion is a socially desirable piece of legislation, but I think the cost of it should be borne by all of us across the province.

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. Order please. We are dealing with the motion of the Honourable House Leader of the Liberal Party calling for an Order for Return.

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

YEAS: Messrs. Barkman, Bilton, Claydon, Craik, Einarson, Ferguson, Froese, Girard, Graham, Hardy, Henderson, G. Johnston, F. Johnston, Jorgenson, McGill, McGregor, McKellar, McKenzie, Molgat, Moug, Patrick, Sherman, Watt, Weir and Mrs. Trueman.

NAYS: Messrs. Allard, Barrow, Beard, Boyce, Cherniack, Desjardins, Doern, Evans, Fox, Gonick, Gottfried, Green, Jenkins, Johannson, McBryde, Mackling, Malinowski, Miller, Paulley, Pawley, Petursson, Schreyer, Shafransky, Toupin, Turnbull, Uskiw and Uruski.

MR. CLERK: Yeas, 25; Nays, 27.

MR. SPEAKER: I declare the motion lost. Order for Return. The Honourable Member from Ste. Rose.

MR. MOLGAT: Mr. Speaker, I beg to move, seconded by the Honourable the Member for LaVerendrye, that an Order of the House do issue for a Return showing the following information for each year since 1940:

(1) The number of commercial fishing licenses issued in each category on each of the lakes licensed for commercial fishing in Manitoba.

(2) The size of net mesh which was legal in each lake.

(3) The length of the fishing season in each lake.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: I wonder whether the member wishes to have any response before he goes into his address with regard to the Order.

MR. MOLGAT: Well, Mr. Speaker, I thought it might be best if I explained why it is I'm asking the question before and then the Minister may speak if he wishes.

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

MR. MOLGAT: If that suits the Minister. The reason, Mr. Speaker, that I asked for this Order to be transferred to today so that I could speak on it was to explain the reason why I wanted the information, and particularly the reason why I was going back over such a long period of time, because I could quite appreciate that when the Minister is faced with this sort of a request, going back to 1940, and seemingly involved with some detailed information that the Minister might well say, either this man is only seeking to make work for the department

(MR. MOLGAT cont'd.) . . . or he doesn't know what he is asking for. I wanted -- or maybe it's available elsewhere and the Minister could give it to me, I don't know. -- (Interjection) -- Well maybe then it is very expensive, but that's why I wanted to explain why it is that I think the information should be obtained, and it is because of the very serious situation that exists presently in our fishing industry, and particularly on the three major southern lakes.

Mr. Speaker, I had started some research on this subject long before the question of mercury pollution came up here in the House, and some weeks ago now I started to assemble the information because I could see a real problem developing in the particular constituency that I have, bordering on Lake Manitoba and Lake Winnipegosis. Simultaneously with this work that I was doing, I found that the Winnipeg and District Chamber of Commerce have also undertaken a substantial survey themselves of their own area in particular, but it affects the general area. It is not limited to fishing, it covers other subjects, and in my view it's a very comprehensive study and I commend them for having locally undertaken such study. I believe they've sent copies of this to the Minister of Tourism, to the Minister of Mines and Natural Resources, as well as to the Premier, so I need not go into the details of the survey, the Ministers have them on hand.

Part of that survey has a table which I had prepared on the Pickerel production, pickerel being the main fish in these lakes, or at least the main dollar earner in those lakes, and this, Mr. Speaker, shows some very disturbing information. If one goes over the totals for the three lakes in the period from 1940 to 1968, we find that in the period from 1940 to 1956 there was an average sustained production per year of over 8,000,000 pounds. If you take the actual production in 1968, which was down to 1,000,000 pounds - from an average of 8,000,000 pounds down to 1,000,000 - we find that this is a production loss of over 7,000,000 pounds. And here I have information supplied by the Winnipegosis Chamber of Commerce. They obtained the prices on the American market on the 7th of April, 1970, and that day the quotation on yellow pike in the round was 78 to 82 cents. So taking an average of 80 cents, this involves a total loss in that one year alone of \$5,700,000 purely in the fishing industry and purely on pickerel production on those three lakes.

So, Mr. Speaker, my survey, which I said started some time ago, carried me on from there when I saw these pickerel production figures, and disastrous is the only way to describe them. On Lake Manitoba, for example, from a very high of 2,000,000 pounds, last year the production was 140,000; Lake Winnipegosis, from an extreme high at one time of 3,000,000 pounds, down last year to 277,000 pounds; Lake Winnipeg, its high was 5,000,000 pounds, last year it was down to 596,000 pounds. In other words, one-tenth in most cases of the initial production, and the alarming thing again is when you look at the table you find in the last few years the decrease has been most apparent in the past - well, mainly the past ten years, getting worse and worse each time. This is immaterial, not relative to the mercury pollution.

Well then, Mr. Speaker, the question arises, why is this so? Why is it happening? Well, I proceeded to look at other subjects. Was it the production of rough fish? I obtained the figures - I did this through using the departmental reports - got the rough fish production for carp, for suckers, for maria, on the various lakes to see what was happening there and was there a relationship. I obtained the figures for production on the northern lakes to see if they were showing the same decrease; and they don't. So, Mr. Speaker, in order to be able - and I don't pretend that my research is going to solve the problem in any way - but I want to see to it that someone undertakes the research and I'm only obtaining the basic information required to be able to look at all aspects.

Well there are obviously other considerations and some of them are the questions that I asked of the Minister today, because if there have been variations in net size, these can obviously have an effect on production; if there are variations in the length of the fishing season, these can have an effect; a variation in the number of fishermen involved, these can have an effect on production. So these are merely the factors required, Mr. Speaker, part of the factors to obtain an answer to what is the trouble with the fishing industry in this area, and this is the reason that I seek this information.

Mr. Speaker, I would imagine that the department has this information fairly readily available. The annual report of the department does not give it. It does give the production in the various lakes by categories, and this much as I say I have obtained, but I believe that it is essential that we get all of the information. And this, Mr. Speaker, is coupled with other Orders for Return which were accepted by the government, one which I proposed yesterday

(MR. MOLGAT cont'd.) . . . asking for what studies had been conducted, because when I get the answer to that one then I will be able to find out what specific further questions would be required by myself or someone else completing this survey.

Mr. Speaker, I want to re-emphasize the importance of the subject because there is a very major economic loss involved here. If we were dealing with any other aspect of industry in Manitoba, or of production, and we were to say that the production has gone down from a figure and is now one-tenth of that figure, we would be very concerned indeed. If our farming industry - and it's in tough shape right now - but if it had gone down from a high of one figure down to one-tenth of that figure, members in this House would be standing and crying distress. Well here is one segment of our economy, admittedly it's localized, it is only in those areas, but in those areas it's a very important item. It is not in all cases the sole form of livelihood, which is probably the reason that there hasn't been as great an outcry. But it is serious to the people involved; it is serious to the province; and I think that we have to find the answers to this.

I suspect that the answer may in fact lie in pollution. I'm afraid that the answer - and I'm not talking now particularly about mercury pollution, I'm talking about other forms of pollution - that we've allowed the waterways in our country to become polluted to the point that reproduction does not carry on, that the normal cycles in our lakes are not there. If that is the case, then we have to look at other laws that we have to change in our province. But if it is for other reasons, then we have to adjust to meet this. But we can only adjust and do the things, Mr. Speaker, if we know the causes, and the purpose of my Order for Return is to seek those causes so a study can be made.

Now in anticipation of what the Minister might tell me - I suspect he's going to say it's going to cost too much money to get this information - Mr. Speaker, I say to the Minister that these fishermen, just in pickerel production from the figures I've shown him, have been losing in the one year alone, 1968, \$5 million - that is compared to what they caught years ago and what they caught now - \$5 million of a resource gone. Now, Mr. Speaker, I think that it is worth doing the study to find out what the causes are, because at this rate the total loss to the economy, let alone to the fishermen, is simply too great. The fishermen are unable to do this research themselves. There's no means whereby -- they have neither the money nor the mechanism to do it. Government must undertake this. We have, fortunately, taken some steps in this area, and I commend the Federal government - critical as I am of them on many other occasions - I commend them for establishing the Fresh Water Fish Institute here at the University of Manitoba. I think that this sort of research is partly theirs and partly that of the provincial government, but unless we have all of the factors that might affect the fishing industry then I don't think we can come to an answer.

So I say to the Minister, before you give me an answer that it's going to cost too much money, be very careful of the statement, analyze it extremely carefully because it may well be that you cannot afford to do the research, because if you don't do the research you will continue a serious loss for Manitoba and for the fishermen. Now it may be that the Minister is going to tell me, we will undertake a study by some other group and we will get all the answers. If so, then I think it might be satisfactory, but I think that the fishermen of the province must have the assurance that they are in fact being taken care of from a research standpoint, an area which they cannot do themselves.

MR. SPEAKER: Are you ready for the question? The Honourable Minister of Mines and Natural Resources.

MR. GREEN: I move, seconded by the Honourable Minister of Cultural Affairs, that debate be adjourned.

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

#### PRIVATE MEMBERS' RESOLUTIONS

MR. SPEAKER: 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 Member for St. Matthews.

MR. WALLY JOHANNSON (St. Matthews): Mr. Speaker, I beg to have this matter stand. (Agreed.)

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 Sturgeon Creek.

MR. G. JOHNSTON: . . . . stand, Mr. Speaker. (Agreed.)

INTRODUCTION OF GUESTS

MR. SPEAKER: Honourable members of the House, at this point it is my privilege to introduce to the House the Right Honourable John George Diefenbaker, Member of the House of Commons for the constituency of Prince Albert, Member of the Canadian and Queen's Privy Council, and Prime Minister of Canada from June of 1957 to April of 1963. On behalf of the Honourable Members of the Legislative Assembly of Manitoba, I welcome you, Sir, this afternoon.

The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, it is indeed an honour and a pleasure to welcome to our midst today the Right Honourable Member for Prince Albert, a man who has been of the Federal Parliament in the House of Commons, and in particular has become known by consensus, without any question, as one of the most distinguished parliamentarians of our time, indeed of Canada's entire history since Confederation; a man who is known not only in his capacity as former Prime Minister and great parliamentarian, but also a raconteur of renown, a fisherman known for great tales. It is only as a hunter I understand that he is of only mediocre performance, although I don't expect the Right Honourable Gentleman will agree with this latter description.

I think honourable members would want me to express words of appreciation to the Right Honourable gentleman for the fact that he visits us in this Assembly in this our Centennial year, and also appreciate his acceptance of an invitation to visit us again later this year for a fishing trip to some northern lake in the northern part of our province. But, Mr. Speaker, our distinguished visitor is not to be treated other than seriously as many a Canadian politician has discovered in turn. The Right Honourable Member is welcomed here as one who transcends a number of generations of politicians in our country, as one who has expressed not only great feeling for our country but also great empathy for western Canada and its problems.

So I, on behalf of colleagues and this Assembly, take great pride in saying these words of welcome to a great Canadian, the Right Honourable John Diefenbaker.

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

MR. WEIR: Mr. Speaker, if I may, I would like to share in the sentiments that have been expressed by the First Minister in recognition of the visit this afternoon by the Right Honourable John Diefenbaker. When I recognize the limitations that are placed on me in bringing a few short greetings, Mr. Speaker, I hardly know where to start, because if I did, I might not understand the restraints that were placed on me and find it difficult to stop. I think, Mr. Speaker, if I could content myself with saying that I think Manitobans generally consider Mr. Diefenbaker as a great Canadian. I think that they probably have a little more parochial interest even than that, I think that they consider him a great western Canadian, and I think that they would all share in the welcome that he is receiving from all of the members of the Legislature this afternoon.

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

MR. MOLGAT: Mr. Speaker, on behalf of our group in the House, I want to join in the very cordial welcome to our distinguished visitor today. I think it is very fitting, as the First Minister has indicated, that in this year of our Centennial a distinguished western Canadian, one who led our nation, should visit this House on this occasion. I suppose one wouldn't be too surprised if I said that members of my group on occasion have disagreed with the honourable gentleman, but I think in fairness I can say that very few have not admired him for his stand for Western Canada and his stand for a united Canada through the years. We welcome you, Sir.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I wouldn't want to be left out in also extending congratulations to our very distinguished visitor this afternoon, the Right Honourable John G. Diefenbaker. I understand this is a first for the Manitoba Legislature to receive such an honourable guest as a former Prime Minister to be heard in this Chamber, and therefore I think it is very fitting that this is happening in this year of 1970 where we're celebrating our Centennial. On behalf of my group, I certainly extend a hearty welcome.

MR. SPEAKER: If we may now call upon you, Sir, the honourable members would appreciate hearing from you.

HON. JOHN G. DIEFENBAKER: Mr. Speaker, I don't think anything has ever happened to me more deeply moving than this occasion. Unaccustomed as I am to public speaking, I only say that this occasion will always remain in my mind and memory as one of those occasions that typifies something of the greatness of Parliament. To you, Mr. Premier, the Leader of the Opposition, to the Leader of the Liberal Party, and above all to that Party represented by the honourable gentleman that has that degree of unity which my Party has never been able to achieve, and Mr. Speaker, your generous words of welcome will always be remembered. My people came here at the time of the Selkirk settlement, and if they hadn't moved away I might have got in here on my own. As it is, I was denied that.

Parliament and the parliamentary institution represents something that most people do not understand. It's a closeness of the friendships that are developed. I mention the Premier and say that in Ottawa he was my friend. I believe in the system whereby each of us, disagreeing as we do, can join together in a common dedication. To the people of Manitoba whom you represent, I hope that this Centennial will bring back something of the greatness and the grandeur of this province and that all of us in all parts of Canada will be able to join in this Centennial celebration which means so much to all of us. Sir, from the bottom of my heart, thank you.

#### PRIVATE MEMBERS' RESOLUTIONS

MR. SPEAKER: The proposed resolution of the Honourable Member for Ste. Rose. The Honourable Member for Birtle-Russell.

MR. SHERMAN: Mr. Speaker, in the temporary diversion of the Honourable Member for Birtle-Russell, I ask the indulgence of this House in having this matter stand. (Agreed.)

MR. SPEAKER: The proposed resolution of the Honourable Member for LaVerendrye. The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, may I have this matter stand? (Agreed.)

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

MR. GREEN: Mr. Speaker, I adjourned this matter for my friend the -- I'll just let my name drop from the Order Paper.

MR. BILL URUSKI (St. George): Mr. Speaker, I believe the matter was adjourned in my name. May I have this matter stand? -- (Interjection) -- I move, seconded by the member for Osborne, that the 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 Member for Riel in amendment thereto. The Honourable Member for Sturgeon Creek.

MR. FRANK JOHNSTON (Sturgeon Creek): Thank you, Mr. Speaker. Mr. Speaker, I intend to be very brief on this resolution by the Honourable Member from Ste. Rose. My honourable colleague the Member from Riel spoke on it last Friday and I don't have too many observations to add to the comments that he has made regarding the Honourable Member from Ste. Rose's suggestion, the suggestion he has asked for in the resolution of having a committee set up to study the White Paper in Manitoba and have them study necessarily the implications of the White Paper to the people of Manitoba and present their views to them.

I agree with the amendment of the Honourable Member for Riel, but I must say that I would like to make the following amendment to the amendment, by adding after the word government, "and that this special committee . . ."

MR. GREEN: Mr. Speaker, just on a point of order, I wonder if my honourable friend knows that once the amendment is put he no longer can address the Chamber, so if he has any other remarks perhaps he . . .

MR. F. JOHNSTON: No, I intend to finish the amendment.

MR. GREEN: If he intends to finish, that's fine.

MR. F. JOHNSTON: And add after the word "government" at the very bottom, "and that this special committee be requested to complete its report no later than July 1st, 1970."

MR. SPEAKER presented the motion.

MR. GREEN: Mr. Speaker, I don't believe that you named a seconder when you were reading the motion. I just wonder if there is . . .

MR. F. JOHNSTON: The Honourable Member for Roblin.

MR. SPEAKER: Seconded by the Honourable Member for Roblin. Are you ready for the question?

MR. SPEAKER: The Honourable Minister of Finance.

HON. SAUL CHERNLACK, Q. C. (Minister of Finance)(St. John's): Mr. Speaker, I rise to oppose the amendment and to indicate that I would like to speak on the main motion. I might indicate that it was my intention, too, to bring in a sub-amendment which of course now is barred and we will have to deal with this amendment before I am able to bring in the amendment which I had intended to bring in. but I will discuss it and possibly we will have the opportunity -- certainly we will have the opportunity later to deal with the amendment which I would have liked to have proposed today.

I think, Mr. Speaker, that it might be helpful to honourable members if at this point in the debate on this resolution and the amendment I give a more or less comprehensive statement for the government on this subject. I believe there is some interest in having such a statement for consideration. The position I will outline will therefore later be appended to the budget address, which I hope to make this week, to be made available for general distribution. The statement will I feel meet most, if not all, of the points raised by my honourable friends opposite in the current debate. And I may say that while I shall be expressing the official attitude of the Government of Manitoba on tax reform, the process of study and negotiation is a continuing one and therefore the details of any statement must be expected to reflect change over time. The principles expressed, however, do represent a substantive body of concept and philosophy such as I believe has been expected by this House and by others. I welcome the support of the Honourable Member for Ste. Rose for the objectives of tax reform, more equity for Canadians at lower income levels, and while I shall in due course propose a further amendment to his motion and to the amendment that has been moved by the Honourable Member for Riel, it is my hope that we will find a marked degree of unanimity in our expression on tax equity. It is important that responsible people of all parties give support to the principle of tax reform whatever we may believe to be the flaws in the techniques the Federal Government proposes. Tax reform is an urgent need.

Mr. Speaker, I propose, therefore, first to summarize the current view of the government on federal tax reform proposals and the related considerations thereto. In summary then we would say firstly that there are some useful reforms in the White Paper proposals but they are too few and too limited. Special privileges remain, indeed are extended in some cases for some industries and for the wealthiest people in the community. Our main objection is that contrary to the Carter Commission recommendations the federal proposals are more concerned to tax according to how money is earned rather than according to how much. This is contrary to ability to pay as a basis for taxation. Only direct income taxes are covered in the White Paper. The massive reforms needed in respect of indirect sales taxes and property taxation, the most pervasive and the most regressive taxes respectively, are still uncharted. The taxpayer is still faced with major inequities beyond what we have seen so far. More than half the total tax burden in Canada is simply not covered in the federal paper.

Fourthly, their proposals do not meaningfully redistribute income beyond the present structure. The biggest saving for a low income person, \$127.00 for a married man with two children at \$4,000 a year; but if you were to earn over \$50,000 there are actual provisions for reduction in tax. At \$100,000 the reduction is \$5,423; at \$400,000 the reduction is \$27,000.00.

Fifthly, exemptions are the wrong way to give relief to the lower income earner and in any case the proposed exemptions are of minimal value. Tax credits are far more realistic, equitable and economical.

Six - the employee expense deduction is a welcome innovation but far from adequate and it's totally inequitable when you consider that a businessman has virtually no limit to legitimate business expense in offsets permitted against tax. Similar criticism can be aimed at the specific approach to an otherwise welcome provision for child care allowances.

Seven- depletion allowances and other resource industry incentives etc. are still going to operate. These may well be wrong in principle whatever the basis for computing them.

Eight - the preservation, indeed the emphasis, of favour for equity investments over debt financing puts the social capital needs even lower down the priority scale in the money markets than now. This can only mean more hardship for local and provincial governments in meeting their responsibilities for social service and for development generally. Thus the economic distortion deepens. Capital cost allowances must be fully re-examined before setting any final corporate tax policy and unlimited advertising expenditure offset against tax liability remains a major inequity and an economic weakness which the White Paper ignores.



(MR. CHERNIACK cont'd)

Finally on small business we agree on the elimination of the easily abused dual tax rate on corporations, but there must be an alternative provision for truly small and innovative business as the Carter Commission recommended. These new and small scale operations need aid in finding and in holding capital. They're entitled to various special incentives with offsetting disincentives to large operators who simply use tax advantages to wipe out small competitors. Manitoba proposes tax deferral for small business for a specified period of start up. The fact that small business generally accounts for less profit in aggregate is poor reason to write off such enterprise. We must encourage innovation and decentralized enterprise for the sake of regional balance and basic productivity and economic democracy. This may well be preferable by way of support outside of the tax system itself. Size is no virtue in itself, large or small, but social economic productivity is. Small firms often tend to do so only if the cost is minimal relative to established profits.

Well, Mr Speaker, the official approach of the Manitoba Government on the federal proposals for tax reform as presented to the Ministers of Finance Meeting in December, 1969, after clearance with the Manitoba Cabinet remains virtually unchanged. That position is that the proposition to shift the basic burden of taxation from those at low and low middle incomes more proportionately to those at high middle and high incomes is an urgent necessity in respect of social and economic justice. The reservations of the Manitoba Government in respect to the federal approach have been related to technique and to method. That is to the practical steps proposed for reaching the objectives of greater tax equity. An overall Manitoba objection has been that the federal tax reform proposals do not go far enough; indeed there is a tokenism in the federal approach that conflicts both with intent of true reform and with the urgent need for reform in Canada's tax structure. The extent of relief that would be provided by many of the propositions is woefully short of need, justice and indeed simple recognition of what has happened to basic living costs in recent years. The federal proposals evince too much concern for abstract principles in respect to tax dollars, paid or exempted, and stop short of providing real equity and showing genuine consideration for the people who pay tax beyond their capacity.

The objective approach to tax reform in our view must deal with two basic questions. Firstly, does the existing or proposed tax structure effectively and equitably serve Canadians in deriving adequate support for essential public, social and economic services and development? Second, does the existing or proposed tax structure provide fair and adequate opportunity in Canada for all citizens and for all worthy applicants for residence in Canada whether they be individual or corporate. We would have preferred that the full range of taxation had been covered in the Federal White Paper tax reform proposals and not just income taxation alone. It's particularly difficult to evaluate fairly the full impact of the federal proposals because there's still the task of reforming sales and other consumption taxation, more than half of the total tax imposition in Canada. Furthermore, the income and capital gains approach requires at the very least a re-examination of estate and gift taxation. We have, however, welcomed the federal commitment that Canadians at lower income levels should pay less tax while those at high income levels pay more tax relative to their individual capacity. But we are very disturbed that in fact the White Paper provides proportionately greater relief for the wealthiest individuals and for the poor. Furthermore, there is far too much emphasis and concern for dollars and far too little meaningful concern for people. Contrary to the recommendations of the Carter Commission, the federal proposals are more concerned as I have said to tax according to how money is earned rather than according to how much. This as I have said is not in accord with the ability to pay as a principle, with the result that special privileges remain, indeed are extended, for some industries and for the wealthiest people in the community. For individuals the proposals do not meaningfully redistribute income beyond the present structure. I have indicated that the biggest savings for a low income person is \$127.00, that's a married man \$4,000 income, whereas in the higher brackets of income the reduction is much more substantial. This is not much support for the concept of taxation based on ability to pay.

Exemptions are the wrong way to give relief to the lower income earner and the proposed exemptions are of minimal value and amount. Use of exemptions offers far less practical and selective aid than would the use of tax credits. Exemptions however they may be defined, and refined and therefore made more complex, are essentially shotgun approaches to tax relief. By and large they favour those taxpayers who require no relief as much as, or more, than they

(MR. CHERNIACK cont'd) . . . . . favour the truly entitled lower income beneficiaries. Tax credits on the other hand can be aimed far more precisely and with far fewer complexities to give relief where it is needed and where public policy intends it to go. The result is more proportionate relief where it matters and far less expense to the public in the process.

While the Federal Government has countered our arguments in this regard by claiming that exemptions are possible to apply selectively with much complication in the process, these arguments do not convince us. Tax credits give a very different weighting to relief between two obviously different sets of economic circumstances. For a man with poor income tax forgiveness is a vital thing in proportion to his means. For a wealthy man tax relief is simply an addition to his advantage and there is no relation to entitlement by virtue of need. That is the basic difference we see between the exemption and the credit approaches. The first generally dispenses relief whether justified by need or not; the second puts the relief where it is truly needed and thereby where equity truly demands relief. Certainly the size of the exemptions offered in the federal proposals is totally unrepresentative of the sharp rise in living costs in recent years.

The Government of Manitoba has found it inexplicable that actual advantage should accrue to the wealthy from the federal proposals for tax reform. Yet this is the case for those at high incomes because of the ceiling on the marginal rate of tax to which incomes would be subject. If there is not a substantial element of capital gains in the particular income situation many earning high incomes through non-capital returns of one kind or another would actually enjoy very substantial reductions under the reform proposals. This seems to be in complete conflict with the avowed intention of creating a better equity based on ability to pay. That is, shifting the tax load from those with obvious incapacity to those with obvious capacity.

Attempted increasing the capacity of low income taxpayers and in ending the discrimination against other taxpayers under the present structure are to be found in the proposals to provide employment expense deductions for the average citizen and child care expenses for working mothers. However, the obvious inadequacy of both provisions of the tax reform proposals presented by the Federal Government has drawn strong and specific criticism from the Manitoba Government. There is no equity at all in our view in a \$150.00 employment expense limit for a working man when there's unlimited capacity for a business entrepreneur to charge off all of his expenses incurred in doing business. And in regard to the allowance for working mothers not only is the amount inadequate but we do not believe that a fair recognition has been given to the particular positions of many mothers carrying full responsibility for the upbringing of their children. In particular we think of a mother whose husband is physically incapacitated. In such cases a wife must not only work, she must often make expensive arrangements for care of the home in these circumstances. The Manitoba Government advocates that some adequate research be done on the entire question of child care and that the findings be reflected in a more effective provision in the tax system for meeting the needs of working mothers and others with child care responsibilities beyond their reasonable capacity.

Viewing tax reform in its broadest and most realistic presentation the Manitoba Government has emphasized the need to look at sales taxation, and other forms of public revenue, before final judgment can be given to the particular reforms of the income tax structure. This is not only a matter of equity but just simple common sense. In fact, unless sales and other non-progressive taxes are reformed in concert with income tax reform, their regressive drag on the economy increases. Indeed the favoured treatment of the wealthy in the federal proposal already sets a further regressive thrust to Canadian taxation. To leave sales taxes untouched, compounds this and as I have mentioned, over half of the total tax imposition in Canada is not covered in the White Paper.

The Manitoba Government advances a general premise that tax reform is not a once and for all proposition, but rather should be a continuing responsibility of governments, therefore it is not necessary to put into practice in one year or in one five year period, all of the reform propositions. We advocate consideration of all objectives now with action as feasible. The tax structure should be kept in the perspective of a supporting instrumentality and not be an end in itself. As the social and economic requirements of the people alter, so also should the tax structure be altered to serve these needs better. Therefore, the Manitoba Government would argue against any overly intricate attempt to do everything at once. And while we do not suggest that the tax proposals of the Federal Government attempt to do everything at once, indeed we feel that many things were left undone which ought to have been attempted, we think

(MR. CHERNIACK cont'd) . . . . there has been an unnecessary complexity in approach, even in the segments of reform which have been given to us. For example, the Manitoba Government does not believe that the taxation of unrealized capital gain is a practical proposition. At the same time, the Government of Manitoba forcefully and firmly advocates the taxation of capital gain. It is our view that the hitherto undeserved protection from taxation of this form of income must be terminated. The White Paper proposals, however, create a kind of discrimination in respect of capital gains taxation which the Government of Manitoba finds unacceptable. By providing a more favourable capital gains tax position for widely held Canadian companies, 50 percent rather than the 100 percent tax liability for capital gain, the proposals would inevitably discriminate against closely held corporations, many of which would be small and innovating companies with high potential of public good for the economy. In other words the proposition would seem to perpetuate, and indeed enhance, the monopoly position of many corporations by favouring an alleged advantage to Canada in the widely held distribution of shares in certain enterprises. Close examination of these corporate entities usually reveals that Canadianization is more apparent than real. Furthermore, discrimination would exist even between two large corporations in the same business, such as, for example, Eatons on the one hand and Simpsons Sears on the other. and this cannot be justified by the practical operations of the two entities. Other examples could be developed without much difficulty by casual reference to the major enterprises operating today in Canada.

Furthermore, the Government of Manitoba does not believe that the approach to capital gains taxation which the White Paper has taken will in fact, enhance the attraction of Canadian investment, for Canadians, as claimed. Indeed, what might well happen to closed corporations forced to find the money to pay the double rate of capital gains taxation on valuation dates, is that they would find themselves exposed to foreign take-overs, even more than is the case at present. The availability of cash at particular times, if the five year valuation proposition is advanced, makes it inevitable that whoever has the cash or access to it, will have the advantage of acquiring control of many Canadian enterprises; and since many of the affected enterprises are among the most productive in the development of new economic potential, the attraction for take-over is even greater. Our main contention with the proposal for taxation of capital gains is that they are discriminatory and incomplete and the valuation method proposed is impractical. All sources of income should be subject to reasonable tax treatment. On that we agree with the federal approach completely. The Carter Commission established a sound principle, it should be firmly applied. Loopholes in the existing tax structure which have been often allowed, seem to evade their just contribution to social costs and they should be closed once and for all. The cost to Canadians of providing privileges to the few, which must be paid for by higher taxation of the many, is far too high and must be ended.

In the matter of estate taxation, the Manitoba Government contends that the tax reform proposals of the Federal Government now necessitate a review of the previous estate tax measures advanced by the Government of Canada. When incomes and assets are so materially affected it seems only reasonable that the entire structure of taxation affecting these elements should be examined. We are particularly concerned that estate taxation not be viewed solely as an instrument for the raising of revenue. Capital gains taxation is not a substitute for estate taxation. The Government of Manitoba has specifically advocated in its contributions to constitutional review, and in its approach to the consideration of tax reform, that both corporation and estate taxation should be administered exclusively by the Federal Government in order to insure equity across the nation and to provide for the most effective application of taxation in these highly variable fields of endeavour and wealth accumulation.

Now in regard to small business, the Manitoba Government's position is that more adequate consideration must be given to a business which is productive regardless of its size. Forms which operate in the short and the long run in clear compatibility with the public interest must be given the support of equitable treatment, not only in tax terms but in other aspects of public policy. Size alone is not a sufficient measure of capacity or productivity potential. A tax structure which applies indiscriminately to all enterprise in fact has the potential for great discrimination to the disadvantage of enterprise which is most likely to serve the public through the development of new techniques and through the creation of genuine alternatives to existing monopoly practices. The Manitoba Government has therefore advocated that taxation of corporations in particular, should be developed along progressive lines commensurate with the practical needs for an integration of corporate and personal income for tax

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(MR. CHERNIACK cont'd) . . . . . purposes We've advocated the approach which the Carter Commission took, rather than that which the Federal Government now proposes, in applying taxation to small enterprise; that is we would advocate giving an enterprise a certain number of years from its inception to demonstrate its capacity. In that period of time, either tax credit or tax deferral could be provided with or without interest as the circumstances indicated, so that a small developing enterprise could have the opportunity to reinvest its earnings productively. At the same time the people of Canada would not be deprived of a rightful share in the profit of such enterprise. After all industry can only operate effectively in a social and economic community with adequate services and skills and facilities. These are public sector contributions. The people thus contribute to profits and they should share in profits.

Two other points on business taxation. First that we hold unlimited advertising expenditures offset against tax liability to be a major inequity and an economic weakness which the White Paper ignores. Secondly, capital cost allowances must be fully re-examined before setting any final corporate tax policy. With regard to farm enterprise, the Manitoba Government contends that all too little recognition is apparent in tax proposals by the Federal Government of the special nature and the risk involved for those operating our basic agricultural industries. No fair recognition has been given to the degree that the family unit is directly responsible for such enterprise. Furthermore, farm capital supply simply cannot be treated as identical with industrial corporate capital. It is neither as easily transferrable nor is it generally replaceable where land is involved for example.

The attitude of the Manitoba Government on the federal treatment of farm capital in many ways carried forward to the question of personal capital in the form of housing. We consider that the federal proposals strain unduly to equate the ownership of the home with the ownership of any other capital assets. We hold this view quite apart from our general rejection of the valuation concepts advanced in the federal proposals. We support the objective of making resource development in Canada more responsive to the particular needs of Canadian communities and citizens. This is not a passing comment. We seek tax proposals aimed to achieve greater responsibility to the community for enterprise deriving its main profits from the resources which belong to the people. The first major resource taxation concept to be questioned is that involved in depletion allowances. Why for example, should only the private investor be compensated for depletion of resources and not the people, and not the communities to whom the resources belong? Far greater concern should be given to the workers and communities who come to depend on the resource industries for their opportunities. It is they who will be the real losers through the depletion of natural resources. If firms continue to receive depletion allowances in any form, it is essential that such compensation be shared with workers and dependent communities. When you add to this consideration recognition of the very heavy capital and operating expenditures which the public sector must make in support of resource development, it is even more unreasonable to suggest that the risks are all on the part of the private entrepreneur.

While the Manitoba Government endorses a proposition that whatever tax allowances or deductions are permitted to entrepreneurs in the resource industries must be earned, we believe nonetheless that the proposition of depletion allowances per se should be re-examined in the light of our basic concept that the resources being depleted belong not to the companies but to the people of Canada. The public interest is basic in our approach to tax reform. One of the major concerns we have is that the federal approach involves the preservation, indeed the emphasis of savor for equity investment over debt financing. This puts the social capital needs even lower down the priority scale in the money market than now. This could only mean more difficulty for local and provincial governments in meeting their responsibilities for social services and for development generally. The Federal Government must answer the fundamental question of how the provinces and municipalities are to provide for social and economic development from a reduced proportionate share of the main tax basis. Fair and equitable sharing of the major pool of tax resources of the country need not mean an alienation of federal taxing power. The Federal Government can and should employ taxation as a means of ensuring economic stability and as a basis for the equitable re-distribution of the nation's wealth. Tax reform, shared program responsibility, fiscal sharing, and the elimination of regional social and economic disparity all require a logically integrated approach.

The Manitoba Government has specifically stated that the Government of Canada should draw to itself a greater proportion of general revenue in order that it may have an improved

(MR. CHERNIACK cont'd) . . . . capacity for the direct support of social and economic development in response to the needs of the people of Canada. We have no objection at all to that result of tax reform. However, the federal tax reform proposals clearly reduce the provincial share of basic personal income taxes. The provinces today share 28 percent of the basic federal-provincial personal income tax dollar. Under the new federal proposals, we would share only 21.9 percent of every new basic personal income tax dollar. That represents a reduction of about 25 percent in the basic provincial share. In addition it is proposed that the present provincial share of approximately 50 percent of corporation income tax on small business will be reduced to 20 percent. While we are fully prepared to see a strengthening of the federal revenue capacity for direct participation with the provinces in social and economic development, we are not prepared to abandon what strength we now have before we have adequate pledges from the federal government for effective support. We must also be assured that the tax reform proposals will not reduce the proportionate provincial share of future equalization revenues, even as the share of basic tax revenues appear to be reduced under these proposals. Certainly we must have assurance that tax reform will lead to a better balance in Canadian development and not a further widening of disparities. A tax formula which suits the wealthy provinces is not likely to serve the interests of Canadians in the less developed regions. We'd become gravely concerned about the growing negativism toward the principle of tax reform itself. We are hopeful that a sense of justice and reason will be increasingly reasserted. Arguments as to method and formula should not delay and block equitable tax reform. We will have no part in any such endeavour. We will support the government of Canada as long as it holds to a course which can provide an equitable tax structure for all Canadians. We've long supported the propositions that Canadians should have first opportunity to develop their country and naturally first opportunity to share in the returns of progress. However, Canadian society is and should remain an open society capable of welcoming needed people and investment. This can be done within the framework of an equitable tax structure. Fiscal equity and a fair expectation of adequate return on efforts and investment need not be in conflict. The Government of Manitoba views responsible discussion of the tax reform proposals as part of a broader advance toward this more effective Federal-Provincial response to the requirements for development of social and economic balance and justice in Canada.

That Mr. Speaker, concludes my general statement for the government on tax reform, and I appreciate the attention I've received from the members present. I believe that it's in the best interest that we present in some extensive form our views and I would like now to be able to give my support for both the thrust of the main motion of the resolution of my honourable friend for Ste. Rose and for the spirit of the amendment by my honourable friend from Riel. The consideration of the question is raised in the proposed resolution and the first amendment and indeed all basic questions of taxation and equity do warrant full discussion by responsible people in a responsible way. And I concur, as we read in the resolution, that it is desirable that the people of Manitoba, through their government, make known the views of Manitoba on these proposals as the main resolution states. It is certainly our contention that there are major and basic social implications and tax reform to be considered as the amendment emphasizes. For the government I may say that we've communicated the views I've expressed here today to the Federal Government and to the other provincial Finance Ministers. We've asked questions, we've sought clarification. We haven't received too many answers to the questions but we intend to continue asking the questions and making our proposals. We have not opposed tax reform. We've been responsible, I believe, just as I believe my friends opposite have been in this debate and will continue to be as we discuss this White Paper. But we must be clear, Mr. Speaker, that the government has responsibility for fiscal policy. And yet the advice of the Standing Committee on Economic Development would be very helpful, although I doubt very much that we would secure the unanimous views that would be advisable if we were to present a non-partisan recommendation to the Federal Government. But certainly we are prepared on all major issues to broaden the debate sensibly, to open the opportunity for responsible discussion, and that's all to the good. I do not believe that a special committee would give much different approach to the problem of tax reform.

I've already indicated to the Honourable Member for Ste. Rose that I would like to rearrange the format of his motion and I gather that he was not averse to the proposal. And I may indicate that rather than pick out the examples, I propose that we agree to the fact that

(MR. CHERNIACK cont'd) . . . . there are various forms of proposals within the White Paper that evoke certain reactions . . . some adverse, some lukewarm, some favourable. And I hope that the Honourable Member for Riel will be persuaded that we've met his main purpose in the sub-amendment, in his amendment, by accepting the concept which he deals with. But, as I pointed out, I feel that the responsibility for presentation of a position on this White Paper is that of the government, and I don't have faith in the possibility of a non-partisan recommendation, although hopefully it could be arrived at; but considering the positions that have been taken by the political parties across Canada, I'm so doubtful of it that I think that it's only wishful thinking and therefore I think distorts the true and sincere attempt of the whole House to continue the study of this entire problem.

So as I've indicated, Mr. Speaker. I am not, because I cannot, propose a sub-amendment, unless you're inclined to accept one, I'll make it; but if you're not inclined to accept it, I would like to indicate that I look forward to an opportunity, that I feel sure will be given to us, to propose a resolution which will have the effect of deleting the descriptions of the proposals but leaving in effect the observations related to them and also to make it more meaningful to delete the portion of the main resolution which provides for presentation of a non-partisan recommendation. If it can possibly be achieved then of course it would be made. But I think it would be sufficient if we would end the resolution with the words "for immediate study."

Then, Mr. Speaker. I should just comment that although I started my comments by saying that I rise to oppose the amendment, I'm really not too concerned either way about it because I don't feel that it means very much to set a sort of a deadline. Because I can inform the honourable member who proposed the sub-amendment that the Ministers of Finance of all the provinces and the Federal Government will be here. They've accepted the invitation of the Manitoba Government for the next meeting of the Tax Structure Committee to be held in Winnipeg in recognition of the Centennial year, in the first days of June, and certainly if the opportunity presents itself, I will be making known again to the Tax Structure Committee the position that this government takes. I will also make known to that committee such positions which we accept, which we have yet to hear from honourable members, and which we've already heard; and as indicated earlier, I consider that we're still in the study phases of the entire White Paper. We are still considering various aspects, various arguments, and we reserve the right to change inflections in what we say, to reconsider, to review and to continue to keep an open mind on it. Therefore I would hope that the deliberations of the committee will be meaningful and the deadline that is imposed is to mean "meaning less," because we'll be dealing with it before the deadline suggested, we will certainly continue to deal with it after the deadline suggested; and since the amendment that I hope to bring in after the sub-amendment is dealt with, would in effect eliminate the sub-amendment, frankly, I don't care much whether it passes or not, because when we deal with it as part of the amendment we would then be making our proposal to the final resolution in the form which we think should be acceptable to all members of this House. Thank you, Mr. Speaker.

MR. SPEAKER: Are you ready for the question on the sub-amendment? The Honourable Member for Churchill.

MR. BEARD: . . . on a question, would the Minister accept a question?

MR. CHERNIACK: Certainly.

MR. BEARD: He did suggest, I believe, near the end that he would accept a proposal that a committee be set up and investigate the White Paper immediately. We're getting pretty busy and we're getting into committee, I was just wondering how this could come about.

MR. CHERNIACK: Well, Mr. Speaker, that's the very point. I didn't use the word immediately; I said that I agree it should be studied by this Committee. I feel that the Committee has to meet at such times as it finds it is able to devote itself to this problem and this may well be at a time after the session has ended, because this subject matter is so complex that we can't deal with it in a morning or in a single session or in two or three meetings. Frankly what I envisage, and that's up to the committee to decide, would the opportunity to sit around in Committee and get the benefit of experts in the field to come and talk to the committee. And I would include people in the Department of Finance and I would not do without people from Manitoba generally who might wish to speak. This may well become a lengthy form of meeting. It would be up to the members to decide whether they could do it. I didn't use the word immediately, because I'm being practical. I think that we have too much business coming ahead of us that's of a pressing nature, whereas the Benson White Paper, and I'm

(MR. CHERNIACK cont'd) . . . . concluding my answer Mr. Speaker, is not intended to be brought in until towards the end of the year and my bet, or my guess anyway is that it may well be postponed, because frankly there's been so much of a furore that it'll take some time for people's minds to settle down on what they really want. But from my standpoint, we want to urge the Federal Government to proceed with proper tax reform.

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

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

MR. SPEAKER put the question on the amendment and after a voice vote declared the sub-amendment carried.

MR. SPEAKER: On the proposed resolution of the Honourable Member for Assiniboia. The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Mr. Speaker, I wonder if I may have the indulgence of the House to let this matter stand? (Agreed.)

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

MR. FOX: Mr. Speaker, I adjourned this for the Honourable the Attorney-General. Unfortunately, he is not in his seat. I must drop it.

MR. SPEAKER: Are you ready for the question? The Honourable Minister of Mines and Natural Resources.

MR. GREEN: Mr. Speaker, I move seconded by the Honourable the Minister of Labour that debate be adjourned.

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

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

MR. FOX: Mr. Speaker, I adjourned the Resolution for the Minister of Health and Social Development.

MR. SPEAKER: The Honourable Minister of Health and Social Development.

HON. RENE E. TOUPIN (Minister of Health and Social Services)(Springfield): Mr. Speaker, I have discussed this resolution with the officials in my department and I would like to point out that in February 1970 there were 4,588 persons in nursing homes, of whom 2,785 or 61 percent were on public assistance and therefore exempt from premiums. The remaining 1,803 patients have either never applied for assistance or failed to pass a needs test, and therefore presumably can afford to pay their premiums. To give action to the resolution would cost the government about \$78,000 per year in lost premiums. All from a group which cannot pass a needs test. It would also be very difficult to operate such a waiver as these people are not a static group that are always in a nursing home. If they are only exempt while in nursing homes then we would have the administrative task of placing these people on and off hospital premiums depending on their status and keeping track of this. The whole problem of the cost of alternative care and its relationship to hospitalization is of course a matter much greater than this proposal.

For the present time, we meet such costs which are shareable under the Canada Assistance Plan only on the basis of need. Extension of this assistance to all citizens as a matter of right would be very expensive - \$50,000 per day, or \$1,000,800 per year. It would also cut out CAP sharing as items available to all citizens without means testing may not be eligible for sharing under CAP. Also the cost would rise if this became a right as many more cases presently cared for at home would likely come forward. Although the cost of premium exemption proposed in the resolutions would only cost approximately \$78,000 per year, it would be difficult to administer. It would not affect those already judged to be in need and would not materially help those judged not to be in need, although it might be a psychological or political value to exempt such persons from premiums.

I therefore, Mr. Speaker, move an amendment to the resolution, seconded by the Honourable Minister of Agriculture, by adding a "Whereas" following the three Whereases in the resolution by the Honourable Member for Fort Rouge: Whereas although 61 percent of persons who must resort to alternative care such as nursing homes are supported by social assistance and are exempt from hospital and medical insurance premiums, the remaining persons do not benefit from such insurance and all must contribute to their ability substantially more than for hospital care. And I would equally ask deletion of the "Therefore Be It Resolved" and replace

(MR. TOUPIN cont'd) . . . . it by the following Therefore Be It Resolved "that the Government of Manitoba continue to explore with the Government of Canada the inclusion of alternative care, such as nursing homes, under the Hospital Insurance Plan."

MR. SPEAKER: May I ask the Honourable Minister is it his intention to delete the fourth paragraph of the preamble?

MR. TOUPIN: No, Mr. Speaker.

MR. SPEAKER: I'm finding the amendment rather difficult to read.

MR. PAULLEY: Possibly you could take it under advisement . . .

MR. SPEAKER: I will take the amendment under advisement and give my ruling thereon when this matter next appears on the Order Paper.

Proposed resolution, The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I beg to move, seconded by the Honourable Member for Churchill, Resolved that this House consider the advisability of granting some form of financial assistance to the Private and Parochial Schools of the Province that offer the curriculum prescribed by the Department of Education of the Province of Manitoba.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, the resolution has been on the Order Paper for quite some time and I did not expect this to come forward today seeing that we had guests visiting us. However, I'm very happy that it is coming forward and that I may introduce the subject matter to the House for consideration by honourable members.

The matter of aid to private schools is not new to the members of this House, it has been discussed on previous occasions I think for many years and yet has to be resolved in my opinion. The matter is probably a thorny matter or has been in the past but I think it need not be so. I think we should take the matter at heart and really come to grips with the thing and resolve it. Certainly the private schools in this province are facing a very serious situation. I think it is getting more serious year by year and that we take cognizance of it and try and remedy the situation. We know that we have a monolithic system of education here in this province. It has been brought about by the majority of the members of this House over the years and it has been upheld and more generally people have subscribed to it, but I feel that this doesn't necessarily mean that the minority should not also have certain rights and get support for what they believe in should be done. We are asking simply support for the private schools so that they can follow the academic courses as outlined by the Department. We are not asking for any frills; we're not asking for assistance to further parochial causes or religious matters. I think what we're asking is simply assistance to provide an education to our children in the way parents feel it should be coming to them. We have received some assistance through the shared services program that was introduced several years ago. I know it has brought a certain amount of relief to the school in my area through the . . .

MR. SCHREYER: On a point of order, Mr. Speaker. I hesitate to raise this point of order, Sir, but upon close reading of the resolution that is presently before us it seems obvious to me, Sir, that there is one word in the resolution that is there perhaps by inadvertence; and I refer to the word "House". I think that the resolution to be in order would have to read as follows: "Resolved that this government" rather than this "House" because I don't believe that the Legislative Assembly can consider the advisability of granting sums of money. Now at this point in time, Sir, you have read it out and it is before us but -- it may be awkward but nevertheless I feel that in its present wording it is out of order and perhaps the honourable member could get leave of the House to simply changing that one word and then it would be properly before us.

MR. FROESE: Mr. Speaker, if I could have leave to do that I'd be very happy to do that if that would meet the . . .

MR. SPEAKER: Does the honourable member have leave?

MR. BILTON: No objection here.

MR. PATRICK: No objection.

MR. SPEAKER: The honourable member then has leave to delete the word "House" and substitute the word "government" therefor.

I wish to thank the Honourable First Minister for drawing the matter to the attention of the House. The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, I was considering in the beginning to insert the word



(MR. FROESE cont'd) . . . . "government" but then I also wanted to have the whole House approve the principle as well and no doubt if they vote for the government providing this assistance naturally that would be included. I was just discussing the matter of the shared services program that was passed some years ago and was commenting on it that it has brought relief to the private schools in that it has provided free textbooks to the children attending the private schools in this province. It has also provided assistance through the various divisions that have offered bus service to these students. I think the service is very much appreciated by the people representing the private schools and also the parents of these pupils. Certainly it has relieved this situation to a certain extent and we are thankful for this. As I mentioned previously, we are not interested in frills, we are simply seeking assistance to cover the cost to offer the academic course as such.

Mr. Speaker, we know that the minorities in this case are very interested and I see no reason why we cannot come to their assistance. I feel this House is a House of minorities in certain respects and that we can assist each other especially in providing a solution to the problem before us. This would then not offer help only to one minority but to the various minority groups in this province, of which we have many, and I would certainly want that any assistance given to one group should naturally apply to another as well. We are not just asking something for ourselves but for all the minority groups of this province.

We also note, Mr. Speaker, that when the United Nations was set up and their articles set out, that under Article 26 which is headed, "Parental Rights" that we have the following statement, and I quote: "Everyone has the right to education, that education shall be free and compulsory, that parents have the prior right to choose the kind of education that shall be given their children." Mr. Speaker, I think it is essential that we do have a good look at this and that we provide our parents with a choice if they desire to choose something else than what is being offered through our monolithic system. I think this would also add to the matter of equality. We know that when the division system was brought in this was one of the top quotes, that equality should be offered to the children of this province.

We also know that at the present time those that have their children attend a private school also have to pay the cost of the public school system and in a sense this is double taxation. If there were assistance given to the private schools naturally this would reflect and by the amount of assistance that would be given in effect you would have that much less double taxation. The grants that we are seeking certainly would not be in any large amount. We know the number of pupils that are attending private schools in this province; we know the amount that it costs this province to educate the children in the public school system. For instance, we have the costs from 1967, where the government cost per student including capital was \$513.80. Government operating costs per student - \$446.55. I think we have some more recent figures on this and if I'm correct, the latest figure I think I have was \$582.62. Nevertheless these figures can be secured and can be substantiated later on if so desired. The number of pupils attending has gone down somewhat over the years and I think this is mainly due to the hardship that the private schools are experiencing. We have in actual attendance at the present time, 7,025 students. There is a much larger potential there though that would exercise their rights if some form of assistance were given. We also know the number of teachers that are involved in providing the training for these children as 381 at the present time. Mr. Speaker, many of these teachers are really sacrificing personally under the program, or under the situation. They are well qualified teachers; they are teachers devoted to the cause and also to the matter of sustaining the private schools and providing additional education to the students attending. I know this to be a fact in my own riding and I'm sure this applies to other ridings as well.

The Government of the province has certainly experienced savings as a result of not giving assistance to, or aid to private schools as I've pointed out. As a result the tax levies no doubt have been lower, they have not made any contribution to the capital cost. The schools that are presently in use for the purpose of private schools have been put up by individuals and churches, people who stood for the cause and we are not asking for anything special, all we are asking for is assistance to retain these schools in operation and to provide the necessary essentials. I think . . .

MR. GREEN: May I ask the honourable member a question?

MR. FROESE: Yes.

MR. GREEN: I noticed that almost from the beginning of his speech to the end he has been talking about "we". Is he representing somebody in making this address other than his

(MR. GREEN cont'd) . . . . constituency or the people of his constituency?

MR. FROESE: Mr. Speaker, I can refrain from doing so, however I am including myself with these people who are supporting the private schools, that's why I referred to "we". I'm including myself with this group. -- (Interjections) -- I belong to a minority in this province and certainly when I speak of -- (Interjection) -- I don't intend to speak on your behalf. I know that you can well do that for yourself in a much better way than I can.

MR. SCHREYER: Would the member permit a question?

MR. FROESE: Yes.

MR. SCHREYER: Is the honourable member aware that every group living in the Province of Manitoba is a minority, that we are a province of minorities?

MR. FROESE: I agree, I think this is all the more reason why we should support such a motion and resolution that is before us because it affects all of us, because as the First Minister has pointed out all of us belong to a minority -- and this is another reason why I say "we". I think the principle of supporting private schools could also be said that this has been adopted long ago especially in respect to higher learning. I feel that the universities today are operating in that respect and I think they have been for years. They have been operating independently. This government has provided funds for them. We have presently the University Grants Commission, the monies are handed over to the commission and they allocate them to the various universities without strings attached. I think when we speak of the principle embodied in this resolution I think we've adopted it and used it for years, so that I don't think members need hesitate to vote in the affirmative on this resolution in that regard. I do feel that this is a democratic right that the people of this province should have. We believe in democracy; we believe in the individual and individual rights and that he should be able to exercise them to a maximum as long as they do not inflict a penalty on others and by giving assistance I don't think we are inflicting any penalties whatever to . . .

MR. GREEN: I'd like to ask the honourable member another question. I just wonder if you can explain how a person who votes against that resolution, supposing that happens, would thereby be stamped as somebody who doesn't believe in democracy or individual rights. Would you explain that to me?

MR. FROESE: I wouldn't mind explaining it, but I feel that I would like to continue with my speech and give a little time to think about the matter. Certainly I don't mean to say here that if certain members oppose the measure that they don't believe in democracy, but . . .

MR. GREEN: If they believe in democracy they should vote for it.

MR. FROESE: . . . but the way I size up and believe in democracy I think they should vote for it. I feel that those that believe in that education should be provided in different forms or that additional matters should be brought in in a course of studies that this should be the prerogative of the people concerned. And we are not asking for any support in that direction. The support that we are asking is simply for the academic course as outlined by the government and which the public schools are following. I think this would be a very fine gesture on the part of the honourable members here if this thing could be settled in this year of 1970, being the Centennial year. I think this would be a milestone, a milestone not a millstone, a milestone for the people of this province where we could see the matter resolved and resolved in such a way so that all the people would benefit. I think this would also attract certain people to come to Manitoba because some people find that this might be a detraction and since 8 out of the 10 provinces are already providing assistance to the private schools. This can be done in various ways.

MR. MILLER: Would the member permit a question? Is he aware that the other eight provinces only have two streams, the separate school and the public school, the separate school being Catholic only and not private or parochial in any other sense?

MR. LAURENT L. DESJARDINS (St. Boniface): Mr. Speaker, there is something wrong in what the honourable member said. He's talking -- order, but this is wrong -- he's talking about the other provinces having a Catholic or public, and in Quebec it's the opposite.

MR. FROESE: Mr. Speaker I don't mind the interruptions if I can be of assistance. However, as pointed out I certainly would appreciate honourable members if they would give support to this measure in this year of 1970 and make this another Centennial project for the Province of Manitoba. If there should be questions later on during the course of debate that I could in any way clarify or provide information to, I would be only too happy to provide this in any way that I can.

So, Mr. Speaker, I will let the resolution go to debate and I would appeal to honourable

(MR. FROESE cont'd) . . . . members to really give it sincere consideration and then give it the necessary support. There is one thing I was going to mention, and that is there is various ways of giving assistance to the private schools; some do it by way of voucher to the individual student and the school. I think this is probably a very good arrangement so that the student and the parent have the right to choose a school and then let that particular school get the support on the basis of their students. But I'm not necessarily advising that. If the government is willing to give assistance in any other form, that would certainly be acceptable to the people concerned. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Osborne.

MR. IAN TURNBULL (Osborne): Mr. Speaker, this issue that is entailed in the resolution is one that thrusts deeply into the social and cultural fabric of Manitoba. I don't mean by those remarks, Mr. Speaker, to say that the resolution as it stands here is unacceptable, but merely to say that if the issue of public aid to private and parochial schools is resurrected now, that there will have to be I think in this House a very thorough debate, because not only is a matter of principle involved but there is also a technical matter, the one of how such aid might be administered effectively and with equity to all people who are interested in such private schools.

Now I think it is fundamental to the democratic system that there should be freedom of choice, and that that choice should extend not only to those who are voting on a general election but also to those who wish their children to obtain some enriched education or some education that is different in some way from that which is provided by the public school system.

Now to provide aid to private schools requires consideration in depth, because I think that public aid to private schools might have effects that are deleterious to the school system. That is a possibility. I'm not saying that it is necessarily going to happen but it certainly is a possibility. So that although there should be choice in the school system, and although that choice might provide equality, greater equity, for those that now and have for many, many years, suffered injustice, there is still to be considered all the ramifications of a change in our present system which would provide substantial public aid to private schools.

Now if the resolution as it is proposed here were to be adopted, and that's what it asks for as I understand the words, for the House to consider the advisability, that presumably leads ultimately to the adoption of the resolution, if it's passed by the House. Now if that resolution is passed and the House is to consider the advisability of granting public aid to private schools, what might be the ramifications? It would seem to me, Mr. Speaker, that there is every possibility that the system envisaged in this resolution could create problems in the public school system. Because what would happen? We would have presumably the wealthy in a position to get private aid to, if I can use the term differently now, to enrich the private schools that already exist; so what we would have then it would seem to me, is the possibility of wealthy areas being able to sponsor schools and these schools would be able to attract funds. Now the extent of the funds of course is the matter that I raised initially, that's a technical problem and I'll be talking - we have to resolve - and I'll come to this later, likely on another day - we have to resolve whether the public aid is to be for capital costs, for operational costs, or for both. Now it would seem that the wealthy people under such a system as envisaged by the resolution would be in a much better position.

MR. SPEAKER: Order please. It is 5:30. May I suggest to the honourable member that if he wishes he may continue when this resolution next appears on the Order Paper. It is now 5:30. I am leaving the Chair to return at 8 o'clock tonight.

I was of the impression that the Honourable Minister --Does the Honourable Minister wish to - like leave of the House to . . .

MR. TOUPIN: Yes. Could I have leave of the House to withdraw the amendment that I made a few minutes ago on Resolution No. 16?

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