

THE LEGISLATIVE ASSEMBLY OF MANITOBA
10:00 o'clock, Friday, April 17, 1970

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; The Honourable Leader of the Official Opposition.

MR. CLERK: The Petition of Elmer Herbert Webster and Others praying for the passing of an Act to incorporate Souris Golf and Country Club.

REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: Presenting Reports by Standing and Special Committees. Adjourned debate on the proposed motion of the Honourable Member for The Pas. The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, we are discussing the report of the Special Committee of the Task Force on Northern Affairs and that this report be received. I read the report and I find it quite interesting; there are varied and many suggestions made by the people of Northern Manitoba as to what should be done and what should be carried out and I find also the solutions that are being offered and then the final recommendations of the committee itself.

I find there is some conflict and this is rather paradoxical because we find that in the early part of the report there is mention made here that the citizen members of the committee are to participate equally, yet a little later on we find that the quorum when it was set up, was of four legislative members. This doesn't indicate to me that there is equality. And then, too, we find that on many occasions that only a minority of the committee was present at quite a few of the meetings. Does that mean when we have a quorum, a minimum of four and you have lesser members present, that these are not valid meetings, and what do you deduct from that? Naturally there should be some give and take here in my opinion. I am happy that the results of those meetings where you had fewer members present are still contained in the report and also the recommendations are put forward of these meetings.

I think in the main there are four points that in my opinion stand out in this report: one has to do with education, another one with northern development, another one with fishing and then there is also the co-operative services mentioned. Aside from that there are quite a few others that should be considered and no doubt will be considered when the report is being dealt with.

It seems to me that the government policy was quite a force as far as the committee's recommendations are concerned, because when we turn to education and look at the report as to what their needs are, and their wishes and desires are, the first recommendation, the first problem is noted on page 32. Under Education it says: "the establishment of the Frontier School Division has removed control over policy and program from the local community." This was a concern, a real concern to them. And what do we find as far as the recommendations are concerned of the committee? On page 59 recommendation 24, and I quote "that every endeavour be made to establish effective advisory school committees in each community to insure meaningful participation of residents in the development of local school policy." Mr. Speaker, to me control and just setting up advisory committees are two completely different things and are not the same. The request that was made by these people was control over policy, not just advisory capacity. We've heard from the Home and School last night, their convention is here. These people are just in advisory capacity and the Minister can act on their request, but he need not. These advisory committees or these organizations such as the Home and School, they have no legal status. There is nothing in their form where the actions can be made binding. They are simply there just to advise, and, Mr. Speaker, this is far from what these people in my opinion are requesting when they're requesting control over policy and program.

The report also states that force is not to be used as far as integration is concerned but that the situation be made such that it will allow for integration. I think this is wise. I think this is the way it should be done. We know from the United States and the experience in the south that they have. I think force is not the answer. I think we should try and make conditions of such a nature that they will want to act and that they do this voluntarily.

There is also the matter of the high school students having to go for large distances or lengthy distances to attend school, and here again, I agree with them that they should have the right to attend the school of their choice. That it not necessarily be one particular school if

(MR. FROESE cont'd.). . . . they have to be away from home that far. I think the government should try and do something about it so that school facilities would be set up a little closer to their home, so that movement back and forth could be done a little easier and more often and also that the parents could at least occasionally look in and see what was going on.

There is also mention made here of satisfying their requirements re culture and language and I think this is very important. I think that what has been voiced here of special teacher training centres that would take this into account is something that should be looked at, and since we have an office set up now in connection with culture, certainly this should be reviewed by this agency and recommendations should be made and acted on in my opinion.

Northern development is a very important matter that comes out of the report and the Port of Churchill is mentioned. It has also mentioned the recommendations of the committee, and here again I spoke on it when we discussed the transportation estimates, although I am not sure whether the port comes under the present Minister of Transportation. I am not even sure whose department is directing it, but I feel that the port should be developed much more fully and whether we should not give consideration to extending the railway line going to Churchill from some point further east. The present line goes on the extreme west side of Manitoba and whether we cannot make a connection that would be further in to the interior, further east, and this way shorten the route from Winnipeg and from southern Manitoba and cut the distance and in this way reduce the rail rates charges, and also I think this would then mean that we would be doing more shipping through this present port.

The expansion of the shipping season, I think this has been discussed before and that one of the reasons why it did not come about was because of the marine insurance, that evidently insurance was not available and therefore the season was cut short or was not lengthened. Surely this is another matter that can be acted on. I think this is one thing that the government at some point already stated it would be looked into. I have had no further report and I do hope that during the session we will hear further in connection with this matter.

The matter of mining claims is another item and I feel quite strongly in this respect, that we should revoke all mining claims that were not and are not being worked within a specified period of time. I don't think it's fair to stake a claim and then forget about it and while we might have others who would act on such claims. I think there should be a specified time in which these claims should be activated and if they are not then they should be revoked.

The matter of fishing is raised, and the request for more fish processing plants. If I stand correctly, we will now have one large centralized fish processing plant here in the city or in Selkirk. What does it do to the people up in northern Manitoba - will this mean that there will be no smaller fish processing plants up north? I think many of those that are presently there are doomed and will be declared redundant. I asked the question the other day in the House whether any of them had been declared redundant but so far there is none. Does this mean that these people are not getting paid for their losses; are we just keeping them hanging there? I don't think this is quite fair because if we pass legislation here that is affecting these industries, these small industries in northern Manitoba, then we should make sure that something is being done and that these people are looked after. I'm just wondering what really will come out of those recommendations if they request smaller processing plants or processing plants up north. I feel that they are justified in making these requests. I don't believe in centralization to the extent that it is being practised and will be practised under the Fresh Water Fish Marketing Corporation. -- (Interjection) -- We will come to that when we deal with your department. I don't want to digress from the report otherwise I might be called out of order.

I feel by setting up one large processing plant here in Selkirk we are defeating the very recommendations and the requests that are being made in this Task Force report. I think it is futile, by even setting up such committees if we are not going to give heed and act on them. Why set up the commission? Why ask them for a report when we are not going to deal with them?

The cooperative services are mentioned. I am a little leery about setting up cooperatives for the north. I feel that Crown agencies are better, because with the Crown agencies you provide managerial services and this is what you need. You need managerial services there. I think this is one of the downfalls of the cooperatives that are being set up in the north.

HON. ED. SCHREYER (Premier)(Rossmere): Would the Honourable Member permit a question? Mr. Speaker, I would like to ask the Honourable Member for Rhineland if in the

(MR. SCHREYER cont'd.). . . . light of his last sentence he would not agree that in the past 20 years or so, that we have all become socialist brothers in philosophy?

MR. FROESE: Mr. Speaker, I didn't quite catch it as to just in what connection the statement was made, but we know that the cooperatives have certainly done a lot for the people in Manitoba. I certainly don't want to discount their activities and the results that they have brought into being. Surely they have added a lot to the development of rural Manitoba. We have quite a few of them in my riding and they are doing a good job.

But I asked the Minister the other day when we were discussing the agricultural estimates, about the experiences, because the report contained experiences where they had consistent losses and that the money that had been pumped in didn't seem to be of any avail. I think one of the reasons for that is that you have to have management and that these people I think would have to live with this for some time so that they could acquire these skills themselves and offer the proper management to these cooperatives. So I do hope that during the course of the present session that we will have a further chance to debate some of the issues that are involved, and with that I will let things go for the time being.

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

MR. JEAN ALLARD (Rupertsland): I would like to adjourn the debate, seconded by the Member for Winnipeg Centre.

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

MR. SPEAKER: Notices of motion; Introduction of Bills. The Honourable the First Minister.

INTRODUCTION OF BILLS

MR. SCHREYER by leave introduced Bill No. 40, the Executive Government Organization Act. (Recommended to the House by His Honour the Lieutenant-Governor.)

MR. SCHREYER introduced Bill No. 43, an Act to amend The Legislative Assembly Act. (Recommended to the House by His Honour the Lieutenant-Governor.)

HON. SIDNEY GREEN, Q.C. (Minister of Mines and Natural Resources)(Inkster) introduced Bill No. 38, an Act to amend The Water Control and Conservation Branch Act. (Recommended to the House by His Honour the Lieutenant-Governor.)

HON. AL MACKLING, Q.C. (Attorney-General)(St. James) introduced Bill No. 41, an Act to amend The Garnishment Act.

HON. RUSSELL PAULLEY (Minister of Government Services)(Transcona) introduced Bill No. 42, an Act to amend The Land Acquisition Act. (Recommended to the House by His Honour the Lieutenant-Governor.)

HON. SAMUEL USKIW (Minister of Agriculture)(Lac du Bonnet) introduced Bill No. 31, an Act to amend The Veterinary Services Act. (Recommended to the House by His Honour the Lieutenant-Governor.)

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs)(Selkirk) introduced Bill No. 7, The Municipal Assessment Act. (Second reading Monday next.)

MR. PAWLEY introduced Bill No. 39, The Municipal Act. (Recommended to the House by His Honour the Lieutenant-Governor.)

MR. SPEAKER: At this point I should like to direct the attention of honourable members to our rule 42, sub-rule 2, dealing with the matter of reading of newspapers in the House. I hope that honourable members govern themselves accordingly.

Orders of the Day. The Honourable Member for Assiniboia.

ORAL QUESTION PERIOD

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, before the Orders of the Day, I'd like to direct a question to the Minister of Health and Social Development. Has the government transferred the community development services from his department to the Department of Northern Affairs?

HON. RENE E. TOUPIN (Minister of Health and Social Services)(Springfield): Mr. Speaker, not as yet. While I'm on my feet, Mr. Speaker, I'd like to answer a question that was asked of me Monday, April 13th, by the Honourable Member for Wolseley. This is in regards to the Misericordia General Hospital. I'd like to mention that the Commission has approved a project to renovate and expand the facilities of the emergency and out-patient departments of the Misericordia Hospital. The functional program for the project has been

(MR. TOUPIN cont'd.). . . . approved and the hospital has engaged an architect to prepare the initial schematic drawings and cost estimates. The Commission has had several meetings recently with the hospital to discuss the hospital's first submission of plans, to clarify the scope of the project and its relationship to future expansion and to determine acceptable financial limitations. The Commission recognizes the need for the new facilities at the hospital and intends to have this project proceed as soon as possible. It is hoped that it will get under way this year.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I have a supplemental question for the Minister. Is it the intention of his department or the government to transfer this to the Northern Affairs Department?

MR. TOUPIN: Mr. Speaker, this is a matter of policy.

INTRODUCTION OF GUESTS

MR. SPEAKER: At this point I should like to direct the attention of honourable members to the gallery where we have with us 67 Grade 12 students of Moorhead Senior High School. They are under the direction of Mr. Sund and Mr. Watson. On behalf of the Members of the Legislative Assembly of Manitoba I welcome you here this morning.

ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Member for Churchill.

MR. GORDON W. BEARD (Churchill): Mr. Speaker, I'd like to direct this question to the First Minister. Has he now obtained any information in respect to establishing a port authority and tourist office in Churchill on a year round basis?

MR. SCHREYER: No firm information, Mr. Speaker, although I can tell my honourable friend that the subject of a port authority was discussed at the last meeting of premiers of the prairie provinces.

MR. SPEAKER: Orders of the Day. The Honourable Minister of Labour.

MOTIONS FOR PAPERS

MR. PAULLEY: Mr. Speaker, before the Orders of the Day I'd like to table an Order for Return No. 9 in the name of the Honourable Member for Ste. Rose.

MR. SPEAKER: The Honourable Attorney-General.

ORAL QUESTION PERIOD

MR. MACKLING: Before Orders of the Day, Mr. Speaker, I would like to answer more fully a question that was asked of me in the House, I think two days ago, in respect to legal forms. I have made inquiry and I'm advised that the firm that does sell legal forms in Winnipeg, it's an old reputable firm, Willson Stationers, they have been selling these legal forms for many years. Obviously it is this firm that has been the source of the question and in enquiry I'm advised that there is no discrimination at all in the technique of selling the forms, anyone can purchase legal forms, but there is a policy in respect to the sale of a number of sheets. That is if you want to buy a dozen forms you get a cheaper price than if you buy one single form and there are types of forms that you just can't buy one sheet, they're a set and you buy a complete set. So there may have been some misunderstanding on the part of whoever wanted to purchase a form; but I understand there is no discrimination at all in the sale of forms. Anyone can buy a legal form because they are for sale to the public.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, before the Orders of the Day I wonder if the Minister of Government Services could indicate for what purpose the government intends to use the building at 1075 Wellington?

MR. PAULLEY: The building at 1075 Wellington and its future use is under consideration at the present time. I want to say to my honourable friend, he made mention of the building, Mr. Speaker, the other day and a commitment, or at least an undertaking that the building would be transferred to the School Board of the City of Winnipeg for the use by handicapped children. The matter is being considered by both the government and the school board as to whether or not we may be permitted a little more lead time in the transfer of the building to the school board in order that we may be able to make certain other arrangements by the people who may be

(MR. PAULLEY cont'd.), . . . occupying the space at the present time. I want to assure, Mr. Speaker, my honourable friend and the School Board of the City of Winnipeg that if in the final analysis they deem it ill-advisable to delay the use of the building, we will honour the undertaking previously given.

MR. CRAIK: A subsequent question, Mr. Speaker. Is the space in there that was classroom space, has it not been under renovation into office space?

MR. PAULLEY: Yes, Mr. Speaker, but not to the degree that it cannot be altered in a very short period of time. The basic facilities for classroom purposes are still there, there has been no major structural alterations that would make it impossible to revert on very short notice.

MR. CRAIK: Second subsequent, Mr. Speaker. Can the Honourable Minister indicate what department will be occupying the building if it is presently being altered for that purpose?

MR. PAULLEY: At the present time the occupants in the complex is the committee that was set up to investigate into matters of the automobile insurance industry.

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

MR. GORDON E. JOHNSTON (Portage la Prairie): I have a question for the Minister of Health and Social Services. I'm sure he's aware that the Knox Day Care Centre is in extreme financial difficulties. Is it the intention of his department to make them a grant to help them out?

MR. TOUPIN: Mr. Speaker, first of all I'd like to take his question as notice and say that we'll surely look at it and see what we can do.

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

MR. G. JOHNSTON: I have a question for the Minister responsible for Government Services. Is that granary-like structure in the bottom floor of the rotunda, is it the intention of the government to store wheat in that or what is it for?

MR. PAULLEY: No, no, Mr. Speaker. That would be possibly a useful function for it; however, in honour of this being our Centennial a request was made by the Art Gallery to utilize the space for the purpose of displaying drawings and paintings in honour of the past of Manitoba and that is the purpose for which the structure is being erected.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. INEZ TRUEMAN (Fort Rouge): Mr. Speaker, I would like to ask a question of the Minister of Health and Social Services. Could he tell me whether there has been a beginning made on the transfer of those cases that were eligible for provincial welfare and were still on City of Winnipeg welfare rolls?

MR. TOUPIN: Not as yet, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. TRUEMAN: A subsequent question, please. Can the Minister predict when such a transfer might -- we might expect it to begin?

MR. TOUPIN: Mr. Speaker, first of all I have to try and find time with the members of my staff to meet with the representative of the City of Winnipeg before we can talk of any transfers. We have to negotiate with the City of Winnipeg.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, I'd like to direct a question to the Minister of Cultural Affairs. Has the Musical Ride been cancelled for Dauphin?

HON. PHILIP PETURSSON (Minister of Cultural Affairs)(Wellington): Mr. Speaker, not to my knowledge.

MR. MCKENZIE: Mr. Speaker, a subsequent question. This is a very important matter. Would the Minister take it under advisement and give me the answer on Monday?

MR. PETURSSON: I'll be glad to do that, Mr. Speaker.

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

ORDERS OF THE DAY - MOTIONS FOR PAPERS

MR. G. JOHNSTON: I beg to move, seconded by the Honourable Member for Assiniboia that an Order of the House do issue for a Return showing the following information:

1. The number of acres of land in Manitoba on which the Canadian Pacific Railway holds mineral rights.
2. The number of acres of land in Manitoba on which the Canadian National Railway holds mineral rights.

(MR. G. JOHNSTON cont'd.)

3. The amount of revenue received by the Province in each case in each year from 1958 to 1969 inclusive.

MR. GREEN: be happy to accept this Order.

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

GOVERNMENT RESOLUTIONS - BILLS

MR. SPEAKER: Second readings government bills. I wish to apologize to honourable members for the format of the Orders of the Day, the Friday Order Paper; second reading government bills appearing on page 13 should really be next.

MR. GREEN presented Bill No. 32, an Act to amend the Predator Control Act, for second reading.

MR. SPEAKER presented the motion.

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

MR. GREEN: Mr. Speaker, this piece of legislation is designed to provide for greater flexibility in the administrative procedures of the department by permitting certain things to be defined by regulation rather than as defined presently in the Act, and also by permitting the Minister to make regulations which are now required to be made by the Lieutenant-Governor-in-Council.

Now, Mr. Speaker, I want to indicate that ordinarily I'm very wary of legislation which permits administrative control of matters which should properly be the subject matter of legislation. I've looked at the items which this legislation gives me control over. They're not items which I think are of any consequence to members of the Legislature in terms of what the department could or could not do. I also want to make the members aware that where the Lieutenant-Governor-in-Council are now permitted to make these regulations, they are of such a specialized nature that the odds are so overwhelming that the Cabinet would accept the decision, that it really is no substantial change in those respects. However, I'm not seeking assiduously to have this legislation passed if members of the opposite side see in it any danger that the Minister will be enabled to do things that they feel should be reserved for the Legislature, I'm prepared to consider that type of argument. But I've looked at it and I don't see where the term "predator" being defined by regulations will be in any greater danger than the term "predator" as is in the Act, and it does give the department an administrative flexibility which is presently not there. It also provides for a definition of the term "officer" which is presently not in the Act.

So, Mr. Speaker, it's legislation as opposite members might well have imagined that essentially is being sought by the administration to make their work easier. If there is any danger in this type of legislation being passed, then I too am concerned. I haven't seen a danger and I ask my honourable friends to examine whether they do.

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

MR. MCKENZIE: Mr. Speaker, I move, seconded by the Honourable Member from Swan River, the debate be adjourned.

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

MR. SCHREYER presented Bill No. 35, The Manitoba Centennial Day Act, for second reading.

MR. SPEAKER presented the motion.

MR. SCHREYER: Mr. Speaker, I think honourable members would agree that in order to help provide a focus for our Centennial year and for the Centennial Day, the most important one in particular, that we should pass legislation to declare July 15th as Centennial Day and that it be a holiday with pay for this year of 1970.

As honourable members will see, the bill provides that any employee, any person who has worked for a firm or employer for five days or more in the period before July 15th itself, shall be deemed to be an employee of that firm or employer and eligible for holiday with pay. If that employee is required, any employee is required to work that day, then it's at overtime rates as provided for, I'm advised, as provided for in the Employment Standards Act. That is the essence of the proposed legislation, Sir, and I would trust that honourable members will see fit to approve it unanimously.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY ENNS (Lakeside): Mr. Speaker, I think without any due holding up of the

(MR. ENNS cont'd.). . . . House's business that we would certainly wish to concur with the last remarks by the First Minister, that a bill of this nature at this time, this year 1970 in Manitoba should in fact be approved unanimously in this Chamber. We believe that this is a worthy way, particularly to the labouring people within the province of suitably marking the centennial event in a personal way here in Manitoba for all Manitoba citizens.

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

MR. G. JOHNSTON: Mr. Speaker, I do not intend to speak on the bill. It's fairly straightforward and I think it's good for the province. But before the Minister closes debate, I would like him to tell us if this would affect really everyone. The nurses who must work that day, they will receive double time I take it. The people who work in the provincial institutions such as officers of detention places, the jails, the institutions, the Home for Retardates, places like this - will the provincial civil servants who are on a monthly salary scale, will they receive double time for that day's work?

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I too wish to endorse the bill. I think we should have a bill of this type so that people of this province will be able to remember and remember with this pleasant thought that we're going to celebrate the 100th anniversary of this province in particular on that date. Therefore, I'm fully in accord with what is being proposed.

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. There is one problem that I see there could be some difficulty with this particular bill, Mr. Speaker, particularly in the field of education, and it may be ironic that this should be coming while the Department of Education estimates are being considered. We have a situation where the schools are going to have a day on, I believe it's the 12th of May, and now we have an Act for another day and we have a conflict of interests between employment in the school system. Your janitors I understand will have to be recognized on the 15th of July, I don't know what's going to happen with the teachers, but there's a field of conflict here I think that should be investigated and cleared up before too long.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker,

MR. SPEAKER: I'm sorry, the Honourable First Minister will be closing debate. The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, before the Minister closes debate, I just want to concur with what my colleague from Lakeside has said. But I have a question for the First Minister. Can he tell us just how he arrived at the date of July 15th. Is it the beginning of labour or the end? -- Interjection) -- just out of a hat.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, it is obvious that Honourable Members of the Assembly wish to give this bill unanimous endorsement. Nevertheless, some specific questions have been raised and I shall try to answer. First, the Honourable the House Leader of the Liberal Party asks whether this Act would have application to all employees, whether certain employees in certain categories - I believe he mentioned nurses and others in certain essential services - whether they would be covered by this legislation. I think that I can answer as follows: that this legislation would have application to all those who come under Provincial Department of Labour jurisdiction. Therefore, it would apply to -- well, I don't think I can put it any better than that. It applies to all those employees who come under jurisdiction of the Provincial Department of Labour. Those overtime rates that would be paid would be such rates as are provided for by the Employment Standards Act and provided they had to work that day under the terms of a negotiated collective agreement.

Now the Honourable Member for Birtle-Russell raises the point that inasmuch as May 12th will be declared an official holiday as I understood him, that means then that those in the work force other than school children those adults in the work force who would be getting a holiday on May 12th would also be getting a holiday with pay on July 15th. Well, I think I may have to rely on my colleague the Minister of Education here for advice, but it is my understanding that May 12th is being declared an official school holiday. The proclamation of May 12th an official school holiday has no bearing on the matter of holiday with pay for employees that are working in any school system, that is my understanding of it. I don't know whether the effect of this will be to give an effect to holidays with pay in the one year for someone who is working as

(MR. SCHREYER cont'd.). . . . an employee for a school division, but it really has no effect relative to teachers. School is out in July; teachers would not be in their normal course of employment in July in any case, so I really don't think this is a problem of any substance.

I should also advise honourable members that we thought it would be appropriate to request the Federal Government to act likewise with respect to those employees in Manitoba who are under the jurisdiction of the Federal Department of Labour, under Federal jurisdiction. I have to date not yet received a reply from the Prime Minister, but I'm hoping that it will be in the affirmative when I do receive it. Thank you.

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

MR. USKIW presented Bill No. 30, an Act to amend The Veterinary Science Scholarship Fund, for second reading.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: This is a very minor change, Mr. Speaker, in terms of the wording in the bill. It's a matter of substituting the word "two" with the word "three", and the implications there are that the maximum grants available to students is moved up from 2,000 to 3,000 dollars per student. In other words, it's in line with our new policy of raising the grants per year from \$500 per student to 750 with a maximum four-year period. That gives us the power to provide grants at that level.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Well, Mr. Speaker, I don't want to hold up the debate unnecessarily but take the opportunity to point out to the House and to the members generally that there are times on occasions such as this it should be indicated to you and to the members to what degree good common sense does generally prevail in agricultural circles and fields and wish to God it would prevail in some of our other academic fields. I support very strongly the idea that rather than moving Heaven and Earth to build a large veterinary college here in Manitoba and in Saskatchewan and in Alberta and in Ontario, that we by means of co-operating with, in this case our sister province of Saskatchewan, through a bursary scholarship fund, we see that that institution is well staffed and a worthwhile one and we the taxpayers as a whole on the prairies don't face this kind of duplication. Now I could make quite a speech about the same applying to the school of law, particularly the school of dentistry and other schools such as this where in the sum total it really doesn't make a great deal of sense, Mr. Speaker, to invest in millions of dollars of capital expenditures for a new law building, a new dental college or new something like that, in each university or in each prairie province. We just don't have the bodies, Mr. Speaker, to make that a viably economically sound kind of decision. I take the opportunity on this little bill here to point that out to us again, that in this sense the agricultural community is head and shoulders above some of our other academic brothers and sisters in this field.

Another question that I might ask the Minister before he closes debate on this thing. He may refresh the members of the House with any details as to - if there are any - and I'm trying to remember them myself, what conditions are, if any, attached to the graduates, the recipients of this bursary to continue their work or to carry out their work in Manitoba for a period of time? I think the Manitoba taxpayer would be interested in knowing. I make no objection to the rise in bursary allotments, I think we all concur with the Minister's and the department's wish that we need more veterinary medicine on the prairies and particularly in Manitoba; but if that stipulation condition still exists, I think it would be worthwhile mentioning in closing the debate, what precise arrangements are for the continuing or the practice after they've graduated.

The other thing that I thought I might mention is if the Minister could at this time give us some indication as to the situation, general stature of the college at Saskatoon. Are we contributing a significant percentage of the student body? Do we anticipate contributing a significant percentage of the student body there? In other words, some indication as to what the sending of Manitoba students to this institute means relative to the institute as a whole. With those few comments, Mr. Speaker, I have no further objections to the bill.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I rise to support the bill. I think it's a step in the right direction that we give assistance where it is needed and to get the necessary people into Manitoba that can perform the service, namely the veterinary service. The cost of this type of service is increasing and some farmers find it quite difficult and experience hardship in this

(MR. FROESE cont'd.). . . . connection with the cost of the veterinary service. Is anything being planned in this direction that there might be relief coming forward to the farmers for this particular service? Has any thought been given that Medicare might cover this as well? Maybe if the Federal Government is so intent on pushing their Medicare program that they might even consider having Medicare cover costs of veterinary service in Manitoba.

MR. SPEAKER: The Honourable Member for LaVerendrye.

MR. LEONARD A. BARKMAN (LaVerendrye): Mr. Speaker, I just wish to reiterate what the other speakers have said. I think this is a timely bill especially with the veterinarian situation as it is today. I don't think we have to discuss it because we have in the Minister's estimates, but surely while this is one other step that has to be taken, but with as critical a condition as our veterinarian situation is, I think we will have to be thinking of more help for these areas and for these vets themselves. I was very interested when the Member for Lakeside asked a question of how many are attending the Veterinary College in Saskatchewan and perhaps while he is answering that question, he can also give us an idea if there are still quite a few of our students attending the Guelph University or not?

I think, Mr. Speaker, that there's no question as far as everyone being for this Bill but I think that this is only one of the steps that should be taken. I believe that we should start thinking right now about more improvements because once we're down to 20 or 22 veterinarians in the Province of Manitoba, with the cost of livestock coming to much greater figures than five or ten years ago, and also with the price of veterinarian help as it is -- and I don't suggest in any way at all that they are overcharging. In our own area I'm sure that at times a veterinarian is driving 40, 50, 60 miles for the fee of \$5.00 or \$10.00 and I'm sure nobody's making too much money in that respect. So when the Minister gets up, I wish he'd answer a few of these questions and I wish to spell out again this is only one of the steps that should be taken. We will need to take more if we want to get this situation in order.

MR. SPEAKER: Are you ready for the question? The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, I appreciate the points that were raised. My understanding is that there will be some 24 students enrolled at the complex in Saskatchewan, 24 I believe the number is for this year. What is the commitment on the part of the student? Any student that receives a grant or bursary or scholarship, whatever you want to call it, of \$750 for any given year is required to provide two years of service to the Province of Manitoba after he graduates. So that if he graduates after four years he owes the province eight years of service, in other words, otherwise he has to repay his scholarship. So I think that amply answers the Member for Lakeside's question.

Medicare for Vet Services - I don't know. I'm surprised that the Member for Rhineland would want to have us move in that direction because I thought that he didn't even want it for people at one time and now he suggests we ought to do something for the livestock industry along that line. It's quite a switch, it's a welcome one perhaps. It goes to prove that one does make a point and an impression on people when one repeats something often enough and perhaps some of the ideas from this side of the House are rubbing off on my honourable friend the Member for Rhineland. -- (Interjection) -- The vet-cow relationship, that would be an interesting one.

I think that pretty well sums it up, Mr. Speaker. I appreciate the fact that there may be other measures that we may have to take at some future time to insure that we have indeed a healthy animal industry in the province. I'm sure all of the members of the House would agree that we are making some giant strides forward in the upgrading of our animal health facilities in the province and services as has been announced and debated during the debate on my estimates. So that one step at a time - this is an important one. In fact this year we are making two or three major steps in that direction, so I would hope that members opposite appreciate that we are moving as fast as can be expected in that direction.

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

MR. PAULLEY presented Bill No. 34, an Act to Amend the Electricians' License Act for second reading.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, the purpose of this amendment to the Electricians' License Act is to extend the application of the Act to all persons who are engaged in the sale and offering for sale of electrical equipment. In the past questions have been raised as to the authority of the department to require retailers to remove from their shop certain electrical

(MR. PAULLEY cont'd.). . . . goods which in the opinion of the inspector are unsafe. There has been some confusion in the Act regarding this and following investigation it was concluded that the department did not have sufficient authority under the Act to do what it had in fact been doing and felt that it was necessary to do and the proposed change is intended to remedy this deficiency.

This legislation is designed to protect the consumer and has a very wide application. Manitoba Hydro, Metro Corporation of Greater Winnipeg and our own officials are very much concerned that there would be a serious setback to programs which have already been well advanced in the elimination of unapproved electrical equipment if our present legislation was found to be ineffective. I might say, Mr. Speaker, I'm glad to draw to the attention of the House that the previous administration had made the same assessment; as a matter of fact there was a bill prepared accordingly and I recommend the adoption of this amendment to make sure that the inspectors of the Department of Labour have the authority insofar as retailing or possible retailing of ineffective or unsafe electrical equipment is concerned.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, unless somebody else wishes to speak I propose to move the adjournment of this bill, seconded by the Honourable Member for Riel.

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

MR. SPEAKER: The Honourable Minister of Finance.

HON. SAUL CHERNIACK, Q.C. (Minister of Finance)(St. Johns): Mr. Speaker, I beg to move, seconded by the Honourable Minister of Youth and Education that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

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

COMMITTEE OF SUPPLY

MR. CHAIRMAN: We are dealing with the Department of Youth and Education. The Honourable Member for St. Vital.

MR. JACK HARDY (St. Vital): Mr. Chairman, I had no intention of making any comments with respect to the estimates of the Department of Youth and Education but one thing came through very loud and clear last night and I'm quite amazed really that the Minister has not been able to convince his Cabinet colleagues of the plight, the actual plight that we are facing at the municipal level in the field of education and in the field of costs. There was so much flotsam and jetsam flying around here last night but this one thing does come through; that in fact this government is making a lesser contribution to the municipalities for education purposes. As I say, I'm quite surprised, because of the background of the Minister of Education in the municipal field and with the knowledge that he has of the problems that are facing municipal councils.

Now quite frankly, municipalities are getting the short end of the stick in this deal - there's no doubt about it. This 70-30 ratio is absolutely inadequate. It's inadequate because the 70-30 ratio is not keeping pace with the increased costs in education. I mentioned **this previously** - I believe my figures are correct in this - that the one mill decrease, and I'm citing one example, the one mill decrease in the foundation levy in one particular area resulted in a saving of \$9,000 in a total requirement of \$600,000.00. This is silly when the actual increase in the cost of education itself is perhaps 10 to 15 percent annually, and this is what local governments are faced with. My point is that as far as the 70-30 ratio is concerned - the whole thing dovetails - the cost of education, the provincial contribution, all has a direct bearing on the ability or on the requirement that the local taxpayer, the ratepayer is required to pay.

The Honourable Member for Fort Garry indicated yesterday that in the particular R. M. of Fort Garry that the increase in school grant or school levy was 7.92 I believe it was, 7.92. Well there is no municipal council that can contend with this. As the Minister is well aware, Mr. Chairman, most municipalities can keep pace with the overhead of the administrative costs through the normal growth in assessment. Most municipalities can do this, and many have done this, but they cannot keep pace with the increased costs in education. Now it was indicated to me and I asked the Minister last evening at 10 o'clock as to whether or not my

(MR. HARDY cont'd.). . . . interpretation of his remarks last evening were such that in fact the provincial government is not going to increase aid to municipal governments in the cost of education. This was my interpretation of it and I think, as I say the Minister is in a position knowing full well the impact that the cost of education has on the homeowner. Now many of them, many of them are not in a position to hack it. They really aren't and in many instances, and there are few municipalities that are in the position that the City of Winnipeg is in when it struck its mill rate this past month. Mind you, there is a considerable increase in the assessment there itself, which is offset or could be offset by any increase in the mill rate. . . .

MRS. TRUEMAN: doesn't have an auditorium to sell?

MR. HARDY: No unfortunately we don't have an auditorium to sell - we have not reached that point. I think it was a tremendous political move but I don't think in all fairness to the citizens of Winnipeg - and I have no intention of getting into the politics of the City of Winnipeg - that this was a good move on their part; because if that is the case, and the Honourable Minister of Labour indicated that he would consider other requests from other municipalities in taking over some of the public buildings that are in effect owned by municipalities - but this is beside the point at the present time. But I think as the Minister of Agriculture has stated just a few moments ago, that with repetition maybe some of this will rub off; maybe some of this will rub off. I am suggesting, Mr. Chairman, to the Minister that they consider, they have to consider, they have to consider an increase in the Foundation ratio 70-30, because quite frankly, the 30 percent that is the responsibility of the Municipality or of the school districts -- and as the Minister is certainly aware, the local councils have no jurisdiction over the amount that is required by local school boards. But the Minister I'm sure is well aware that this ratio if it is retained, has in fact, not only this year but in future years, next year probably will be worse, it probably will be increased again, the amount of monies that are required under the special levy by local municipalities in order to cover the cost of education.

I would hope, Mr. Chairman, that I misunderstood the Minister last evening when he did in fact, according to my interpretation, indicate that the cost of education, the responsibility of education is going to be that of the municipal people, the responsibility of the municipalities. And I agree that perhaps to a point this should be the responsibility of the municipalities, but I think a stage effort has to be introduced into this whole question of educational costs, and I believe there is a resolution, a Private Member's Resolution here to the effect that this be increased in stages; otherwise, as I say, Mr. Chairman, and I'm sure the Minister is well aware of it, local municipalities, the local taxpayer, especially those that are on the fixed income, and as I say this is intermingled and is part and parcel of the problems that are facing some of the municipalities, and there is a very distinct relationship between the cost of education and some of the problems that are being faced by local municipalities and the taxpayer themselves.

So I would suggest, Mr. Chairman, that perhaps, perhaps the Minister can convince his colleagues that additional monies have to be injected by the provincial government into the cost of education. We have, we have Mr. Minister, and as I say, I respect the knowledge that you have inasmuch as being a former municipal man, you are cognizant of the problems that are at that level and it is essential that additional monies be injected into the municipal coffers in order to offset this tremendous ever-increasing cost of rising cost of education.

MR. CHAIRMAN: The Honourable Member for Riel.

MR. CRAIK: Mr. Chairman, I think gradually and slowly we are getting down to the meat of the matter with regards to the grant to the public school system. Last night as we closed off I believe that the Minister was beginning to agree that possibly, in fact the lowering of the Foundation levy had in fact drawn off provincial dollars from the Foundation Program, although he insisted on coming back to saying that there was a surplus existed and he wanted to pass this surplus on to the taxpayer. A surplus of a few thousand dollars and in order to pass it on to the taxpayer, he had to take away 4.2 million dollars in order to do it. I can't honestly believe that the Minister believes in this technique of providing assistance to the public schools - that in order to save them \$100,000 you take away 4.2 million, because this is effectively what has happened. Now perhaps this issue is too complicated for people that aren't conversant in it to understand, so perhaps the easiest thing to do is to say that if you lower the Foundation levy by one mill, you automatically shove up the special levy by two and a third mills. So let's not talk about dollars, let's just talk about what the provincial government did to the special levies in fact, when it lowered the Foundation levy by 1 mill. Now you

(MR. CRAIK cont'd.). . . . can throw in all sorts of fudge factors, dingle factors, actual assessments, equalized assessments and everything else if you want to but in actual fact in round figures, that if you reduce the Foundation levy by one mill assuming your costs are not going down - and nobody is going to say that education costs are going down - then you automatically to make up the amount that the provincial government has pulled out of the program, shove up the special levy to fill the gap by at least two and a third mills. And it's as simple as that.

And the Minister has come in here and tried to sell the reduction in the Foundation levy as being an assistance to school boards. As a matter of fact when he introduced it three or four weeks ago he said that it seemed nonsense -- he made the statement that it seemed to be nonsense not to pass the saving on to the taxpayer. Now I ask you what is nonsense? To not pass on a few thousand dollars or to take away 4.2 million dollars, with the net result that you have the lowest increase to the public school system percentage-wise that is recorded in the annual reports in recent years? Now that's as far as the research has gone but I assume that the Annual Report is correct. And you can see what the increased costs have been ranging at anywhere from 8 to 12 to 13 percent a year and you can see that the provincial government has continuously been filling that gap with 8 to 10 to 12 percent a year, and this year we get four percent. And all of this with the background that the NDP has repeatedly stood for greater relief for property taxpayers. So the first chance they get what do they do? They actually shove a greater load onto the property taxpayer. They only meet by 50 percent what has been going on for years in the way of grants to the public school system, to the point where programs that are far more important than the programs that he has been talking about, new programs that he's been talking about, because I think a legitimate question would be - how much did all the new programs cost that you're introducing, that you've introduced, and then go to what's been happening in the Portage la Prairie School Division where you're cutting back on such things as remedial training, language instruction and a number of other areas, in relation to the programs which you've introduced. So the evidence is surely clear that the grants, the cutback in grants to the public school system in relation to what has been happening over the past few years is causing greater difficulty than has ever occurred in the public school system in recent years to the point where cutbacks are an actual necessity and increased mill rates where assessments have not gone up are running the order of 7, 8 and 9 percent; and where assessments have gone up this mill rate has gone down to the point where there is the odd case through new construction and reassessment, such as I believe the Minister's own area where he lives, the mill rate has not gone up. But this is not indicative of what has been happening in Manitoba.

But it is a hoax for the Minister to say that the reduction of the Foundation levy has done anything to help the local taxpayer, when in fact it's heaped a bigger load on his shoulders. And it has to be seen for what it is. The Minister knows and he can't stand there and repeat again that he had a surplus and wanted to hand it back. That's not the truth. There is no such thing as a surplus in the Foundation Program and he knows it. Because all you do is change your grants for transportation, for administration, for supplies, for teachers' salaries and you can create a surplus or you can create a deficit, and that's the only variable that's in the Foundation Program. The rest is spelled out by legislation. So the only control that the Minister has without changing legislation is to control the grant structure. It was his responsibility to do it, he had the freedom to do it and he did not do it. Lumping the grants together has not done a thing. It's simply a window-dressing; it's a tidbit, a crumb; it allows the school boards a little more flexibility but it doesn't give them one more dollar. The fact of the matter is that the only solution to it, and he had it within his power to do it, was to not weaken the Foundation Program but to improve the grant system within it; and instead of doing that the government has taken the opportunity to withdraw out of it over \$4 million.

The Minister repeats that he doesn't know where I get these figures so the only thing I can do is ask him the question: By how much was the provincial government's share of the Foundation Program reduced by lowering in 1970 the Foundation property levy from 10.9 to 9.9 mills on farms and homes and 34.9 to 33.9 on commercial and other property? Therein lies the answer. And if I'm wrong in my figures I'll withdraw them. I think the more important issue and the one that has always been used as a yardstick, if the Foundation system is too complicated for the average citizen to understand, they do understand the province's portion of the total cost of the public school education and perhaps the Minister would be good enough to indicate to us what percent of the total costs of public school education in 1970 is estimated to be paid from provincial sources.

MR. CHAIRMAN: The Member for Rhineland.

MR. FROESE: Mr. Chairman, I think the subject under discussion should be discussed very fully because this is the time to discuss it if ever you wanted to discuss it at the present session. I think the points that have been made by the Member for Riel and some others should be taken under consideration immediately.

I have never been sold on the unitary system to date; I believe that instead we should have brought in the pure risk system, giving the local boards more control and also to provide a forum with legal status so that citizens could participate in the discussions and also have a greater say in education and the cost of education in the Province of Manitoba. We had the greatest citizen say before the unitary system was brought in and through this system we lost the incentive to economize and I think this is showing up more and more and year after year as we go on, because any saving that the local board might make does not necessarily reflect a saving to the people locally, because under the unitary system the costs are being equalized across the province so that the reward for the local board to economize is lost to a large degree and I think is one of the main reasons why we find ourselves in the difficulty today. There is no point for one division to skimp on costs when the next one is being extravagant, and this can be the case.

Before we finish the Minister's salary, I would like to have a report of the Public School Finance Board. I think it is essential to have this report for our discussions here especially this morning, because I would like to hear from the Minister too whether there are any proposals that the government will be putting forward to the Public Schools Finance Board to exercise or bring in for this current year. Are any controls going to be exercised by this board, new controls? And in what way if so? It seems to me that this is an unpopular matter and that the government is hesitant to bring in controls because of trouble that might develop with certain groups. There also might be political repercussions here so that the matter is not taken in hand as it should be. Then, too, we know that under the present system the controls if they're exercised have to be controlled from the top down; and this can only be done through the Public Schools Finance Board as an agency of the government.

So I would like to hear from the Minister, get a report and I would like to hear more about the operation of the Public School Finance Board. What is being proposed. Are there any changes; are there any new proposals and are there any controls going to be exercised? Perhaps we should give a new assignment to the Boundaries Commission to look into the matter, study the school costs rather than the work that they're assigned to do now. I think this would be more important right now than the work that they are doing. And we're spending a considerable size of money for that purpose. Why not take those matters under consideration that are more important to the people of the province right now.

I do have some further matters but I think I'll raise them under the various individual items. But, Mr. Speaker, I think we should get more information from the government at this point as to what is being proposed and what will be done for the coming year.

MR. CHAIRMAN: The Honourable Minister of Education.

HON. SAUL A. MILLER (Minister of Youth and Education)(Seven Oaks): Mr. Chairman, perhaps I might deal with the questions posed generally because I think some of them overlap in any case. The Member from St. Vital who brought forward very eloquently the plea from his particular municipality, the problems that he feels they face. I am aware, as are members on this side of the House, and I think generally in the Legislature that the municipalities, the people at the local level are indeed faced with increasing costs through education in the Metropolitan area through the cost of the Metro levy and by their own programs that I'm sure they want to give their people and which the residents of the various municipalities ask for, even though sometimes having asked for them they then complain of the cost. The Member for St. Vital is aware as I am how often that happens. Delegations clamouring for certain things no sooner getting them, when the bill comes in the same people complain that they are not happy with the bill. And I'm not trying to in any way avoid the responsibility when I say that it is my intention certainly so long as I'm in this portfolio to do what I can and as quickly as I can to ease the -- or to change the method of financing education from one of imposing the large percentage of the cost on the local property taxpayer. I don't think it's the best way of paying for our taxes. It certainly makes it difficult for school boards as well as councils to deal with the matter. On the other hand, I believe I did say this in my preliminary estimates, that this particular year we have simply undertaken to hold the line as best we could. The expansion in

(MR. MILLER cont'd.). . . the provincial program was aimed in another area, the area of health and social development, an area that's equally as important as education, that affects people just as education does and which we thought needed considerable input, and this has been done; but we can't move in all directions at the same time.

The Member from Riel still feels that somehow somebody shuffled some figures and I have to be honest with him and tell him I just don't understand his figuring - and I say this in all sincerity. Last year what happened was that the Finance Board - and I think he knows probably better than I how the Finance Board operates - the Finance Board estimates in advance on how much they think will be needed for grants under the Foundation Program to various and sundry school divisions. Well it would appear that last year they overestimated and so they received more money by levying 10.9 mills than they needed and therefore they ended up in a surplus position. After all school board budgets had come in and after all payments had been made by the Finance Board they ended up with more money than they needed. The Finance Board is simply a body set up to deal directly with the school boards, to review their budgets, to screen their budgets and to make payments to the various boards of education, the school boards, in line with the grant structures that are established. Having done all this they then apparently, I'm told, found themselves in a surplus position. This surplus came about because of, as I say the 10.9 mills last year raised more than they had anticipated and the expenditures less than had been anticipated. So they simply gave back, and this is all that's being done here, they're giving back to the people from whom the money was collected, from the local taxpayer, they're giving back the money, and it turns out in this case, in this particular year, it's equivalent of one mill. So they're returning to the local taxpayer the money which was collected for them - perhaps unnecessarily, although not with any due intent but just because these things are projections and to a great extent some guesswork - they returned, refunded to the local taxpayer through the municipalities the one mill that had ended up a surplus.

The Member asked me what is the anticipated provincial share this year. The anticipated provincial share this year is - 77,592 is the amount that the Finance Board estimates will be the provincial share. Now as he knows, the Finance Board gets its money from two sources. Firstly, through the levy on the municipality, that's the 30 percent; and as it requires money it draws from the Consolidated Fund whatever money is required for the 70 percent portion. Now if they don't need the money then of course they can't draw on it and they don't draw on it. On the other hand, if by some miscalculation they had underestimated and the money that came in was inadequate, then of course they would have had to turn to the same Consolidated Fund, have asked for more money and would have had to borrow the portion that would otherwise have come in under the 30 percent formula from the municipality. They would have ended up in a debit position. This year they ended up in a credit position and so they're simply repaying to the ratepayers the monies which they had received from those same ratepayers a year earlier in order to keep their books in a balanced position. That's all that happened. There was nothing to suggest that this was a hoax; I think he's very unfair to the Finance Board. They are charged with the responsibility, they are capable people who are operating within the framework established for them, and I would suggest what they have done, what they have done this year is simply what any responsible body would do, returned to the municipalities the monies which the Finance Board didn't use and which in the final analysis was the public's or the municipal money in any case, and so they simply turned it back from the source from which they got it.

Last night the Member for Rhineland asked me a question regarding the Textbook Bureau and he asked is it a paying proposition. I think he mentioned that there was a monopoly and I suppose one could call it a monopoly, but it's a monopoly working for the people of Manitoba. The Textbook Bureau buys the books required. It operates a separate branch. It buys the books in bulk at the lowest possible price, and the cost at which they sell it to the school boards and the finance board is the cost plus whatever administration and handling there might be involved. This is a savings to the public. As a matter of fact, the private sector's pretty well completely gone out of it because they can't make money on the sale of textbooks. The purpose behind setting up the Textbook Bureau and handling it through them was that books and texts should be made available to the students and to the public at the lowest possible cost and this is what the Textbook Bureau does. It's not a money-making operation, it simply tries to cover its costs and that's all its function is. -- (Interjection) -- I beg your pardon?

MR. FROESE: What margin is there?

MR. MILLER: The margin will depend entirely on what they find. If at the end of the year they've made money, they'll simply keep it in the fund and next year will charge less in order to dissipate the surplus, if any. My understanding is that this is not a money-maker and it's not a revenue for the province at all. -- (Interjection) -- I don't know the margin. The margin is sufficient to cover their handling, that's all I do know. It's sufficient to cover the freight, shipping costs, the space they use, their handling, the cost of the staff that's on hand, particularly during peak periods to fill orders and ship them out to the various school boards. Many of them are term employees and when the pressure eases they go back to a fairly small compact number of employees.

He also asked a question with regard to the library grants to schools and I undertook to give him the answer. The grant is \$450.00 per authorized teacher and it's the Instruction and Supply Grant which includes library books, of which a minimum of \$60.00 per authorized teacher must be spent on the library or reference books. It's either/or; I mean the school and the school divisions have their choice of whether it's straight library books or reference books they wanted to buy.

He also asked the question, referring to the annual report of the department, that there were 659 teachers receiving their certificates in June of 1969 and he wanted to know what the up-to-date figure was. I can't give him that information because the class doesn't graduate until June of 1970, and in June of 1970 we'll know at that time how many teachers received their certification because in mid-term of course we don't know how many are going to get through. Now I'm assuming that's the question he asked me and therefore the only answer I can give him is we'll have to wait till June '70 to see how many graduates.

I believe I've answered most of the questions put to me. I may have missed -- if I did, I may have missed some inadvertently. Oh yes, here's one. The Leader of the Liberal Party, the House Leader, brought up the problem of Portage la Prairie and the fact that they are considering eliminating certain programs. I believe that the announcement that I made the other day with regard to the increase in technical vocational education should help somewhat in this direction. The one dealing with the special education would also I think help the Portage la Prairie Board because it's in these areas that I know that there is a great deal of pressure, and so those two increases in the grant formula, the grant structure, should help the Portage la Prairie Board somewhat.

MR. CHAIRMAN: Before we continue, for the information of members I might point out that we've now passed the halfway mark in the estimates. We're at 40 hours and we've completed four departments. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Thank you very much, Mr. Chairman. On three different occasions now the Minister has been asked to explain, or has been given the fact that \$4.2 million has been an additional charge to the people of Manitoba over and above the Foundation Grant - an increase. He has not explained properly. But I would say to the Minister that if he's been caught trying to pull a snow job, don't be ashamed to admit it, but don't say that you can't understand it, because when I go back to my constituency, Mr. Minister, the people in my constituency aren't concerned about what your Foundation Grant is, they're not concerned about what the special levy is, what they are concerned about is the total school tax that they have to pay this year.

Now I spoke earlier on this and I explained that the people in my area are concerned. I gave examples, and I would like to give them again. I'll give you the example of two pieces of property, one in Pelly Trail School Division and one in Birdtail River School Division. These involve a quarter-section of land and this is the total school tax that is paid on these properties - and I'm using the last three years, '68, '69 and '70. There is a very good reason for this because in '68 we went to the Unitary School Division and it was very difficult to amass figures before that. In 1968 on property A - and this is a quarter-section of agricultural land - the total school tax was \$79.35. In 1969 the total school tax was \$78.00, for a decrease of \$1.35. In 1970 the total school tax on that same piece of property was \$108.00, for an increase of \$30.00 or a percentage increase of 38 percent, a 38 percent increase in the total school tax paid on that property from 1969 to 1970. On property B, which is in the other school division, in 1968 the total school tax was \$82.95. In 1969 the total school tax was \$93.02, for an increase of \$9.07. In 1970 the total school tax will now be \$147.66, an increase of \$54.64 or a percentage increase of 58 percent, a 58 percent increase in real property tax on a quarter-section of land.

Mr. Chairman, this happens when the agricultural community is suffering severe

(MR. GRAHAM cont'd.) . . . hardships. Wheat appears to be almost a dormant, non-saleable product; the farmer is suffering for lack of income and yet he faces himself, or he faces a 58 percent increase in total school tax. Mr. Chairman, I think that this is an undue hardship placed on the shoulders of the farmer who is in a very difficult position today. The Minister had said yes, they could probably change the program. He said there are other ways, but he was a little worried about what type or what other means should be used if you reduce the tax on real property. But, Mr. Chairman, last fall in this House we heard this from the Honourable Minister of Finance in his budget speech. He said, "We have always stressed the fact that in providing for this equality of opportunity there must be an equitable contribution to the cost of government based on the application of the principle of ability to pay." -- (Interjection) -- These are your words; whether I agree or not is immaterial.

MR. CHERNIACK: May I ask the honourable member. . . .

MR. GRAHAM: ". . . in all of the measures recommended by this party, we have recognized that money must be made available to support them. It is our intention to rely more heavily on income taxes in achieving this and we propose to recommend that appropriate action be taken at this time. I will introduce at this session a bill designed to increase such personal and corporate income tax rates to become effective next year. This will help to relate the provision of essential public services through a financial structure based upon the principle of ability to pay."

Mr. Chairman, if the Minister believes in this ability to pay and you apply the principle to education, the farmer is now placed in a position where he is facing a 58 percent increase in his real property tax and he hasn't got the ability to pay; he has to go to the bank to borrow the money.

MR. CHERNIACK: Mr. Chairman, would the honourable member permit a question?

MR. GRAHAM: Yes.

MR. CHERNIACK: Does he agree or disagree with the statement that he attributed to me which he just read? Does he agree with the concept and principle?

MR. GRAHAM: In some measure, yes. I would dearly love to be in the position where I had to pay \$50,000 a year in tax. I would love to be in that position, but that can never happen because I will never have the opportunity of earning an income in this province as long as that government is sitting there. Mr. Chairman, we are now getting into an argument on the economics of this province and the opportunity to earn a living. I do believe that I can fairly say that I agree with some of the words of the Minister when he says we should have an equality of opportunity. I firmly believe in this, especially in the field of education, that there should be equality of opportunity. But it does distress me when we find a government that advocates the principle of ability to pay and they are doing the exact opposite and they are placing the burden for education on the shoulders of those that do not have the ability to pay. Thank you very much, Mr. Chairman.

MR. CHAIRMAN: The Honourable Minister has a question?

MR. CHERNIACK: Well, Mr. Chairman, I look across this room and I see a group of people who formed, or whose party formed the government for the last ten years and whose party I pleaded with to enunciate a philosophy of taxation - which it never did - and the gentlemen sitting there when they were on this side of the House never enunciated a formula or a policy on taxation which they felt was right but carried on with their administration in the light which they saw was correct, and I don't fault them for doing what they did in their concept of how one operates a government, but when it comes to a philosophy as to taxation, they are barren of ideas, Mr. Chairman, and to see the Honourable Member for Birtle-Russell get up now and attack us for not carrying through today with the long enunciated policy of our party is farcical. To think of him, who opposed the massive shift that we did last summer, which the First Minister has said and it has not been challenged was the largest massive shift in the history of this province, from the most regressive form of taxation, the premium, a flat premium tax which that government supported and carried out, when we carried out that massive shift on clearly the ability-to-pay principle, how did the Honourable Member for Birtle-Russell vote? How did he vote? What did he say? What position did he take and that of the other members of his group? They were in opposition; they said the principle may be all right but we don't go along with it.

Now, I'd like the Honourable Member for Birtle-Russell, who read from the speech which I made last summer, to tell us, instead of talking about our policy, what is his policy.

(MR. CHERNIACK cont'd) . . . How would he do what he wants to see done? What would he do to provide the money? A flat premium tax? That's what he supports, a flat premium tax which is regressive and hits all people regardless of their ability to pay equally. That kind of equality is the kind of equality he supports. But why doesn't he stand up when he speaks about this and tell us what he believes in? Now he said: I believe generally this is all right and I'd love to pay \$15,000 a year tax. --(Interjection) -- Oh, he wants to pay \$50,000 a year tax. And so would we, Mr. Speaker, but we do it and he didn't; he opposed it. We did say that those who earn substantial incomes should contribute more and more and more than those who earn much less and he opposed it. So what's he talking about now?

The Member for Morris sitting there in his seat supports him - supports him - and the Member for Rock Lake nodded his head in great agreement. These are the great progressive people of the Progressive Conservative Party. These are the people that when it came to a massive shift in tax - how long ago, seven months ago or thereabouts? - opposed it. And now they're saying to us: why don't you carry out your election promises? You know, Mr. Chairman, we will, we certainly will, and we'll do it before the next election and they will oppose us. I don't say that we're going to do it to the full extent that we want to, but let me tell you that in the period of nine months that we've been in government we've shown exactly what we believe in and we have marched - we've run towards that objective, and what we've had to do is drag along the Progressive Conservative Party to screaming and yelling but they are still with us today and they are still screaming and yelling but on the other way. Suddenly, we find the Member for Birtle-Russell has reversed his course and he's now running -- I don't know, he's running backwards, ahead of us, in some direction which I can't see because he has not yet told us what he would do. Now let --(Interjection) -- Did you want to ask a question?

MR. GRAHAM: You wanted to ask me what I would do?

MR. CHERNIACK: Yes.

MR. GRAHAM: Mr. Chairman, I'm pleased to have the opportunity that the saint from John's constituency gave me. He tells me that we are the party who is at fault. He says that they have a program that is good. I'll accept what they say, but they are not consistent. They bring in a policy -- he stands up there hoier than thou on Medicare, and what does he do in education? He socks it to the ratepayer heavier than ever.

MR. CHERNIACK: All right. I have taken back the floor because obviously the honourable member does not want to answer my question and it's obvious why. He can't. I asked him - I asked him -- I'll deal with the Member for Riel in a moment because I can only concentrate on one at a time. Now the Honourable Member for Birtle-Russell was asked by me whether he would enunciate the policy of how he would carry out the program, where he would get the money that would be used to reduce this form of taxation on real property. And instead of that - and I invited him to interrupt me to answer the question - he did not. All he did was turn around and start attacking us again. But the least he ought to do, the least he owes it to his electorate and to the electorate of the Province of Manitoba is to try to make us understand his policy and his approach. Now does he . . .

MR. GRAHAM: I will say this and I've said it before, that I believe the sales tax is the fairest form of taxation.

MR. CHERNIACK: Well then that's fine, Mr. Speaker. Is the honourable member prepared to double the sales tax? The sales tax brings in something like \$60 million a year. The Honourable the Minister of Education informs me that \$60 million will not in itself remove the entire load. Right? Is the Honourable Member for Birtle-Russell prepared to increase the sales tax from 5 percent to 10 percent or to 12 percent? Is that what he means?

MR. GRAHAM: Give us the opportunity.

MR. CHERNIACK: Ah, good. The Member for Birtle-Russell, representing a party that spent ten years here to carry out a program, and now he says "Give us the opportunity." When they had the opportunity they imposed a flat premium tax for medical health services. Premiums, that's what his government used. But now he says give us the opportunity. After ten years of opportunity, he now wants a chance to do what? He didn't say he would increase sales tax to 10 percent or 12 percent. He was careful not to say that, because when I asked him if he would he stood up and he didn't say yes, he didn't say no, he said, "Give us the opportunity?" --(Interjection) -- And he is blushing now, no doubt about that.

MR. HENRY J. EINARSON (Rock Lake): Would the Honourable Minister permit a question?

MR. CHERNIACK: Oh yes.

MR. CHAIRMAN: The Member for Rock Lake.

MR. EINARSON: He brought in the Medicare premium in this debate. I'm wondering can he contemplate how much the government is going to realize in the collection of six percent in personal income tax and two percent on corporate income tax that he never told the people one word about when he was campaigning about reducing the premium.

MR. CHERNIACK: Well now, Mr. Speaker . . .

MR. GREEN: We sure did. We sure did.

MR. EINARSON: You never said one word.

MR. GREEN: That's a lie.

MR. EINARSON: You said not one word about it.

MR. GREEN: That's a lie. We said it in the House and we said it on the hustings.

MR. CHERNIACK: Mr. Chairman, the Honourable Member for Rock . . .

MR. CHAIRMAN: Order.

MR. CHERNIACK: The Honourable Member for Rockwood sat in this House on this side somewhere, towards the middle, and if he listened at all he certainly heard everything that we had to say on this question of taxation for all the time that he was here, and if he paid any attention at all then there is no doubt in my mind that he had to know what our policy was. When we went out on elections, and I don't mean the last election alone, but every time we've stood up on the election platform we have clearly stated that we insist that there should be a shift of the burden of taxation onto an ability to pay tax and we spelled it out. And we said income tax and we said corporate income tax and we did it clearly and loudly and often, and for him now to suggest that we did not do so is just ignorance, just ignorance on his part.

MR. GREEN: I'll show it to you in my literature.

MR. CHAIRMAN: . . . interrupt the Minister or the debate, but I hope that we're not going to deal at too great length with the question of Medicare premiums because we are discussing the Department of Youth and Education, and I would ask the members to redirect their thinking to the department at hand and only bring in perhaps analogies or references but not to turn the debate into a discussion of Medicare exclusively.

MR. CHERNIACK: Mr. Chairman, I am really talking about the burden of taxation on the real property taxpayer to the extent to which he has to pay for a portion of the cost of education, and I will say that this is a less regressive tax than is a tax such as a flat premium tax imposed by the former government in connection with health services. I have difficulty to distinguish between the importance of the provision of health services to the people of Manitoba and the provision of education, but at least on the real property tax the basis for payment, the calculation, is related to the value of real property in which you are living or which you occupy and own, and therefore there is a difference between what the Honourable Member for Birtle-Russell pays in real property tax and what he would be paying if he were able to pay a \$50,000 income tax which he so earnestly wants to do. Because there isn't the slightest question in my mind that if he were able to pay a \$50,000 income tax he would be living on a scale which no doubt would be better than the scale he's living in now and therefore his real property tax would be greater, but if he were following his party's policy of a flat premium tax then he would be much better off being in that higher income group by paying a flat tax for education and I think that that's what he would support.

I think that's what he would support when he said give us a chance, because I'm still not sure whether he's willing to raise the sales tax to 10 percent or 12 percent; I'm not sure of that. But I am willing, with his support, to very earnestly explore that -- very earnestly explore that -- and if he will indicate the support of his party and his group, and I would hope that when a man speaks such as he did that he's reflecting the sentiments of his group, maybe it's not too late, maybe it's not too late for us to get into the question of doubling or more the sales tax in order to make that quarter . . .

MR. CRAIK: On a point of order, Mr. Chairman, are we talking on education estimates or not? The Minister has talked for ten minutes, for ten minutes, and he's drawn the old red herring out again the same as he has done previously before . . .

MR. CHERNIACK: Is that a question?

MR. CRAIK: . . . and not a word about . . .

MR. CHERNIACK: Order. Order, Mr. Chairman, on a matter of privilege.

MR. CHAIRMAN: I believe that I did direct the Minister and it seems to me that he has

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MR. CHAIRMAN cont'd . . . intended to go back to the department, so I will listen to him .

MR. CHERNIACK: Mr. Chairman, I'm talking on the . . .

MR. CHAIRMAN: No, I'm sorry. Maybe I could explain myself. For clarification, I earlier directed the Minister to deal with the department and I believe that he has taken my advice and is in general on the topic. I will watch him closely.

MR. CHERNIACK: I want to invite the Honourable Member for Riel to interrupt me at any time on a point of order or on a matter of privilege or to ask if I will entertain a question, but I would not accept his right to say he would like to ask a question and then make a speech. So I make it clear to him that I would accept any of those three interruptions.

A MEMBER: On a point of order, he didn't get up on a question at all.

MR. CRAIK: On a point of privilege this time, Mr. Chairman, the point I made was a point of order, it was not a question.

MR. CHERNIACK: Well then if it's a point of order, if that's indeed what you did, all you had to do was to indicate that in your opinion I wasn't speaking on the subject. Now the peculiar thing with the Honourable Member for Riel is that he feels, and other members of his party - and I think the one who sits right behind him is the one who accused our party, our government of taking up their time in order to talk on these estimates - and the Honourable Member for Riel to day spoke on the question of real property taxation in connection with the education costs, and if I'm not speaking about that, Mr. Chairman, then I can't imagine what else the Honourable Member for Riel could conceive that I'm trying to talk about.

MR. CRAIK: Well I'm listening, so give us some answers.

MR. CHERNIACK: I gave the answer of what we're doing . . .

MR. CRAIK: You've given us no answers at all.

MR. CHERNIACK: Now again, will the Honourable Member for Riel want to ask a question?

MR. CRAIK: Certainly, I'll be very pleased to ask you a question. I'll ask you a very direct one: I'll ask you the same one I posed to the Minister of Education for about the fourth time. Certainly I'll ask a question.

MR. CHERNIACK: Go ahead.

MR. CRAIK: When you lowered the mill rate on the foundation levy by one mill, does it not put up the special levy by two and a third mills unless you change the proportions in the levy? Now answer that, because the Minister of Education doesn't know.

MR. CHERNIACK: Mr. Chairman, now if the honourable member will sit down, and I'm glad he did, but will he stop talking while he's sitting. The least that I could expect from the honourable member is that while he is seated and out of order he should not open his mouth except to breathe. Now the answer to his question as far as I'm concerned is "no", and I am not bound to continue a debate with him on his subject matter. I was speaking, I rose because of things he said about this government and about what the Member for Birtle-Russell said, and I still ask -- no, I'm prepared now to ask the Honourable Member for Riel, are you prepared to increase the sales tax to the amount required to provide a shift of the burden of taxation from real property or not? Then the Member for Rockwood . . .

MR. CRAIK: You answer my question, I'll answer yours.

MR. CHERNIACK: I'll come back to you. And the Member for Rockwood now denies his responsibility to his electorate. He is not prepared to state to his electorate and the electorate of Manitoba what he believes is the method in which to do it. Now when I sat - and I think I sat in the seat he's sitting in, at least I was sitting awfully close to where he's sitting - I was prepared to give an opinion as to what I would do and I did it loudly and clearly. And I took the responsibility and maybe that's why - not because I spoke but because of what we said, maybe that's why we're on this side of the House and maybe that's why the honourable Member for Rockwood finds himself on that side of the House, because they do not have the courage and they do not have the integrity to state clearly and positively what it is that they would do in order to make that shift.

MR. CRAIK: Would the Honourable Minister -- may I ask a question? Is he talking . . .

MR. CHAIRMAN: The Member for Emerson I think wanted to ask a question.

MR. GABRIEL GIRARD (Emerson): Would the Minister entertain a question?

MR. CHERNIACK: Yes.

MR. GIRARD: I ask this with some degree of admiration. I wonder if the Minister of Finance is as convinced as he has displayed that the Minister of Education needs the protection

(MR. GIRARD cont'd) . . . that's he's been given.

MR. CHERNIACK: Mr. Chairman, I was elected to this House just like was the Honourable Member from Emerson, and I have a duty as he does to speak the mind that I have on certain subject matters as a representative of the constituency I represent, and if he feels that I don't have the right to speak let him say so. But if ever, if ever I saw a person who doesn't need protection, that's the Minister of Youth and Education of this government, but maybe he needs some support in having to stomach some of the guff that we hear from the other side.

Mr. Chairman, I would like to hear positive plans that we can discuss with the opposition. And in saying that I repeat that we had a platform; we had a policy; we enunciated it before the election many times; we have enunciated it since. We still believe in the principles we have espoused before and that is a shift of taxation in such a way as to benefit the people in the lower income group. We believe in taxation on the ability to pay principle. We have found nothing but obstacles put in our way by the official opposition, and I remember clearly that the Liberal Party was in support in the general principle of the increase that we put through on Medicare.

Now I said also that I would expect that before the next election we would have made some further steps in that direction. We will never ever accomplish all that we want to do, because as we go along and as life progresses we hope that we will foresee the needs of the people and try to meet them. But I would yet challenge the official opposition and the Member for Riel and the Member for Birtle-Russell and the Member for Emerson, and maybe especially the Member for Emerson because I think that he has a more progressive mind in terms of service to the people, what would you do if you have the chance that we now have to shift burdens of taxation. What policy would you have; what would you carry out? As far as I'm concerned, only the Member for Birtle-Russell so far has indicated that he would increase sales taxes, and I assume he's got to go to a 10 percent or maybe a 12 percent sales tax.

MR. CHAIRMAN: The Honourable Member for Riel.

MR. CRAIK: Mr. Chairman, this is the third time this session that the Honourable Minister of Finance in his very eloquent way has found it necessary to come to his feet to save the day for somebody who is in trouble. It happened in Agriculture, it happened in Highways and now it's happening in Education, because trouble is what you are in, Sir, with regard to your policy in the financing of public schools education. Of all the gall, the Minister of Finance - and he's pulled this out three times now, this diversion away from the point in question, which is the financing of public school education, over to what has been done in the case of Medicare, and in addition to that has made the statement here that property taxation is equitable taxation.

MR. CHERNIACK: Mr. Chairman, on a point of privilege, I never used that word; I never said that. I said it was less regressive than flat premium tax.

MR. CRAIK: Well he almost tried to imply that the person living in the senior citizen's home is not paying property tax through the rent they pay, that the old age pensioner living in a \$4,000 assessed home is not paying property tax. There is nobody that doesn't get hit by property tax in a very unfair way.

MR. MACKLING: On a point of privilege, is an honourable member of this House allowed to imply in such a deceitful manner the thinking of another member? I ask you, Mr. Chairman, is he not out of order?

MR. BUD SHERMAN (Fort Garry): On a point of order, Mr. Chairman, he is doing precisely what the Minister of Finance did with respect to members on this side.

MR. MACKLING: This honourable gentleman is standing in his place and making assumptions that are absolutely deceitful.

MR. CRAIK: I would like the Minister of Finance to verify what the Attorney-General has said, or anyone else, the Deputy House Leader - the House Leader is not here - if he thinks in fact that's what I am doing.

MR. CHAIRMAN: May I remind members that they are of course not allowed to impute motives and that in the event of a dispute I think that we must take the word of the spokesman as to what he in fact did say. I believe that the Member for Riel is giving his interpretation of the Minister of Finance's remarks.

MR. CRAIK: Well the Minister of Finance said that the premium taxation on Medicare premiums was a much less regressive tax -- or much more regressive tax than taxation on property, in effect giving an endorsation of the principle of taxation of property for certain

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(MR. CRAIK cont'd) . . . purposes, so in the order of priorities thereby indicating that property taxation was not hitting the same way at the same people that the taxation on premiums for Medicare was, and of course -- am I making a deceitful statement? --(Interjection) -- If you would have waited half a minute . . .

MR. MACKLING: Mr. Chairman, on a point of privilege, I'm not prepared to await a long discourse of innuendo and false assumption to finally get a factual statement.

MR. CRAIK: Mr. Chairman, I would like in this House equal rights. If what I am saying is not exactly what the Minister of Finance just spent 20 minutes doing, but much more so --the fact of the matter is that you were on this side so long you knew how to dish it out but you don't know how to take it, so when we stand up on this side you don't know how to take it. Your skin has suddenly got much thinner over there but it's got good reason to get thin. You better get it thickened up because you are going to have to have it to ward off the real legitimate criticism of what you are doing with regard to public school financing. And you still didn't answer my question. I am not going to ask it again because you want it for another excuse to get back up. You answered the question that it does not put property taxation up when you lower the Foundation Levy, which only indicates that not only does the Minister of Education not know what he was doing but neither did the Minister of Finance. He starts out --(Interjection) --

MR. CHAIRMAN: . . . ask the Member for Riel to make his point.

MR. CRAIK: All right. Mr. Chairman, I'm coming back to the point in question, and the point in question is the financing of the school system. The Honourable Minister of Finance . .

MR. CHAIRMAN: I don't wish to interrupt him but I would like to say that I believe he has made about three speeches on this. I am not going to cut him off but I would only remind him that there is such a thing as repetition in debate. I think it's in order for him to make a brief statement in reply, but I would also remind him that he has made numerous speeches on this very topic and to bear in mind that there is a rule on repetition.

MR. CRAIK: Mr. Chairman, I'll speak on this until next fall if I have to to drive the point home to these people exactly what they are doing, unless in the meantime the Member for St. Boniface decides that he's going to call an election.

Let me come back to the point why I rise. The Minister of Finance stood up and in his opening statement suggested that the previous government presumably had no policy on taxation, and there could not be a more ludicrous statement if you are talking about taxation for the purposes of education. Of course he didn't say that, he went immediately off onto that diversion over on the other side. --(Interjection) -- Well I certainly will answer it because it's not hard to answer. Look what was done for the financing alone - and we're talking about financing, we're talking about taxation. The evidence speaks for itself. You pick up the annual report, read through it - the annual report on education - what have been the increased grants to the public school system over the past ten years I ask you. You go down through the list, and I have given you these before and you are familiar with them, they range from 13 percent down to 8 percent, in that range over the years. We come to this year and the increase to the public school system is four percent, and he has the audacity to stand up there and suggest that previous years there was no taxation policy.

Well, thank God there was no taxation policy if what he is doing is called a policy, to shift the load - talk about taxation shift - to shift the load off the provincial government onto the property taxpayer for schools, because that is what he has done and he can't deny it. So rather than getting up and giving us all this political folderol for the fourth and fifth and sixth time about the inequitable taxation on Medicare premiums, get down to the point. In fact what he has done, he's decreased a taxation of one sort for Medicare and socked it to the taxpayer for educational taxation in another area. And then he blames the previous government for not having a taxation policy.

MR. CHERNIACK: What is your policy?

MR. CRAIK: It's not what yours is my friend, I'll tell you that. It certainly isn't. Our taxation policy was to retain an equitable relationship between the provincial government and the local taxpayer in relation to the financing of education, and you can't say the same. And we are talking about education now, if you want to talk about something else later on in somebody's else's estimates we will talk about that when the time comes. In the meantime, I suggest the Minister of Finance just sit and take a little bit of his medicine and listen to what's going on. And I suggest again that he study the Foundation Program so that he knows how it works, because it's obvious that the front bench, the treasury bench does not know how the Foundation Program

(MR. CRAIK cont'd) . . . works.

MR. CHERNIACK: Would the member permit a question?

MR. CRAIK: Certainly.

MR. CHERNIACK: As I understand it, taxation policy relates to the manner in which funds are raised by a province to finance the needs. Now would he please enunciate the policy of fund raising and where the extra money would come from according to his group.

MR. CRAIK: Mr. Chairman, the Minister of Finance's statement regarding taxation policy was read by the Member for Birtle-Russell. There is nothing in there that can be quarrelled with; I agree with it. If you want a policy, I say our policies don't differ that much, but let me say to him that I would not disagree with him if he practised what he preached, because that is not what he is doing and he is moving in the opposite direction.

MR. CHERNIACK: Did you not vote against our proposal? A further question, Mr. Chairman. Did the honourable member not vote against our carrying out that enunciated policy on the question of a flat rate premium tax?

MR. CRAIK: Mr. Chairman, if the Minister will put that in terms of the financing of education, I'll answer his question.

MR. CHERNIACK: Would the honourable member then be prepared to vote for an increase in income tax or sales tax in order to further finance the province's share of education?

MR. CRAIK: If the Minister has a proposal to make we'll wait for it.

MR. CHAIRMAN: . . . to the honourable members that I have a feeling we are in a complete deadlock and that we are not especially making any progress at this point, so I would urge members not to deal unduly with this question and maybe some new material would be in order. The Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, I would just like to make one brief statement. Apparently the astronauts are down safe.

MR. CHAIRMAN: The Member for Emerson.

MR. GIRARD: Mr. Chairman I, like you, feel that maybe we haven't made a whole lot of progress in the last little while; however, I would like to say that this is a very important principle and it should not be disregarded. We are dealing with the financing of education, but not only in terms of dollars but we also include two very basic principles in the methods of financing education. First of all, one of the principles is: should education be financed by the province or by the local divisions in which schools are located? How much contribution should the province make towards the support of education in the respective divisions? Now that's one very basic principle. How much money comes from the province.

There is another very basic principle, and that is should the money come from a general levy on the entire assessment of the province or should it come from the provincial treasury which obtains its money in different forms of taxation. How much money ought to come from the general levy, the foundation levy across the province, and how much of it ought to come from the provincial treasury, both in terms of percentage and in terms of dollars.

Now I agree fully with my colleague the Member from Riel that the shift in education costs, or the shift in the taxation burden that has been made by the Minister might have well been politically wise, might have well been to some degree justified in some respects; it is, however, shifting the cost of education on those who have to raise money locally. It is in fact reducing the amount of contribution that the province has to make and increasing the amount of money that has to be levied locally on the special levy. Now the foundation levy is 30 percent of the total foundation program. The amount contributed by the government from the general treasury is 70 percent. It's a sharing mechanism. If you lower the dollar, if you lower the dollar that is included in the 30 percent, automatically the 70 percent portion becomes less, which means if you lower the general levy in the province you will get in fewer dollars and therefore the contribution made by the province is correspondingly less.

Now the cost of education as far as the schools are concerned is not going to change. The cost of the paper and the building and the salaries and the transportation is not going to change, the dollars are still going to be spent no matter where they come from. The difference is that we are shifting from one area to another the burden of paying for this cost of education. I believe that the lowering of the foundation levy was in fact going in exactly the opposite direction that your party has enunciated we should be going. We ought to be going in exactly the other direction. When you say we had a surplus and therefore we returned to those who paid that very surplus, I think, Mr. Chairman, that in those words the Minister is simply

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(MR. GIRARD cont'd) . . . looking for an excuse and that is a little bit flimsy.

The real reason for doing this I think is political popularity. If the Minister assumed the responsibilities that he should have assumed, the only direction he could have gone in was to change the grant structure in order to absorb or to make best use of the money that was obtained in the foundation levy, and by so doing would be relaxing or decreasing the burden that is almost unbearable, if not exactly that, by the local taxpayers that have to be paying a special levy directly to the school division. I think it's even more serious than that when you consider the time we find ourselves in and the economic recession that is occurring. I think that if you consider especially the rural areas where farmers are experiencing extreme difficulties, in view of that light, Mr. Chairman, I think that the step was a regrettable one and one that should not be extended in any way. Now I sympathize a little with the Minister because the Minister has a burden . . .

MR. CHERNIACK: . . . almost time for the Committee to rise. I would say in about 20 seconds.

MR. CHAIRMAN: Can the member wind up in a few seconds?

MR. GIRARD: I'll continue next time.

MR. CHAIRMAN: To be continued. Committee rise. Call in the Speaker. Mr. Speaker the Committee has directed me to report progress and begs leave to sit again.

IN SESSION

MR. RUSSELL DOERN (Elmwood): Mr. Speaker, I move, seconded by the Honourable Member for Winnipeg Centre, that the report of the Committee be received.

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

MR. SPEAKER: It is now 12:30. I'm leaving the Chair to return at 2:30 this afternoon.